



RCAP jurisdictional assessments: self-reporting monitoring template for RCAP follow-up actions

Jurisdiction: Argentina

Status as of: 31 December 2017

With reference to RCAP report: Assessment of Basel III regulations and LCR regulations – Argentina (September 2016)

Part A¹

Post-RCAP follow up: Changes applied to local regulations of the Basel Framework relating to risk-based capital standards (RCAP-Capital)				Table A
(1) Issue and/or relevant Basel paragraph number(s)	(2) Detailed description of finding (please indicate as precisely as possible the finding as identified in the relevant RCAP assessment report)	(3) Detailed reference to the domestic legislation/regulation that addresses the finding	(4) Summary description of amendment or rectification made	
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¹ To be completed only for those findings where action has been initiated/taken. Any plans for addressing other findings may be indicated in Part B.

Post-RCAP follow up: Changes applied to local regulations of the Basel Framework relating to risk-based capital standards (RCAP-LCR)

Table B

(1) Issue and/or relevant Basel paragraph number(s)	(2) Detailed description of finding (please indicate as precisely as possible the finding as identified in the relevant RCAP assessment report)	(3) Detailed reference to the domestic legislation/regulation that addresses the finding	(4) Summary description of amendment or rectification made
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Part B

The RCAP report identified only one potentially material finding with regard to the scope of application of the risk-based capital regulation to holding companies:

“As a general matter, the Basel III capital framework should apply on a fully consolidated basis to all internationally active banks at every tier within a banking group, and to any bank holding company that is the parent entity within a banking group, to ensure that the requirements capture the risk of the whole banking group. Under the Argentinian regulation, companies that hold ownership of a bank are not included as part of the scope of application and thus not consolidated at the holding company level. As a result, the risk of the whole banking group may not be fully captured. While only one bank out of eight banks in the RCAP sample is owned by a parent holding company, and two banks out of 78 banks in Argentina, the possibility that other banks might adopt a holding company structure in the future cannot be ruled out.”

Banking activity in Argentina is still not carried out by complex structures as those described in paragraphs 20-23 of Basel II; rather, controlling shareholders continue to be either natural persons or diversified groups. There are currently 77 active financial institutions in Argentina, of which only two are still identified as being controlled by parents that can be assimilated to holding companies. Therefore, the BCRA remains of the view that there are reasons to believe that the risks that could be overlooked by not including the parent in the scope of the application of the capital rule are immaterial.

As all other findings in the risk-based capital report were assessed as non-material and there was no material or potentially material finding in the LCR assessment report, no further issues are addressed.

Finally, confirming the BCRA’s commitment to the timely implementation of the Basel framework, the following standards have been adopted since the approval of the RCAP: Capital requirements for equity investments in funds, SA-CCR, Capital requirements for CCPs, NSFR, Monitoring tools for intraday liquidity management, Interest rate risk in the banking book, Revised Pillar 3 requirements and the Securitisation framework