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Subject: Comments submitted for "Revisions to the Standardised Approach for credit risk - second consultative document"
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BCBS Comment Upload

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Consultative document: Revisions to the Standardised Approach for credit risk - second consultative document(/bcbs/publ/d347.pdf)
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Comments:

We have studied the document entitled "Revisions to the Standardised Approach for credit risk - second consultative document" of 10th December 2015, and are pleased to provide herewith our reactions and comments.

We are very pleased that BCBS d347 reinstates the language relating to the treatment of a bank's participation in a loan that has been extended by certain MDBs, such participations being commonly referred to as B loans in the market.

In BCBS d347, this language is located specifically at Paragraph 95 and Footnote 61, with cross-reference to Footnote 32.

In a letter to you of 24th April 2015 (Subject: Potential unintended significant adverse consequences upon emerging market debt financings under Basel III), we and other MDBs had expressed our concerns that BCBS 307 omitted any of the language that had previously existed in BCBS 118 and BCBS 128, and that such omission could have unintended adverse impact on emerging market debt flows, since B loans have been generally understood by the market to address long-term key financing needs in emerging markets.

BCBS d347 now contains the relevant language in Paragraph 95 and Footnotes 61 and 32, and we are grateful for your consideration of our requests in this regard. We would also request that this language be retained in any forthcoming revisions that may occur.