

Comments of the KNF - Polish Financial Supervision Authority to the Consultative Document *Basel III: The Net Stable Funding Ratio*, issued for comment by 11 April 2014.

Polish Financial Supervision Authority is pleased to be given an opportunity to provide a few comments to the Consultative Document *The regulatory framework: balancing risk sensitivity, simplicity and comparability* issued by the Basel Committee on Banking Supervision.

1. We agree with the statement that Basel Committee should continue to evaluate alternative treatments for derivatives within the NSFR. Using the nominal amounts of derivatives is questionable as it is risk insensitive. A risk based treatment could be considered.
2. The treatment of funds from cooperative networks is vital for some markets. We support the relief on transactions within the networks (the discretion of national supervisors to assign a rate higher than 0% which is discussed under point 22 of the document).
3. Our opinion is that monitoring tools for NSFR should be consistent with the tools for LCR. It is crucial to the burdens caused by the framework not to duplicate the monitoring tools which are already developed for LCR.
4. Both points 21 and 32(d) should take into account the flows within an IPS. Considering that the document does not exclude intra-IPS flows, then IPS should be a desirable solution when the preferential factor for the purpose of NSFR is assigned.