

Seminar for Senior Bank Supervisors from Emerging Countries

Strategies to Implement Capital Requirements Approaches under Basel III

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Should Emerging Markets implement Basel III?



YES

BIII addresses universal lessons:

- **Lack of capital**
- **Quality of capital**
- **Risk capture**
- **Macroprudential dimension**
- **Liquidity requirements**
- **Early corrective measures**



How Emerging Markets should approach BIII implementation?

How to approach BIII implementation?



1988-International convergence of Capital measures and standards

2004-Basel II: International Convergence of Capital Measurement and Capital Standards

1996 Amendment to the capital accord to incorporate market risk

2010-Basel III: A global regulatory framework for more resilient banks and banking systems.

1988

1996

2004

2010

2022

2011 – Final elements of the reforms

2011 – G-SIBs

2012 – D-SIBs

2013 – LCR

2014 – Leverage ratio

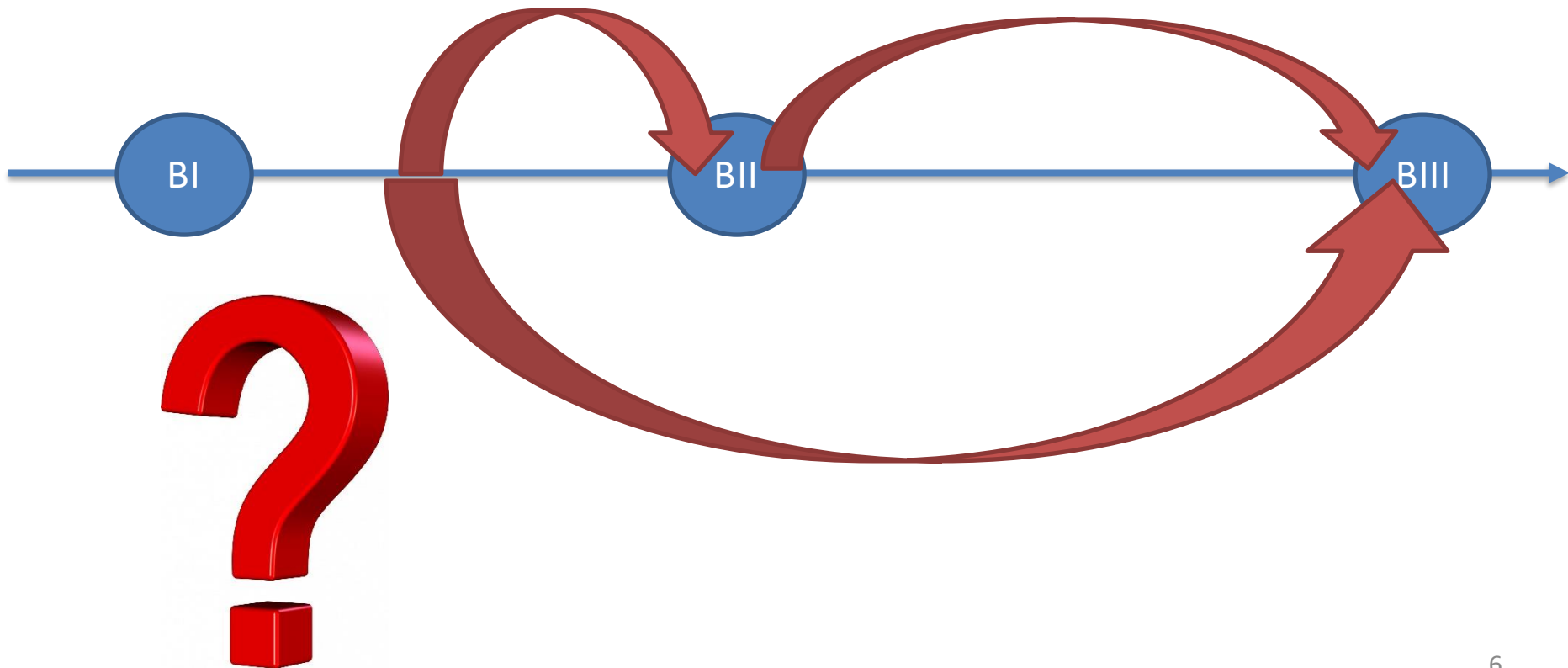
2014 – Large Exposures

2014 – NSFR

2016 – Capital req, for Market risk

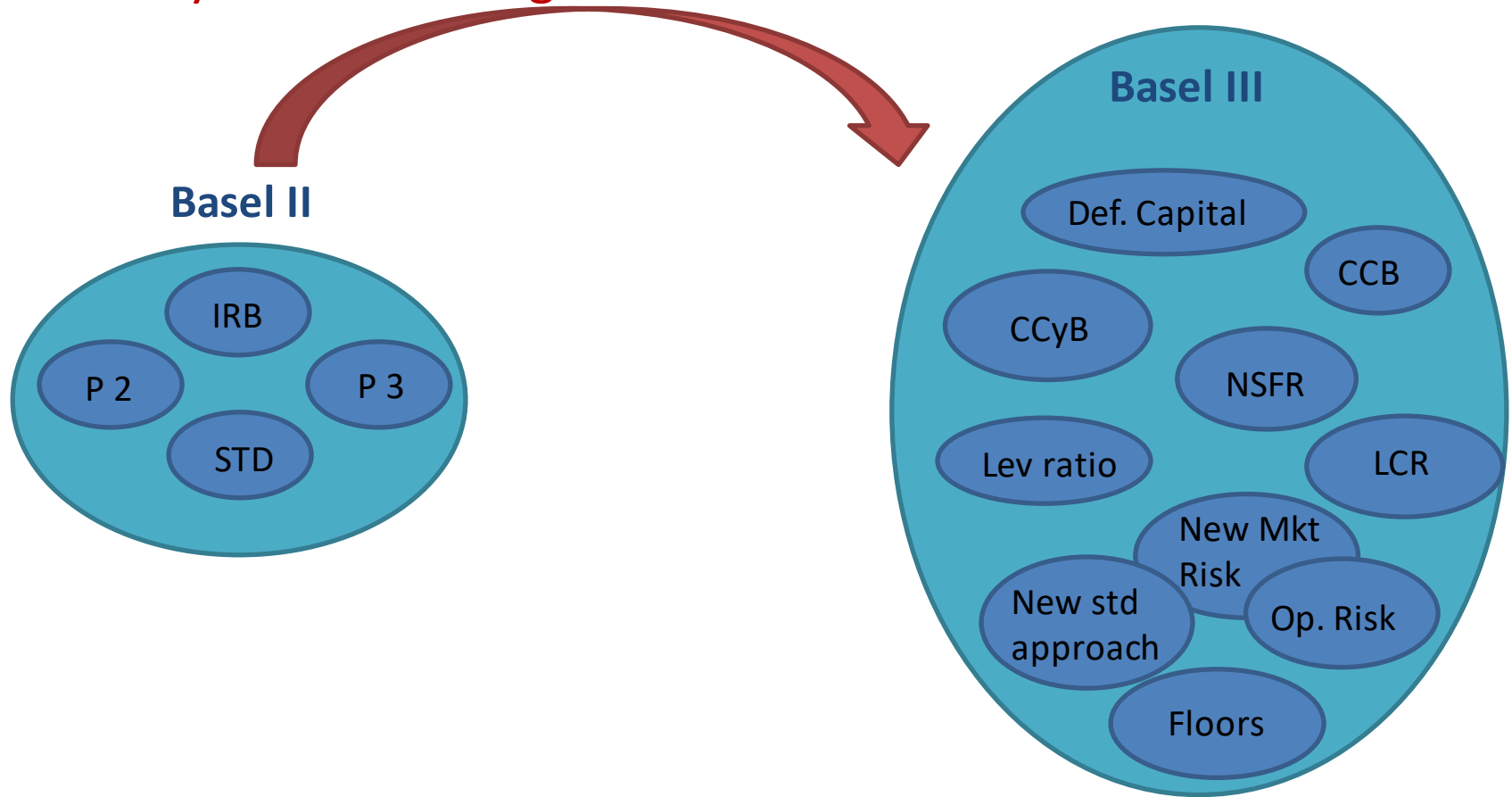
2017 – BIII finalizing post-crisis reforms

How to approach BII implementation?




How to approach BIII implementation?

What exactly should be targeted?



How to approach BIII implementation?

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- BIII Definition of capital
 - BIII Capital conservation buffers
 - SIBs framework
 - Data collection to support liquidity and systemic risk monitoring

- Supervisory capacity
- Range of powers
- Risk-based supervision

- Countercyclical capital buffer
- LCR
- Leverage ratio

- Inclusion of ICAAP and SRP in the supervisory process

- NSFR
- BIII - Operational risk
- BIII – Stand. approach credit risk
- New market risk framework

- Disclosure requirements in parallel with risks and standards addressed in pillar 1 and 2



Thanks