



Comments of the KNF - Polish Financial Supervision Authority to the Consultative Document *Review of the Credit Valuation Adjustment Risk Framework*, issued for comment by 1 October 2015.

The Polish Financial Supervision Authority is pleased to be given an opportunity to provide comments to the Consultative Document *Review of the Credit Valuation Adjustment Risk Framework* issued by the Basel Committee on Banking Supervision.

The KNF welcomes the proposal to take into account the exposure component of CVA risk in order to cover this important driver of CVA risk as the appropriate solution.

Regarding options A and B mentioned on the page 7, the KNF would like to point out that in Poland no bank has applied for an IMM approval so far. As a result, from our point of view the option A seems to be a better choice as:

- it ensures convergence between regulatory and accounting approaches and in consequence, aligns capital charge with the economic risk,
- the advantage of the option B, i.e. a reduced supervisory burden (institutions with IMM approval would not have to apply for another permission) is irrelevant.

However, we fully understand that in the case of jurisdictions and institutions where such approvals have already been granted, the option B might be preferred.