

RCAP jurisdictional assessments: self-reporting monitoring template for RCAP follow-up actions

Jurisdiction: Japan

Status as of: 31 December 2016

With reference to RCAP report(s): Assessment of Basel III risk-based capital regulations in Japan (October 2012) and Follow-up assessment of Basel III risk-based capital regulations (December 2016)

Part A¹

Post-RCAP follow up: Changes applied to local regulations of the Basel Framework relating to risk-based capital standards (RCAP-Capital)

Table A

(1) Issue and/or relevant Basel paragraph number(s)	(2) Detailed description of finding (please indicate as precisely as possible the finding as identified in the relevant RCAP assessment report)	(3) Detailed reference to the domestic legislation/regulation that addresses the finding	(4) Summary description of amendment or rectification made
141	Jurisdictions must pre-announce, by up to 12 months, any decision to raise the countercyclical buffer to give banks time to adjust to the new level. This is not explicit in the Japanese regulations, which only describe the initial setting of the countercyclical capital buffer. Also, the process for adjusting the countercyclical buffer rate is not yet formalised.	Revised supervisory guideline including a framework for cooperation with the Bank of Japan will be issued for consultation in February/March 2017	The following points will be added to the supervisory guideline to clarify the process for adjusting the countercyclical buffer rate: -FSA uses indicators such as credit/GDP ratios and lending attitude DI as a reference and consults with the Bank of Japan to form an overall judgment on the adjustment of the countercyclical buffer rate.

¹ To be completed only for those findings where action has been taken or initiated. Any plans for addressing other findings may be indicated in Part B.

Post-RCAP follow up: Changes applied to local regulations of the Basel Framework relating to risk-based capital standards (RCAP-Capital)

Table A

(1) Issue and/or relevant Basel paragraph number(s)	(2) Detailed description of finding (please indicate as precisely as possible the finding as identified in the relevant RCAP assessment report)	(3) Detailed reference to the domestic legislation/regulation that addresses the finding	(4) Summary description of amendment or rectification made
			- FSA raises the countercyclical buffer rate in 12 months after its announcement and lowers it on the day of its announcement.

Post-RCAP follow up: Changes applied to local regulations of the Basel Framework relating to Liquidity Coverage Ratio (RCAP-LCR)

Table B

(1) Issue and/or relevant Basel paragraph number(s)	(2) Detailed description of finding (please indicate as precisely as possible the finding as identified in the relevant RCAP assessment report)	(3) Detailed reference to the domestic legislation/regulation that addresses the finding	(4) Summary description of amendment or rectification made
-	-	-	-

Part B

Nil.