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## Press Release

7 December 2017

### GFMA Statement on Basel Committee agreement

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**HONG KONG, LONDON and WASHINGTON, DC, 7 December 2017** – Following the publication today of the Basel Committee on Banking Supervision’s (BCBS) final package of Basel III proposals, Mark Austen, CEO of the Global Financial Markets Association (GFMA), said:

“We welcome the reduced uncertainty resulting from BCBS’s finalisation of the Basel III package and appreciate the significant efforts of the Basel Committee in reaching this stage. We look forward to reviewing the details of the final standards in this package, so we can start to assess their impact on risk sensitivity in the capital framework. It is also important to review how, in aggregate across risk types, these proposals measure up against the commitment by the Governors and Heads of Supervision that the final framework would not increase significantly banks’ overall capital requirements.

“The BCBS has proposed that the measures should be implemented by 2022. Global regulators are at different stages of the rule making process and given the complexity and breadth of the new rules it will be vitally important that both the industry and regulators to ensure that banks have sufficient time to put in place the required infrastructure to comply with the new rules. National and regional legislators will need to foster cooperation to achieve cross-border consistency in the implementation of the current measures. This is necessary to ensure a level playing field and avoid market fragmentation.

“We also note that the BCBS has agreed to review these proposals. The BCBS has indicated that some elements of the final standards are likely to differ substantially from the initial proposals; the last opportunity the industry had to provide public comment. While we welcome the indicated direction of travel it is important to note that the industry has not had the opportunity to analyse the overall or business line impacts. Thus, it is crucially important that all impacts are carefully evaluated, including distributional effects, before they are implemented nationally. It is vital to guarantee that they are appropriately calibrated for the risks they are intended to address. In this respect we welcome the fact that the BCBS is reviewing some aspects of its previous proposals on the FRTB and NSFR and trust that it will apply similar scrutiny to the current package of measures, especially on SA-CCR.

“With the completion of this latest package of measures the banking industry looks forward to a period of stability to plan its future with confidence and certainty. We agree with the FSB that now is the appropriate time to assess the impact of the entire post crisis regulatory framework and we look forward to working with the BCBS and FSB in considering what refinement may be necessary. In doing so we will build on the GFMA recommendations set out in a report it commissioned from Oliver Wyman in 2016 which analysed the overall interaction, coherence and calibration of the post crisis regulatory reform measures.”

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**Notes:**

1. The Global Financial Markets Association (GFMA) brings together three of the world's leading financial trade associations to address the increasingly important global regulatory agenda and to promote coordinated advocacy efforts. The Association for Financial Markets in Europe (AFME) in London, Brussels and Frankfurt, the Asia Securities Industry & Financial Markets Association (ASIFMA) in Hong Kong and the Securities Industry and Financial Markets Association (SIFMA) in New York and Washington are, respectively, the European, Asian and North American members of GFMA. For more information, visit <http://www.gfma.org>.