

# Basel Committee on Banking Supervision

LEV

Leverage ratio

LEV10

Definitions and application

**Version effective as of  
15 Dec 2019**

First version in the format of the consolidated  
framework.



BANK FOR INTERNATIONAL SETTLEMENTS



## **Scope of consolidation**

- 10.1** The Basel III leverage ratio framework follows the same scope of regulatory consolidation as is used for the risk-based capital framework. This is set out in the [SCO](#) standard.
- 10.2** Where a banking, financial, insurance or commercial entity is outside the scope of regulatory consolidation, only the investment in the capital of such entities (ie only the carrying value of the investment, as opposed to the underlying assets and other exposures of the investee) is to be included in the leverage ratio exposure measure. However, investments in the capital of such entities that are deducted from Tier 1 capital as set out in [LEV30.6](#) may be excluded from the leverage ratio exposure measure.