

Secretariat of the Basel Committee on Banking Supervision

Bank for International Settlements

CH-4002 Basel

Switzerland

March 19, 2012

**Response to the Basel Committee Consultative Document on “Core Principles for Effective Banking Supervision”**

Dear Members of the Basel Committee on Banking Supervision:

The Bank of Communications (BOCOM)<sup>1</sup> welcomes the opportunity to comment on the consultative document: Core Principles for Effective Banking Supervision, December 2011. BOCOM would like to express its support for the work that the Basel Committee has undertaken to improve the core principles for effective banking supervision, which is clearer and more specific than the 2006 version.

For Principle 1 - supervisory powers, responsibilities and functions, we would like to suggest further clarifying the definition of banking group in

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<sup>1</sup> Founded in 1908, Bank of Communications is one of four oldest banks and the fifth largest commercial bank in China.

Footnote 19. It would be preferable to clarify whether the scope of consolidation follows the existing scope of application for regulatory capital purpose set out in Part I of the Basel II Framework, or it is wider or narrower than the Basel II scope of application. This clarification will also be helpful for us to better understand and implement other related core principles, such as Principle 12 – consolidated supervision.

We appreciate the opportunity to provide the above comments. Should you require further information, please do not hesitate to contact me.

Yours sincerely,

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