

From: [James Kean](#)
To: [Basel Committee, Service](#)
Subject: Regarding Strengthening the resilience of the banking sector - consultative document
Date: Monday 11, January, 2010 18:35:23

Dear gentlefolk,

The overview of the recent systemic crisis makes no mention of the fact that almost all participants adhered to similar business models (strictly speaking, three identifiable models).

One might observe of the recent past that most banks took the same measures to circumvent regulation; the very behaviours which are now identified as damaging.

Is there not a paradox of increasing micro-regulation; that it increases systemic risk by creating uniform behaviour?

Systemic resilience depends on heterogeneity.

Perhaps it would be best if the guardian of a system were separated from idiosyncratic regulation. Protection of the individual may well conflict with protection of society.

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