



Regulatory Consistency Assessment Programme (RCAP) Summary of follow-up actions

Table 1 below summarises the follow-up actions taken by member jurisdictions after the jurisdictional assessments to address material and potentially material findings identified in their assessments. Details of individual measures are given in the follow-up jurisdiction-specific reports. This table does not fully reflect the efforts made by member jurisdictions to address findings raised during the assessments, as most of these findings were addressed in the course of the assessments and therefore before the assessment reports were finalised.

The follow-up jurisdiction-specific reports are based on self-reporting and have not been assessed by the Basel Committee.

Number of material or potentially material findings rectified after an assessment^{1 2}

Based on published RCAP follow-up reports

Table 1

Jurisdiction	Risk-based capital			LCR			G-SIB requirements		
	Grade	(a)/(b)	(c)/(d)	Grade	(a)/(b)	(c)/(d)	Grade	(a)/(b)	(c)/(d)
Argentina	Compliant (Sep 2016)	0/0	0/1	Compliant (Sep 2016)	0/0	0/0	-	-	-
Australia	Compliant (Mar 2014)	0/3	0/1	Compliant (Oct 2017)	NA/1	0/0	-	-	-
Brazil	Compliant (Dec 2013)	1/1	2/11	Compliant (Oct 2017)	0/0	0/0	-	-	-
Canada	Compliant (Jun 2014)	0/0	0/1	Compliant (Oct 2017)	0/0	0/0	-	-	-
China	Compliant (Sep 2013)	0/0	0/7	Compliant (Jul 2017)	0/0	0/0	Compliant (Jun 2016)	0/0	0/1
European Union	Materially non-compliant (Dec 2014)	0/7	0/1	Largely compliant (Jul 2017)	NA/1	NA/4	Compliant (Jun 2016)	0/0	0/0
Hong Kong SAR	Compliant (Mar 2015)	0/1	0/0	Compliant (Mar 2015)	0/0	0/0	-	-	-
India	Compliant (Jun 2015)	0/0	0/0	Largely compliant (Jun 2015)	0/1	0/0	-	-	-
Indonesia	Largely compliant (Dec 2016)	0/3	0/6	Compliant (Dec 2016)	0/0	0/0	-	-	-
Japan	Compliant (Oct 2012 / Dec 2016)	0/0	1/4	Compliant (Dec 2016)	0/0	0/0	Compliant (Jun 2016)	0/0	0/0
Korea	Largely compliant (Sep 2016)	0/2	0/3	Compliant (Sep 2016)	0/0	0/0	-	-	-
Mexico	Compliant (Mar 2015)	0/0	1/3	Compliant (Mar 2015)	0/0	0/0	-	-	-
Russia	Compliant (Mar 2016)	0/0	0/0	Compliant (Mar 2016)	0/0	0/0	-	-	-
Saudi Arabia	Compliant (Sep 2015)	0/0	0/1	Largely compliant (Sep 2015)	0/1	0/0	-	-	-

Singapore	Compliant (Mar 2013)	0/0	1/1	Compliant (Dec 2016)	0/0	0/1	-	-	-
South Africa	Compliant (Jun 2015)	0/0	0/0	Compliant (Jun 2015)	0/0	0/0	-	-	-
Switzerland ³	Compliant (Jun 2013)	1/6	4/13	Compliant (Oct 2017)	NA/1	0/0	Compliant (Jun 2016)	0/0	0/1
Turkey	Compliant (Mar 2016)	0/0	0/0	Compliant (Mar 2016)	0/0	0/0	-	-	-
United States	Largely compliant (Dec 2014)	0/4	1/6	Compliant (Jul 2017)	0/0	0/0	Compliant (Jun 2016)	0/0	0/0

Notes:

1. (a) Material findings rectified; (b) Total material findings; (c) Potentially material findings rectified; (d) Total potentially material findings.
2. "NA" used where findings remain but the jurisdiction is not yet subject to post-assessment follow-up reporting for the standard.
3. The outstanding material and potentially material findings are related to the Swiss Standardised Approach (SSA), which is used by a minority of banks and will cease to exist after 2018.

Argentina

The Central Bank of Argentina (BCRA) has addressed the majority of the findings raised during the RCAP assessment. The potential material finding related to the scope of application identified in the RCAP-Capital report remains. However, BCRA stresses that the risks associated with this finding could be overlooked, given that banking activity in Argentina is not carried out via complex structures.

All other findings in the RCAP-Capital assessment report were assessed as non-material and there was no material or potentially material finding in the RCAP-LCR assessment report.

Australia

The Australian Prudential Regulation Authority (APRA) has addressed the majority of the findings raised during the RCAP assessment and, in 2017, APRA has developed tailored criteria for common equity instruments that may be directly issued by mutually owned authorised deposit-taking institutions effective on 1 January 2018. Some remaining findings in the RCAP-Capital report are no longer relevant as a result of subsequent revisions to the Basel III capital framework. APRA will review any outstanding findings as part of its implementation of the final Basel III reforms.

Australia is not yet subject to post-assessment follow-up reporting for the LCR.

Brazil

The Central Bank of Brazil (BCB) has addressed the majority of the findings raised during the RCAP assessment, which identified only one material finding related to the definition of capital. This finding will be eliminated at the end of the phase-in period. In 2017, BCB updated the Brazilian securitisation framework in order to align it with the Basel Committee's revised securitisation framework in July 2016. The other findings, particularly those related to market risk and operational risk will be addressed by the BCB considering the implementation of the final Basel III reforms.

Brazil is not yet subject to post-assessment follow-up reporting for the LCR. Notwithstanding, it is noted that no material or potentially material finding was raised in the RCAP-LCR assessment report.

Canada

The Office of the Superintendent of Financial Institutions (OSFI) has addressed the majority of the findings raised during the RCAP assessment. OSFI intends to review the few remaining findings as part of longer term revisions to its Capital Adequacy Requirements (CAR) guideline resulting from the final Basel III reforms.

Canada is not yet subject to post-assessment follow-up reporting for the LCR. Notwithstanding, it is noted that no material or potentially material finding was raised in the RCAP-LCR assessment report.

China

The China Banking Regulatory Commission (CBRC) has addressed most of the findings raised during the RCAP assessment by issuing regulatory documents. The five remaining follow-up issues raised in the RCAP-Capital and RCAP-G-SIB framework reports are under review by CBRC and some of these will be included in the upcoming amendment of its Capital Rules following the final Basel III reforms.

China is not yet subject to post-assessment follow-up reporting for the LCR. Notwithstanding, it is noted that no material or potentially material finding was raised in the RCAP-LCR assessment report.

European Union

Follow-up actions to address findings, including one material finding on treatment of counterparty credit risk, have been taken or initiated by the European Commission (EC), the European Central Bank (ECB), and the European Banking Authority (EBA). The EC is considering whether and how to address the findings as part of its work on the implementation of the final Basel III reforms.

The European Union is not yet subject to post-assessment follow-up reporting for the LCR.

Hong Kong SAR

The Hong Kong Monetary Authority (HKMA) has addressed the majority of the findings raised during the RCAP assessment. HKMA revised its securitisation framework in 2017 and may revisit the last remaining material finding raised in the RCAP-Capital report (related to foreign exchange risk) when it implements the 2016 Basel revised minimum requirements for market risk.

There are no material or potentially material findings in the RCAP-LCR assessment report.

India

The Reserve Bank of India (RBI) has addressed all the material and potentially material findings raised in the RCAP-Capital assessment report during the RCAP assessment. All other findings were assessed as non-material and no further action has been considered.

In the case of the RCAP-LCR assessment report, following the issuance of the amendments to the Indian LCR rule during the RCAP assessment, one material finding remains with regard to the definition of high-quality liquid assets (HQLA).

Indonesia

Following the publication of the revised standardised approach for credit risk as part of the final Basel III reforms, the Indonesian authorities plan to publish their securitisation framework regulation in 2018.

Japan

In 2017, Japanese authorities addressed one of the potentially material findings raised in the RCAP-Capital assessment report and related to the process for adjusting the countercyclical buffer (CCyB) rate and the pre-announcement period (12 months) for raising the CCyB.

Korea

In 2017, Korean authorities addressed the findings raised in the RCAP-Capital assessment report and related to the Pillar 3 and the supplemental Pillar 2 guidance for remuneration.

Mexico

The Mexican authorities have addressed the majority of the findings raised during the RCAP assessment and related to the risk-based capital framework. Mexican authorities further rectified the finding on the CCyB requirements by issuing a final regulation on the CCyB in April 2016.

No material or potentially material finding was raised in the RCAP-LCR assessment report.

Russia

The Central Bank of the Russian Federation (CBR) has addressed most of the findings raised during the RCAP assessment. All remaining findings in the RCAP-Capital assessment report were assessed as non-material and there was no material or potentially material finding in the RCAP-LCR assessment report.

Saudi Arabia

The Saudi Arabian Monetary Agency (SAMA) has addressed the majority of the findings raised during the RCAP assessment.

There was one remaining potentially material finding raised in the RCAP-Capital assessment report and related to the application of 0% risk weight for Gulf Cooperation Council (GCC) exposures. At present, these exposures are still not material and SAMA does not expect these exposures to increase in future.

In the case of the RCAP-LCR assessment report, one material finding remains with regard to the definition of HQLA.

Singapore

The Monetary Authority of Singapore (MAS) has addressed the findings raised in the RCAP-Capital assessment report.

For the RCAP-LCR assessment report, one potentially material finding was raised on the scope of application of LCR in Singapore. The scope of application is subject to further clarification by the Basel Committee. MAS is also working on LCR regulations to be issued for bank holding companies.

South Africa

The South African Reserve Bank (SARB) has addressed all of the material and potentially material findings raised in the RCAP-Capital and RCAP-LCR assessment reports during the RCAP assessment.

Switzerland

All findings related to the Swiss International Approach (SIA) identified as being material in the RCAP-Capital assessment report, and that FINMA agreed to address based on formal regulation, have been duly addressed. The outstanding material and potentially material findings are related to the Swiss Standardised Approach (SSA), which is used by a minority of banks and will cease to exist after 2018.

Several findings raised in the RCAP-G-SIB framework assessment report are considered as being addressed by the revised Swiss too-big-to-fail legislation, which came into effect in July 2016.

Turkey

The Banking Regulation and Supervision Agency of Turkey (BRSA) considers implementing the Internal Ratings-Based (IRB) requirements as part of the revised Basel securitisation framework. The non-material finding raised in the RCAP-Capital assessment report is no longer relevant as a result of this revised framework.

United States

The US agencies have addressed the findings raised in the RCAP-Capital assessment report and related to the IRB framework. Two of the three identified material findings are expected to be of limited materiality after, first, the adoption of the revised Basel securitisation framework, which allows the use of alternatives to external ratings, and, second, in relation to the adoption of the revised Basel minimum requirements for market risk. The final identified finding, relating to counterparty credit risk, is expected to have an immaterial impact.

The US are not yet subject to post-assessment follow-up reporting for the LCR. Notwithstanding, it is noted that no material or potentially material finding was raised in the RCAP-LCR assessment report.