Basel Committee
on Banking Supervision

Consultative Document

Consolidated Basel Framework

Issued for comment by 9 August 2019

April 2019

Consolidated Basel Framework

Introduction

The Basel Committee on Banking Supervision (Basel Committee) is the primary global standard setter for the prudential regulation of banks, as well as providing a forum for cooperation on banking supervisory matters. Its mandate is to strengthen the regulation, supervision and practices of banks worldwide with the purpose of enhancing financial stability.

To this end, the Basel Committee establishes and promotes global standards for the regulation and supervision of banks. Since its inception in 1975, the Committee has issued standards on many aspects of the prudential supervision of banks, starting with requirements that covered the cross-border supervision of banking groups. The Basel Framework now comprises risk-based capital requirements, a leverage ratio, and requirements for the management of liquidity and large exposures, as well as macroprudential tools. These standards establish minimum prudential requirements for internationally active banks. In addition, the Basel Committee’s Core principles for effective banking supervision (the Basel Core Principles) provide a sound foundation for the regulation, supervision, governance and risk management of the banking sector. The Basel Core Principles have wider applicability and are used by the International Monetary Fund and the World Bank to assess the effectiveness of countries’ banking supervisory systems and practices.

Basel standards are currently published on the website of the Bank for International Settlements (BIS), as a series of pdf documents. These publications may replace prior standards, amend existing standards or introduce new ones. But the current publication format, combined with the expanded scope of the Basel Framework, make it difficult for website users to find the standards that are currently in force, or track how the framework has developed over time and will develop in the future. To improve their accessibility, therefore, the Committee has reorganised its standards into a consolidated “Basel Framework”.

Structure of the consolidated Basel Framework

The Basel Framework appears on a new area of the Committee's section of the BIS website. It comprises 14 "standards", setting out requirements on specific topics, each of which is further divided into "chapters". This modular format will make it easier to maintain the standards over time.

The consolidated framework launched in draft form alongside this consultative document is based on standards effective as of 1 January 2019. Transitional provisions and other rules that expired before that date are not included.

The website enables users to view the requirements that will apply on future dates, ie taking into account standards that have been finalised by the Committee but are not yet in effect at the date the user accesses the website. This means that, for several chapters, there are current and future versions, with the latter generally coming into effect on 1 January 2022. Similarly, as the Basel Committee's standards are modified after 1 January 2019, the website will allow users to look back to the standards as they applied in the past.

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The Committee has, periodically, published answers to frequently asked questions (FAQs) to promote consistent global implementation of its standards. The consolidated framework incorporates FAQs alongside the requirements that they clarify.

Annex 1 sets out the source documents that were used in the creation of the consolidated framework. Annex 2 summarises the structure of the consolidated framework and the main components of each standard.

Content of the framework

The publication of the standards in the new format of the consolidated framework has focused on reorganising existing requirements. There was no intention to introduce new requirements or otherwise amend the standards previously agreed and published by the Basel Committee. In preparing the framework, the Basel Committee has taken the opportunity to simplify the standards where possible, clarify provisions known to cause confusion, integrate FAQs and delete redundant review clauses and other outdated provisions. This consultative document is accompanied by a mapping table to show the links between the Committee's published standards and individual paragraphs in the new format.

The preparation of the standards in the new format did, however, reveal some inconsistencies between Basel requirements as well as ambiguities that need to be addressed through policy changes. Such policy changes, which are not substantial but which cannot be resolved unambiguously based on the current text, would normally be subject to consultation as technical amendments. The Committee considers it to be most efficient to consult on all such changes together in the context of the launch of the consolidated framework. The proposed changes are described in Section 1 and have been incorporated into the draft version of the consolidated framework on the Basel Committee's section of the BIS website.

The consolidated framework also contains several new FAQs. These are listed in Section 2 for information.

The Committee has recently finalised revisions to its market risk standard (originally published in January 2016). This revised standard has been published according to the Committee's new format for standards and is included in full in the consolidated framework.

Legal status and implementation

The Basel Committee does not possess any formal supranational authority and its decisions have no legal force. The Committee's members have committed themselves to implementing and applying Basel standards in their domestic jurisdictions within the pre-defined time frames established by the Committee.

Therefore, the requirements set out in the consolidated framework (in the same way as the standards
previously published in pdf form) only apply to banks once they have been transposed into national laws
or regulations by the relevant authorities in each jurisdiction.

Basel standards are transposed into national law in a variety of ways across the Committee's
member jurisdictions. Given that the proposed technical amendments set out in Section 1 represent
changes in policy, members will be expected to implement them in domestic legislation.

Mapping table available at
Publication available at

As the changes proposed in Section 1 are not substantial in nature and, in the Committee’s view, contribute to a more coherent prudential framework, the Committee will encourage its members to implement the final requirements as soon as possible, and no later than 1 January 2022.

No other changes represent a change in the policy or requirements of the Basel standards, including the new FAQs set out in Section 2 and the various editorial changes that have been made to simplify and clarify the text of the draft consolidated framework. As such, their implementation in national regulations is optional. Nonetheless, the Committee believes that the publication of the standards in the format of the consolidated framework should promote consistent global interpretation and implementation of its standards.

Request for comments

The Committee welcomes comments on two issues by 9 August 2019. The Committee intends to finalise the first version of the consolidated framework shortly thereafter and to maintain it regularly.

Q1. Does the framework accurately, clearly and comprehensively set out the policy contained within the published Basel standards?

Q2. What are your views on the technical amendments in Section 1?

1. Technical amendments

1.1 Output floor before 2022

The risk-based Basel capital framework incorporates a floor to limit the extent to which modelled approaches can reduce a bank's capital requirement. From 2022, the floor will be based on the standardised approaches published in December 2017 as part of the final Basel III post-crisis reforms.

The requirements for the floor that will apply up to 2022 stem from the Basel II framework. These requirements refer to Basel I standards, which were in place before the Basel II framework was introduced.

It was recognised when Basel II was developed that such requirements could create operational issues.

Indeed, paragraph 49 of Basel II states: "the Committee recognises that floors based on the 1988 Accord will become increasingly impractical to implement over time and therefore believes that supervisors should have the flexibility to develop appropriate bank-by-bank floors that are consistent with the principles in this paragraph, subject to full disclosure of the nature of the floors adopted."

While there is more than one way in which the requirements for floors may be imposed while still upholding the general intent of paragraph 49 of Basel II, the Committee believes that floors based on the prevailing version of the non-modelled approach for each risk class, instead of Basel I, would achieve this aim. This is reflected in the 2019 version of RBC20 (see RBC20.17 to RBC20.18).

1.2 Clarification of the buffers framework

The Committee has agreed several amendments to the requirements on capital buffers to improve the operation of the capital conservation framework. These changes, reflected in RBC30, are as follows:

- clarifying that declared dividends, which have not yet been paid but which cannot legally be cancelled, are not taken into account when applying the capital conservation standards (see RBC30.5);
- amending the timing of capital distribution restrictions after a bank falls into its buffers from

"subsequent financial year" to "subsequent payment period", to reflect the fact that Basel Committee members expect to apply such restrictions immediately after a buffer breach (see RBC30.4); and

clarifying the frequency of calculation of applicable conservation standards, which the Committee expects should be recalculated at each distribution date (see RBC30.4).

1.3 Standardised approach for credit risk

1.3.1 Reference to the 1988 Basel Accord

Basel II states that "Exposures that are not explicitly addressed in this chapter will retain the treatment established by the 1988 Basel Accord for risk-weighting banking book exposures." The Basel Committee regards this sentence as redundant and so has deleted it from the 2019 version of the relevant chapter of the consolidated framework (CRE20).

1.3.2 Commercial entities

Under the standardised approach for credit risk, the risk weight applied to significant minority- or majority-owned and -controlled commercial entities depends on whether the investment is above or below a materiality threshold. Under Basel II and until end-2021, investments beneath the threshold are subject to a risk weight of 100% (see paragraph 36 of Basel II).

Under Basel III, applicable from 2022, the standardised approach was not clear as to whether the risk weight for investments beneath the threshold should remain at 100% or align to the risk weights for equities. The Basel Committee has aligned the risk weights to those for equities (see CRE20.62 in the version of the chapter applicable from 1 January 2022).

1.3.3 Treatment of multiple liens on regulatory real estate

Paragraph 65 of the standardised approach section of Basel III (December 2017) sets out the treatment of the loan splitting approach to residential real estate exposures. It also describes the calculation in cases where there are liens on the property that are not held by the bank. However, the specific cases that are set out in paragraph 65 can give incorrect results when the value of the bank's lien differs from the value of the loan, as can happen in some jurisdictions. The calculation has been corrected in the 2022 version of CRE20 (see CRE20.83).

1.3.4 Guidelines for implementing the mapping process

Annex 2 of Basel II (June 2006) sets out guidelines for supervisors in the process of assigning the credit risk assessments of an eligible external credit assessment institution (ECAI) to the risk weights available under the standardised approach. Given that the text of Annex 2 represents guidelines rather than minimum standards, they have been excluded from the consolidated framework and published as a separate document.

1.4 Standardised approach: credit risk mitigation

1.4.1 Eligible financial collateral

The Basel II and Basel III standards set out conditions for the recognition of securities as eligible collateral in the simple approach (see, for example, paragraph 148 of the standardised approach section of Basel III).

One condition for debt securities issued by sovereigns or public sector entities is that they are rated by a recognised ECAI. A strict reading of this requirement would mean that many short-term securities, such as treasury bills, would not be eligible, as they typically have no issue-specific rating. The credit risk mitigation standard (CRE22) has been amended to clarify that, in cases where debt securities do not have an issue-specific rating but are issued by a rated sovereign, banks may use the sovereign issuer rating as the rating of the debt security (see footnote 5 to CRE22.37 in the 2019 version and to CRE22.34 in the 2022 version).

1.4.2 The simple approach to credit risk mitigation and SA-CCR

The simple approach to recognition of collateral within the standardised approach includes certain exemptions to a risk weight floor of 20%. Paragraph 184 of Basel II and paragraph 153 of Basel III specify these exemptions in the case of over-the-counter (OTC) derivatives exposures. These paragraphs were intended to be superseded by the standardised approach to counterparty credit risk (SA-CCR), but due to an oversight, were not removed. To avoid any duplication of requirements, these paragraphs have been excluded from the 2019 and 2022 versions of CRE22 in the consolidated framework.

1.4.3 Treatment under the comprehensive approach of securities financing transactions covered by master netting agreements

The heading for paragraphs 175 to 178 of the standardised approach section of Basel III is: "Treatment under the comprehensive approach of SFTs covered by master netting agreements." This sets out a new methodology that was introduced as part of Basel III. However, the text of the paragraphs of this new

section refers to "repo-style transactions" not "SFTs". That is, there is a mismatch between the heading of the section and the paragraphs of the section.

According to the Basel definitions, the term "securities financing transactions" comprises "repo-style transactions" and "margin lending transactions". Therefore, references in paragraph 175 to 178 to "repo-style transactions" will be changed to "SFTs", thus removing any ambiguity over the treatment of margin lending transactions (see CRE22.62 to CRE22.65 in the 2022 version).

1.5 Internal ratings-based approach for credit risk

1.5.1 Sovereign exposures

The internal ratings-based (IRB) approach section of Basel III (December 2017) cross-refers to Basel II (June 2006) for the treatment of sovereign exposures. For completeness and to remove ambiguities, sovereign exposures have been included in the IRB chapters of the consolidated framework (CRE30 to CRE36). They have been included in a way that retains the main features of Basel II, such as the option to apply the advanced IRB approach and absence of input floors, but applies the other IRB changes introduced in Basel III to sovereign exposures on the assumption that they are not substantive for this asset class.

1.5.2 Definition of bank exposures

The definition of the bank asset class in paragraph 19 of the IRB section of Basel III (December 2017) is based on the equivalent definition in the standardised approach (through a cross-reference). However, the standardised approach has a completely separate asset class for "subordinated debt, equity and other capital instruments" and for covered bonds. The cross-reference means that the Basel III IRB standard may inadvertently exclude such exposures from the IRB bank asset class. Therefore, the definition has been amended within the 2022 version of CRE30 to include within the IRB bank asset class exposures to: (i) covered bonds; (ii) subordinated debt; and (iii) non-equity regulatory capital instruments (see CRE30.18).

1.5.3 EAD floor for retail exposures

The exposure at default (EAD) floor (ie the Basel III input floor) for retail exposures was mistakenly left out of the full text of Basel III issued in December 2017 (it was included in both the consultation document and the Basel III summary document issued in December 2017). Paragraph CRE32.64 (2022 version) of the consolidated framework includes the missing EAD floor for retail exposures.

1.5.4 Equity investments in funds

Under the mandate-based approach (MBA) of the capital requirements for equity investments in funds (EIF), published in 2013, banks are directed to use the current exposure method (CEM) in cases where the fund is permitted to have derivative exposures. When the SA-CCR was finalised in April 2014, it did not include the consequential edits to the EIF rules.

The EIF rules cannot simply be updated by changing CEM cross-references to SA-CCR cross-references. This is because the EIF rules do not simply refer to CEM, but instead base the treatment on a specific part of CEM, the “add-on factor”, which does not exist in the SA-CCR. Specifically, the EIF rules state in respect of derivative exposures of the fund: “Whenever the add-on factor is unknown, the maximum add-on factor of 15% applies.” The Committee has updated the EIF rules (see CRE60.7) by replacing the quoted sentence with the following “Whenever the aggregate add-on for potential future exposure is unknown, it will be calculated as 15% of the sum of the notional values of the derivatives in the netting set.”

1.6 Credit valuation adjustment risk

1.6.1 SA-CVA margin period of risk

Market participants have sought guidance as to whether a lower margin period of risk (MPoR) than the “9+N day minimum” as specified (in paragraph 30 of Basel III) in the standardised approach for credit valuation adjustment risk (SA-CVA) may be acceptable in cases where the relevant counterparty credit risk standard permits a lower MPoR.

Although the SA-CCR standard sets the minimum MPoR for derivative transactions to at least 10 days for transactions that are not centrally cleared, SFTs are covered by other methods to determine counterparty credit risk capital requirements (ie repo-VaR, internal models method, Comprehensive Approach), all of which set the minimum MPoR for SFTs to 4+N business days.

The final bullet point of paragraph MAR50.32 (2022 version) clarifies that the minimum MPoR for SA-CVA is set equal to 10 business days for derivatives and five business days for SFTs in the case of daily margining.

1.6.2 Splitting of netting sets

Regarding the revised CVA risk standard’s allowance for banks to carve out from SA-CVA calculations any number of netting sets and in turn apply the basic approach to CVA (BA-CVA) to those netting sets (paragraph 6 of the December 2017 Basel III publication), market participants have sought guidance as to whether such splitting applies only to contractual netting sets or whether legal netting sets may also be split into two synthetic netting sets.

Under the internal models method (IMM) approach for counterparty credit risk, it is common to
split a real economic netting set into two synthetic netting sets, with the first containing the positions that
can be valued with the IMM model and the second containing positions that are to be treated under one
of the standardised methods. In order to make this treatment consistent across both the counterparty
credit risk and CVA risk standards, the Committee has clarified in MAR50.8 (2022 version) that legal netting
sets may be split into synthetic netting sets when applying the carve-out only if either or both of the
following conditions are met:

the split is consistent with the treatment of the legal netting set used by the bank for calculating
accounting CVA (eg where certain transactions are not processed by the front office/accounting
exposure model); or

supervisory approval to use the SA-CVA is limited and does not cover all transactions within a
legal netting set.

1.7 Operational risk

1.7.1 Minimum observation period for loss data in 2022 standard

Under paragraph 19(a) of the operational risk section of Basel III (December 2017), banks are required to
use loss data observed over a 10-year period. The text also specifies that "when the bank first moves to the
standardised approach, a five-year observation period is acceptable on an exceptional basis when good-
quality data are unavailable for more than five years." The Basel III text is unclear, however, on the treatment
to apply when banks have good-quality data for any period between five and 10 years. Therefore, the

MPoR may be set at five business days for centrally cleared derivative transactions subject to the daily margin agreements that
clearing members have with their clients.

Committee has now specified in OPE25.15 (2022 version) that, where less than 10 years of good-quality
data are available, “all years of good-quality data available beyond five years must be included”.

1.7.2 Inclusion of losses and business indicator items related to mergers and acquisitions in the 2022 standard

The Committee proposes to amend paragraph 31 of Basel III (December 2017) in the 2022 version of
OPE25 of the consolidated framework. The amendment clarifies that the loss and business indicator (BI)
data of acquired businesses/merged entities should be included in the standardised approach calculation.
The wording “losses and BI items that result from acquisitions […] and mergers” was deemed ambiguous as
regards the scope of elements to be included (see OPE25.34).

1.8 Leverage ratio

The revised version of the leverage ratio standard published in 2017 (effective from 2022) did not include
a footnote in the version of the leverage ratio standard published in 2014, in the context of client clearing.
This footnote made clear that any “trade exposure” that a clearing member (CM) bank has to a qualifying
central counterparty (QCCP), which may be excluded from the CM bank’s exposure measure when the CM
bank is not obligated to reimburse its client for any losses suffered in the event of a default of either the
CM bank or of the QCCP, “includes initial margin, irrespective of whether or not it is posted in a manner that
makes it remote from the insolvency of the CCP”. The lack of this footnote in the revised standard has been
cited as a source of confusion with regard to any associated intended policy change implied by its
omission.

The 2022 version of LEV30 will clarify that a trade exposure includes initial margin, irrespective of
whether or not it is posted in a manner that makes it remote from the insolvency of the CCP (see footnote
9 of LEV30.26).

1.9 Pillar 2

1.9.1 Stress testing

The Committee's principles on stress testing were originally published in May 2009, as guidelines. A
summary of the principles was included as supplementary Pillar 2 guidance in paragraphs 75 to 83 of the
Committee's July 2009 publication Enhancements to the Basel II framework. The Basel Committee
published new stress-testing principles in October 2018 and has consequently updated the description of
the principles within SRP30, in the Pillar 2 standard of the consolidated framework (see SRP30.45 to
SRP30.47).

1.9.2 1992 standards on cross-border establishments of international banking groups

In 1992, the Basel Committee published Minimum standards for the supervision of international banking
groups and their cross-border establishments. Subsequent revisions of the Basel Core Principles have
superseded the 1992 standards and expanded on their content in many areas. However, the following two
specific practices set out in the 1992 standards were not superseded and have been included in SRP99.6
and SRP99.7 (Application guidance on Pillar 2):

Before giving consent to the creation of a cross-border establishment, home and host authorities
should endeavour to review and discuss their respective supervisory responsibilities and how they may promote effective cooperation in their supervision of the establishment. This also applies to
a situation where there has been a significant change in the bank's activities or structure.

Before giving consent to creation of a cross-border banking establishment, authorities that have
supervisory responsibility for the establishment should endeavour to discuss and agree on how
each will obtain information from the bank and from each other necessary for effective supervision.

Publication available at

1.10 Pillar 3 disclosure requirements

1.10.1 Simple, transparent and comparable securitisation exposures

The Pillar 3 standard published in January 2015 contained disclosure requirements relating to securitisation exposures in both the banking book and trading book. The disclosure requirements do not distinguish between simple, transparent and comparable (STC) and non-STC exposures. This is because the standard was issued prior to the update to the revised securitisation framework in July 2016, which includes the regulatory capital treatment for STC securitisations. The Committee proposes to incorporate additional columns/rows within existing templates in DIS43 (Securitisation) to capture information relating to STC exposures (see columns (b), (f) and (j) of Templates SEC1 and SEC2 and rows 5 and 7 of Templates SEC3 and SEC4 in DIS43).

1.10.2 Banks with insurance subsidiaries

Paragraphs 32 and 33 of Basel II require banks to disclose (a) the national regulatory approach used with respect to insurance entities in determining their reported capital positions; and (b) any surplus capital in insurance subsidiaries recognised when calculating the bank's capital adequacy. These disclosures were inadvertently omitted from the requirements published during the Committee's three-phase review of the Pillar 3 disclosure framework. The Committee proposes to add these disclosures to Table LIA (Explanations of differences between accounting and regulatory exposure amounts), which appears in DIS30 (see row (d) of Table LIA).

1.11 Terminology

The current Basel standards use "special purpose entity" (SPE) and "special purpose vehicle" (SPV) interchangeably and without making a clear distinction between the two. For example, in the December 2017 Basel III standard, the requirements on the standardised approach for credit risk use SPV, while the amendments to the IRB requirements use SPE. The current Basel standards contain only one definition for either term. Paragraph 21 of the securitisation framework published in July 2016 defines an SPE as “a corporation, trust or other entity organised for a specific purpose, the activities of which are limited to those appropriate to accomplish the purpose of the SPE, and the structure of which is intended to isolate the SPE from the credit risk of an originator or seller of exposures. SPEs, normally a trust or similar entity, are commonly used as financing vehicles in which exposures are sold to the SPE in exchange for cash or other assets funded by debt issued by the trust.” To promote consistency across the framework, references to SPVs will be replaced by SPEs.

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2. FAQs

Table 1 summarises the FAQs included in the consolidated framework but not previously published.

New FAQs Table 1

Topic	Reference	Summary of clarification
Capital buffers	RBC30.4 FAQ1	Clarifies banks’ ability to make distributions that lead to capital ratios falling into the buffer range
Additional Tier 1 capital eligibility criteria	CAP10.11 FAQ7	Further detail on tax events considered acceptable in the context of redeeming capital instruments
Additional Tier 1 and Tier 2 capital eligibility criteria	CAP10.11 FAQ14, CAP10.16 FAQ2	Additional explanation on related parties’ purchase of capital instruments
Additional Tier 1 and Tier 2 capital eligibility criteria	CAP10.11 FAQ15, CAP10.16 FAQ3	Additional explanation on the prohibition of a bank funding directly or indirectly the purchase of its own capital instruments
Additional Tier 1 and Tier 2 capital eligibility criteria	CAP10.11 FAQ15, CAP10.16 FAQ3	Clarifies that the measurement of Additional Tier 1 and Tier 2 capital instruments should consider any tax liabilities or payments resulting from conversion or writedown
Provisions in Tier 2 capital	CAP10.18 FAQ1	Specifies RWA included in calculation of caps for provisions

Investments in the capital of financial entities CAP99.11 FAQ1 Clarifies the prudential treatment of a financial instrument whereby a bank commits itself to buy newly issued shares for a given amount should certain events occur

SA-CCR: multiple margin agreements CRE52.74 FAQ1 Clarifies how to treat multiple margin agreements in a single netting agreement

SA-CCR: items with no specific treatment CRE52.1 FAQ3 Describes the extent to which products can be decomposed into simpler contracts with the same cash flows

CVA: SFTs MAR50.5 (2022 version) FAQ1 Clarifies that SFTs that are fair-valued for accounting purposes and for which a bank records zero CVA reserves are included in the scope of covered transactions

Liquidity Coverage Ratio: Shari’ah-compliant financial products LCR30.47 FAQ1 Use of Shari’ah-compliant financial products by banks that are not Shari’ah-compliant

Archived disclosures DIS25.2 FAQ1 Clarifies the approach to reconciliation disclosures in the event that a bank restates its prior-year accounting balance sheet

Annex 1: Source documents for the consolidated framework

Set out below is a list of the Committee's publications that contain standards that are either current or forthcoming. All documents are available on the Basel Committee's website (www.bis.org/bcbs/publications.htm). Together these publications are the source documents for the consolidated framework. The consolidated framework only covers the publications of the Committee that are classified as standards or FAQs; it does not include documents that are classified as Guidelines or Sound Practices.

Date	Publication
Jan 2019	Minimum capital requirements for market risk
Dec 2018	Pillar 3 disclosure requirements – updated framework
Sep 2018	Frequently asked questions on the liquidity risk treatment of settled-to-market derivatives
Aug 2018	Pillar 3 disclosure requirements – regulatory treatment of accounting provisions
Jul 2018	Global systemically important banks: revised assessment methodology and the higher loss absorbency requirement
Jun 2018	Treatment of extraordinary monetary policy operations in the Net Stable Funding Ratio
May 2018	Capital treatment for simple, transparent and comparable short-term securitisations
Mar 2018	Frequently asked questions on the Basel III standardised approach for measuring counterparty credit risk exposures
Mar 2018	Frequently asked questions on market risk capital requirements
Dec 2017	Basel III: Finalising post-crisis reforms
Oct 2017	Implementation of net stable funding ratio and treatment of derivative liabilities
Oct 2017	Risk weight for Asian Infrastructure Investment Bank
Sep 2017	Basel III definition of capital – Frequently asked questions
Jun 2017	Basel III – The Liquidity Coverage Ratio: frequently asked questions
Apr 2017	Frequently asked questions on changes to lease accounting
Mar 2017	Regulatory treatment of accounting provisions – interim approach and transitional arrangements
Mar 2017	Pillar 3 disclosure requirements – consolidated and enhanced framework
Feb 2017	Basel III – The Net Stable Funding Ratio: frequently asked questions
Nov 2016	Risk weight for the International Development Association
Oct 2016	TLAC holdings standard
Sep 2016	Frequently asked questions on the supervisory framework for measuring and controlling large exposures
Aug 2016	Frequently asked questions on the revised Pillar 3 disclosure requirements
Jul 2016	Basel III – The Net Stable Funding Ratio: frequently asked questions

Apr 2016 Interest rate risk in the banking book
Apr 2016 Frequently asked questions on the Basel III leverage ratio framework
Oct 2015 Frequently asked questions on the Basel III countercyclical capital buffer
Mar 2015 Margin requirements for non-centrally cleared derivatives
Jan 2015 Revised Pillar 3 disclosure requirements
Nov 2014 The G-SIB assessment methodology – score calculation

Oct 2014 Basel III: the Net Stable Funding Ratio

Apr 2014 Supervisory framework for measuring and controlling large exposures – final standard

Apr 2014 Capital requirements for bank exposures to central counterparties

Mar 2014 The standardised approach for measuring counterparty credit risk exposures

Restricted

Date	Publication
Mar 2014	Liquidity Coverage Ratio disclosure standards
Jan 2014	The Liquidity Coverage Ratio and restricted-use committed liquidity facilities
Jan 2014	Basel III leverage ratio framework and disclosure requirements
Dec 2013	Capital requirements for banks' equity investments in funds
Jul 2013	Global systemically important banks: updated assessment methodology and the additional loss absorbency requirement
Apr 2013	Monitoring tools for intraday liquidity management – final document
Jan 2013	Principles for effective data aggregation and risk reporting
Jan 2013	Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools
Dec 2012	Basel III counterparty credit risk and exposures to central counterparties – Frequently asked questions (update of FAQs published in November 2012)
Oct 2012	A framework for dealing with domestic systemically important banks – final document
Sep 2012	Core Principles for Effective Banking Supervision
Jul 2012	Regulatory treatment of valuation adjustments to derivative liabilities
Jun 2012	Composition of capital disclosure requirements – Rules text
Dec 2011	High cost credit protection

Nov 2011 Interpretive issues with respect to the revisions to the market risk framework – updates from 16
November 2011
Oct 2011 Treatment of trade finance under the Basel capital framework

Jul 2011 Pillar 3 disclosure requirements for remuneration – final document

Jun 2011 Basel III: A global regulatory framework for more resilient banks and banking systems – revised version
June 2011
Feb 2011 Revisions to the Basel II market risk framework – updated as of 31 December 2010

Jan 2011 Final elements of the reforms to raise the quality of regulatory capital issued by the Basel Committee

May 2010 Risk weight for the Multilateral Investment Guarantee Agency (MIGA)
Dec 2009 LGD floors
Jul 2009 Guidelines for computing capital for incremental risk in the trading book – final version

Jul 2009 Enhancements to the Basel II framework

Oct 2006 Risk weight for International Finance Facility for Immunisation
Jun 2006 Basel II: International Convergence of Capital Measurement and Capital Standards: A Revised Framework
– Comprehensive Version
Jul 1992 Minimum standards for the supervision of international banking groups and their cross-border
establishments

Annex 2: Structure of the consolidated framework

The table below describes the structure of the consolidated framework and the main source documents
for each standard. A detailed table that maps all source documents to the new chapters of the consolidated
framework is available at www.bis.org/bcbs/publ/d462/framework_mapping.xlsx.

Standard	Contents
SCO Scope and definitions	This standard describes the scope of application of the Basel regulatory framework. Main components: Basel II (Jun 2006), D-SIB principles (Oct 2012), G-SIB methodology (Jul 2013, Jul 2018)

CAP Definition of capital This standard describes the criteria that bank capital instruments must meet to be eligible to satisfy the Basel capital requirements, as well as necessary regulatory adjustments and transitional arrangements.

Main components: Basel III (Jun 2011)

RBC Risk-based capital requirements This standard describes the framework for risk-based capital requirements. Main components: Basel II (Jun 2006), Basel III (Jun 2011), D-SIB principles (Oct 2012), G-SIB methodology (Jul 2013, Jul 2018), Basel III (Dec 2017)

CRE Calculation of RWA for credit risk This standard describes how to calculate capital requirements for credit risk. Main components: Basel II (Jun 2006), Capital requirements for equity investments in funds (Dec 2013), Capital requirements for exposures to central counterparties (Apr 2014), Standardised approach to counterparty credit risk (Mar 2014), Securitisation (Jul 2016), Basel III (Dec 2017)

MAR Calculation of RWA for market risk This standard describes how to calculate capital requirements for market risk and credit valuation adjustment risk. Main components: Basel II (Jun 2006), Incremental risk in the trading book (Jul 2009), Revisions to Basel II (Feb 2011), Basel III (Jun 2011), Market risk (Jan 2019)

OPE Calculation of RWA for operational risk This standard describes how to calculate capital requirements for operational risk. Main components: Basel II (Jun 2006), Basel III (Dec 2017)

LEV Leverage ratio This standard describes the simple, transparent, non-risk-based leverage ratio. This measure is designed to restrict the build-up of leverage in the banking sector and reinforce the risk-based requirements with a simple, non-risk-based "backstop" measure. Main components: Leverage ratio (Jan 2014), Basel III (Dec 2017)

LCR Liquidity Coverage Ratio This standard describes the Liquidity Coverage Ratio, a measure that promotes the short-term resilience of a bank's liquidity risk profile. Main components: LCR (Jan 2013)

NSF Net Stable Funding Ratio The Net Stable Funding Ratio requires banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. Main components: NSFR (Oct 2014)

LEX Large exposures The large exposures regulation limits the maximum loss that a bank could face in the event of a sudden counterparty failure to a level that does not endanger the bank's solvency. This standard requires banks to measure their exposures to a single counterparty or a group of connected counterparties and limit the size of large exposures in relation to their capital. Main components: Supervisory framework for large exposures (Apr 2014)

MGN Margin requirements This standard establishes minimum standards for margin requirements for non-centrally cleared derivatives. Such requirements reduce systemic risk with respect to non-standardised derivatives by reducing contagion and spillover risks and promoting central clearing. Main components: Margin requirements (Mar 2015)

Standard	Contents
SRP Supervisory review process	The Pillar 2 supervisory review process ensures that banks have adequate capital and liquidity to support all the risks in their business, especially with respect to risks not fully captured by the Pillar 1 process, and encourages good risk management. Main components: Basel II (Jun 2006), Enhancements to Basel II (Jul 2009), LCR (Jan 2013), Monitoring tools for intraday liquidity management (Apr 2013), Interest rate risk in the banking book (Apr 2016)
DIS Disclosure requirements	This standard sets out disclosure requirements, which aim to encourage market discipline. Main components: Pillar 3 disclosure requirements (Jan 2015, Mar 2017, Dec 2018)
BCP Core principles for effective banking supervision	The Basel Core Principles provide a comprehensive standard for establishing a sound foundation for the regulation, supervision, governance and risk management of the banking sector. Main components: Core principles for effective banking supervision (Sep 2012)