

Basel Committee on Banking Supervision
Bank for International Settlements

Centralbahnplatz 2

CH-4002 Basel, Switzerland

By email: baselcommittee@bis.org

Principles for Sound Liquidity Risk Management and Supervision

Brussels, 04/08/2008,

Dear Madam, dear Sir,

Febelfin, i.e. the Federation which regroups four trade associations from the Belgian financial industry¹, welcomes the opportunity to express its views on the consultation paper mentioned above.

Overall, we support the consultation paper hence our remarks are limited in number.

We appreciate the proposed modernisation of the *Sound Practices for Managing Liquidity in Banking Organisations*, dating from 2000. However, in our opinion the actual text proposal is too prescriptive in nature. For this reason, we advocate that the principle of materiality could be taken into account when finalising the document².

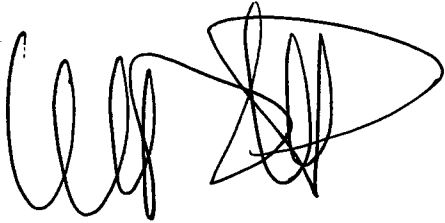
We support the enhanced transparency for liquidity risk. Nevertheless, we feel it is important that double reporting practices are avoided. Institutions should be allowed to use their internal reports to fulfil supervisory reporting needs.

¹ The following trade associations are part of Febelfin: the Belgian Bankers' and Stockbroking Firms' Association (ABB/BVB); the Professional Association of Credit Providers (UPC/BVK); the Belgian Association of Asset Managers (BEAMA); the Belgian Leasing Association (BLA).

² This could be done, for example, by referring to "All *material* cash flows" or "All *material* sources of contingent liquidity demand" (both p. 11).

We hope that these remarks can be taken into account when finalising the paper. Please feel free to contact us, if you want further information and comment.

Yours sincerely,



MD
Michel Vermaerke
Chief Executive Officer



DM
Daniel Mareels
Head of the Taxation, Accounting Standards and
Prudential Regulations Department

cc Mr. J.P. Servais, Chairman of the Banking, Finance and Insurance Commission