



# **Closer Look at High Level Considerations on Proportionality**

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Monetary and Capital Markets Department  
Financial Supervision and Regulation Division

# Disclaimer

The IMF does not endorse any proportional framework or policy decision.  
In proportionality, almost every decision or solution raises concerns.

The views eventually expressed are my own and do not represent an  
institutional view.

# New BCBS Document on Proportionality

Basel Committee  
on Banking Supervision

**What:** Informational purposes, no new standards, guidelines or sound practices

**Who:** BCG – Basel Consultative Group

**When:** July 2022

**Why:** Assist authorities in their own internal discussions

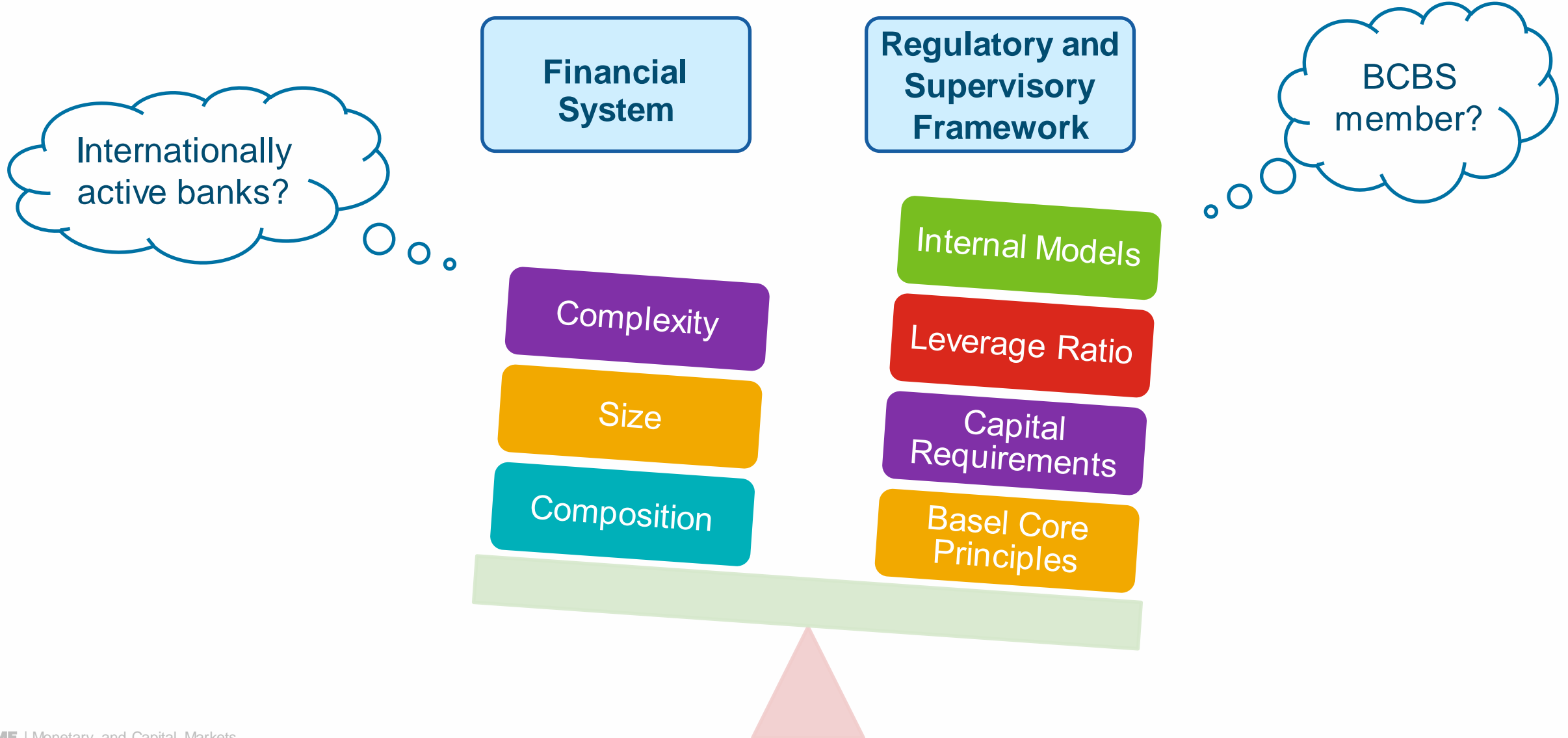
**Where:** [High-level considerations on proportionality \(bis.org\)](#)

High-level  
considerations on  
proportionality

July 2022



# Proportionality considers systemic importance, risk profile, resources...



# ... main goals are compliance with BCPs and consistency with Basel framework

## Sources

- BCBS work and surveys
- Domestic experiences
- International discussions
- Academic work



Practical policy challenges



International standards & best practices

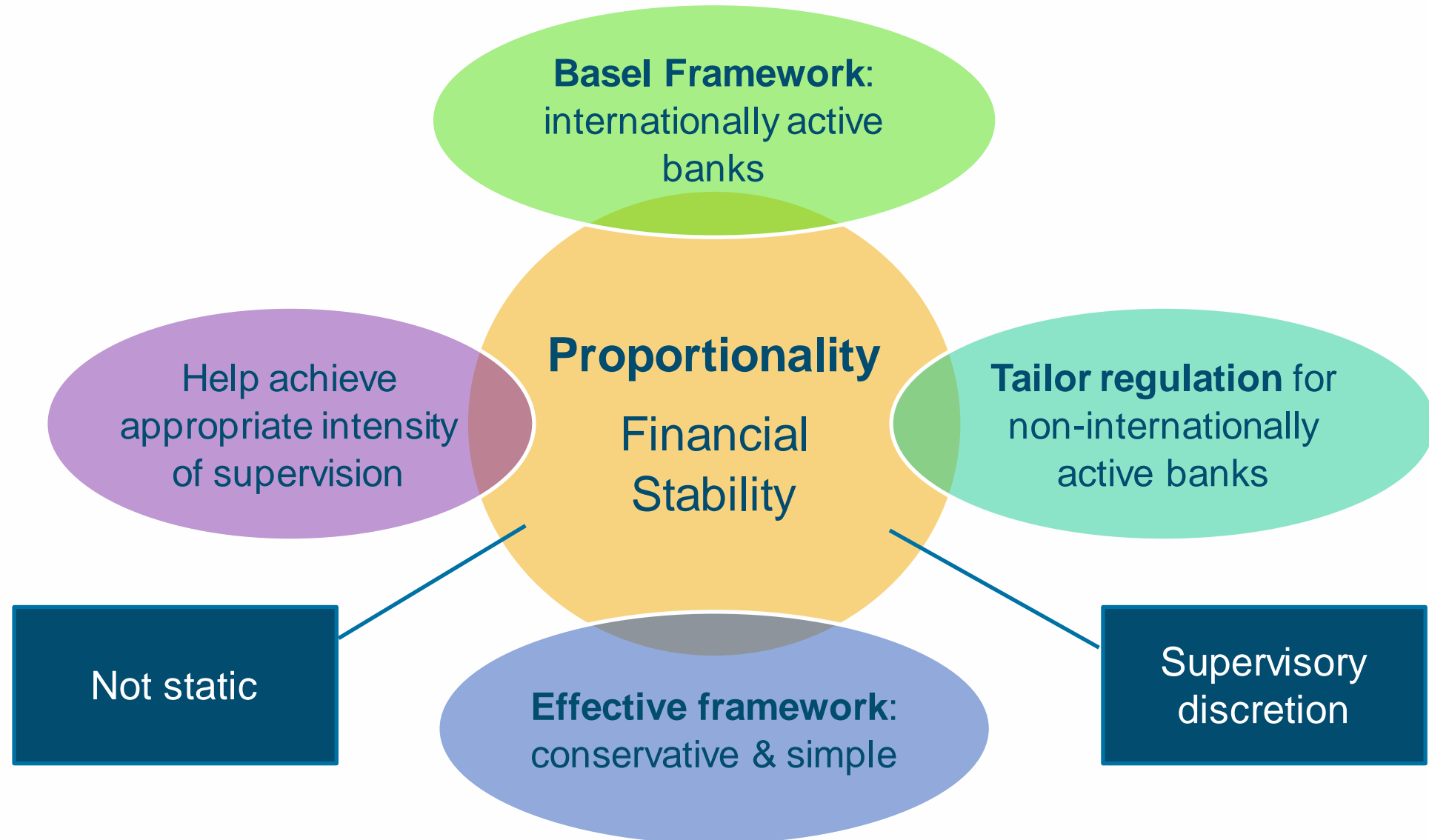


Balance regulatory requirements



Safe and sound financial system and preserve financial stability

# High-level considerations on proportionality

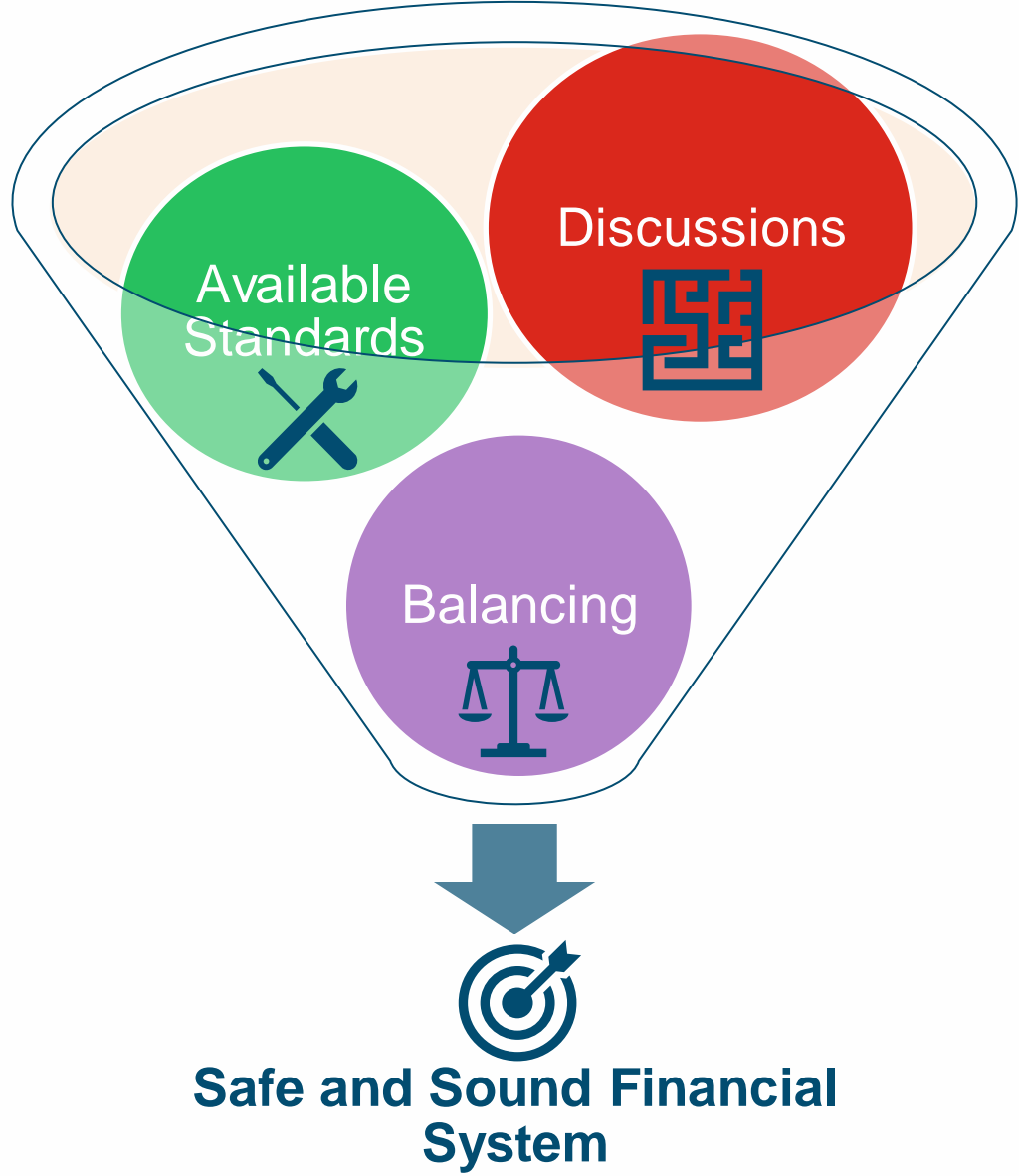


# Case Study

**Country 1 –  
Advanced Economy**

**Country 2 –  
Emerging Market**

**Country 3 –  
Low Income**



# Some References on Proportionality

BCBS (2019): “[Proportionality in bank regulation and supervision - a survey on current practices](#)”, March

\_\_\_\_\_ (2022): “[High-level considerations on proportionality](#)”, July

BCBS and The World Bank (2021): “[Proportionality in bank regulation and supervision – a joint global survey](#)”, July

Castro Carvalho, A. et al (2017): “[Proportionality in banking regulation: a cross-country comparison](#)”, FSI Insights no. 1, August

Hohl, S. et al (2018): “[The Basel framework in 100 jurisdictions: implementation status and proportionality practices](#)”, FSI Insights no. 11, November.

Ferreira, C. et al (2019): “[From Basel I to Basel III: Sequencing Implementation in Developing Economies](#)”, IMF Working Paper, WP/19/127, June

Duckowitz, V. et al (2019): “[Proportionality under Pillar 2 of the Basel framework](#)”, FSI Insights no. 16, July