



Embargo

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Press enquiries: +41 61 280 8188
press@bis.org
www.bis.org

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International supervisory community meets to discuss challenges ahead for global bank supervision and regulation

Some 300 central bankers and banking supervisors representing more than 80 jurisdictions met this week in Abu Dhabi, United Arab Emirates, to discuss a range of policy and supervisory topics. Events included a meeting of the Basel Committee on Banking Supervision and the 20th International Conference of Banking Supervisors (ICBS).

At the Basel Committee's meeting on 26-27 November, the Committee:

- agreed to a set of targeted revisions to the market risk framework, which will be submitted to the Basel Committee's governing body, the Group of Central Bank Governors and Heads of Supervision (GHOS). The revised framework seeks to enhance the risk sensitivity of the standardised approach, revise the calibration of certain elements of the framework, and improve certain aspects of the internal models approach. If endorsed by the GHOS, the framework would be published in early 2019;
- agreed to consult on potential enhanced disclosures to reduce bank [window-dressing behaviour related to the leverage ratio](#);
- approved a set of revisions to the Pillar 3 disclosure framework, which will be published in December; and
- reviewed a report setting out the range of bank, regulatory and supervisory cyber-resilience practices across jurisdictions. This report will be published in December.



The Committee discussed its ongoing evaluation of its post-crisis reforms, including the usability of capital buffers; members reaffirmed the usefulness of buffers as a loss-absorbing mechanism. The Committee took note of the comments received on its [discussion paper](#) on the regulatory treatment of sovereign exposures. The Committee also discussed its work programme and strategic priorities for 2019; it expects to publish the work programme in early 2019, following review and endorsement by GHOS.

The Committee agreed to consult next year on a framework which would consolidate the Committee's standards into a single integrated framework.

The ICBS, which was hosted by the Central Bank of the United Arab Emirates, took place on 28–29 November. As the ICBS coincided with the 10th anniversary of the global financial crisis, delegates discussed the evolution of the regulatory landscape over the past decade and the implications for regulation and supervision.

Discussions at the ICBS included best practices for evaluating the impact of post-crisis reforms, the role of proportionality in the Basel framework, and the importance of implementing the post-crisis reforms in a full, timely and consistent manner. Looking forward, participants exchanged views on the supervisory challenges following the completion of Basel III, the implications of financial technology for banks and supervisors, and the importance of strengthening operational resilience, including cyber-resilience.

The ICBS included keynote speeches by His Excellency [Mubarak Rashed Al Mansoori](#), Governor of the Central Bank of the United Arab Emirates, [William Coen](#), Secretary General of the Basel Committee on Banking Supervision, and [Sir John Vickers](#), Warden of All Souls College at Oxford University, and panel discussions comprising current and former GHOS members.

William Coen, Secretary General of the Basel Committee on Banking Supervision, thanked the Central Bank of the United Arab Emirates for hosting a successful conference, and said that “it is imperative that we do not forget the lessons of the global financial crisis to prepare ourselves effectively for the challenges and risks that loom ahead.”

His Excellency Mubarak Rashed Al Mansoori, Governor of the Central Bank of the United Arab Emirates said “it was a great honor to host the International Conference of Banking Supervisors (ICBS) and our esteemed peers and stakeholders from all over the globe this year under the patronage of Deputy Prime Minister of the UAE, H.H. Sheikh Mansour bin Zayed Al Nahyan. The financial sector is evolving at incredible speed, the world's financial markets are more interlinked and co-dependent than ever and new dynamics and risks are emerging every day. Therefore, fostering coordination and cooperation through global conversations such as ICBS is crucial to ensuring that we all learn from the experience and insights of others, and creating effective regulatory frameworks that take the broader global context into consideration.”

Notes to editors

The Basel Committee is the primary global standard setter for the prudential regulation of banks and provides 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.

The ICBS, which has been held every two years since 1979, brings together senior central bankers and bank supervisors from around the world as well as representatives of international financial institutions. The conference promotes the discussion of key supervisory issues and fosters the continuing cooperation in the oversight of international banking. With its wide membership of senior supervisors and policymakers, the ICBS presents a unique opportunity for a broad-based discussion on issues that are timely and relevant to supervisors in advanced and emerging market economies alike.