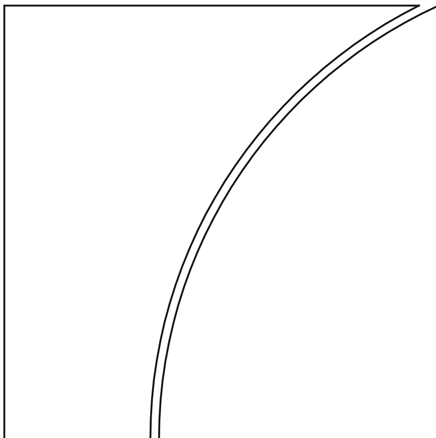
Basel Committee
on Banking Supervision

Technical Amendment



Various technical amendments and FAQs

Technical amendments issued for comment by 15 May 2023

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Introduction

To promote a consistent global implementation of the Basel Framework, the Basel Committee on Banking Supervision[1] regularly monitors and reviews issues that arise from the implementation of its standards. Where necessary, it publishes clarifications and interpretative guidance. In some instances, implementation issues can be clarified in the form of answers to frequently asked questions (FAQs), without any changes to the standard. On other occasions, the issue, though minor in effect, cannot be resolved unambiguously without an amendment to the text of the standard itself. In these cases, the Committee has decided to publish the clarification as a proposed technical amendment. Such amendments will be published for a short consultation period, typically for 45 calendar days.

Set out below are seven sets of proposed technical amendments to the Basel Framework on which the Basel Committee would welcome feedback. The first three amendments relate to the standardised approach to operational risk (chapter OPE25), the fourth relates to the disclosure standards for credit valuation adjustment (CVA) risk (chapter DIS51), the fifth relates to the calculation of the score for the Trading Volume Indicator in the G-SIB framework and related disclosure requirements (chapters SCO40 and DIS75), the sixth relates to the inclusion of insurance subsidiaries in the disclosure of the leverage ratio exposure measure in the G-SIB framework (chapter DIS75), and the seventh relates to the countercyclical capital buffer and related disclosure requirements (chapters RBC30 and DIS75). The Committee has also finalised a set of FAQs that have been added to the Basel Framework and are set out in the annex for information.

OPE25.10: Minimum number of years of loss data to use in the calculation

Paragraph OPE25.10 (2023 version) of the standardised approach to operational risk states that as part of the transition to the standardised approach, banks that do not have 10 years of high quality loss data may use a minimum of five years of data to calculate the Loss Component (LC). To clarify what "transition to the standardised approach" means, and avoid an overly narrow interpretation, the following technical amendment is proposed:

OPE25.10 *The calculation of average losses in the LC must be based on 10 years of high-quality annual loss data. The qualitative requirements for loss data collection are outlined in OPE25.14 to OPE25.34.* ~~*As part of the transition to the standardised approach, banks that do not have 10 years of high-quality loss data may use a minimum of five years of data to calculate the LC.*~~ *When banks first become subject to calculation of the ILM, banks that do not have 10 years of high-quality loss data may use a minimum of five years of data to calculate the LC. Banks that do not have five years of high-quality loss data must calculate the capital requirement based solely on the BIC. Supervisors may however require a bank to calculate capital requirements using fewer than five years of losses if the ILM is greater than 1 and supervisors believe the losses are representative of the bank's operational risk exposure.*

OPE25.26(5): Timing losses and legal risk

The definition of operational risk (ie risk of loss resulting from inadequate or failed internal processes, people and systems or from external events) generally does not require the presence of legal risk for a loss resulting from an operational loss event to qualify as an operational loss. To achieve consistency within the standard between the general definition of operational risk and the treatment of operational losses

[1] The Basel Committee on Banking Supervision is the primary global standard setter for the prudential regulation of banks, as well as providing a forum for cooperation on banking supervisory matters. Its mandate is to strengthen the regulation, supervision and practices of banks worldwide with the purpose of enhancing financial stability.

that are timing losses (see below), the following technical amendment is proposed for the fifth bullet point of paragraph OPE25.26 (2023 version):

OPE25.26 *The following items must be included in the gross loss computation of the loss data set:*

[...]

(5) Negative economic impacts booked in a financial accounting period, due to operational risk events impacting the cash flows or financial statements of previous financial accounting periods ("timing losses"). Material "timing losses" should be included in the loss data set when they are due to operational risk events that span more than one financial accounting period ~~and give rise to legal risk~~.

OPE25.28: Date used for losses from legal events

Paragraph OPE25.28 (2023 version) of the standardised approach to operational risk could inadvertently imply that banks may use a date earlier than the accounting date for including losses related to a legal event in their loss data set. The following technical amendment is proposed to address this issue and ensure that the accounting date is used in all cases for building the loss data set:

OPE25.28 *Banks must use the date of accounting for building the loss data set. ~~The bank must use a date no later than the date of accounting for including losses related to legal events in the loss data set.~~ This includes using the date of accounting for including losses related to legal events in the loss dataset.*

DIS51.1: Various corrections of the CVA disclosure requirements

The revised CVA risk framework includes a new discount scalar $DS_{BA\text{-}CVA}$ for banks using the Basic Approach CVA and it is proposed that the disclosure framework is amended to accommodate this where appropriate. Moreover, the revised CVA risk framework mainly describes the calculation of *capital requirements* for CVA risk, rather than the corresponding calculation of *risk weighted assets*. To reflect these issues in the disclosure framework, the following amendments to the disclosure templates CVA1, CVA2 and CVA3 and the table CVAB are proposed to be implemented in DIS51 (2023 version).

Template CVA1: The reduced basic approach for CVA (BA-CVA)

Purpose: To provide the components used for the computation of capital requirements ~~RWA~~ under the reduced BA-CVA for CVA risk.

Scope of application: The template is mandatory for banks having part or all of their capital requirements ~~RWA~~ for CVA risk measured according to the reduced BA-CVA. The template should be completed with only the amounts obtained from the netting sets which are under the reduced BA-CVA.

Content: Capital requirements ~~RWA~~.

Frequency: Semiannual.

Format: Fixed.

Accompanying narrative: Banks must describe the types of hedge they use even if they are not taken into account under the reduced BA-CVA.

		a	b
		Components	Capital requirements under BA-CVA ~~RWA~~
1	Aggregation of systematic components of CVA risk		

		a	b
2	Aggregation of idiosyncratic components of CVA risk		
3	**Total**		

Definitions and instructions

Row number	Explanation
1	*Aggregation of systematic components of CVA risk:* Capital requirements ~~RWA~~ under perfect correlation assumption ($\sum_c SCVA_c$) as per [MAR50.14].
2	*Aggregation of idiosyncratic components of CVA risk:* Capital requirements ~~RWA~~ under zero correlation assumption (sqrt($\sum_c SCVA_c^2$)) as per [MAR50.14].
3	*Total:* $DS_{BA\text{-}CVA} \times K_{reduced}$ as per [MAR50.14] ~~multiplied by 12.5~~.

Linkages across templates

[CVA1:3/b] is equal to [OV1:10/~~a~~c] if the bank only uses the reduced BA-CVA for all CVA risk exposures.

Template CVA2: The full basic approach for CVA (BA-CVA)

Purpose: To provide the components used for the computation of capital requirements ~~RWA~~ under the full BA-CVA for CVA risk.

Scope of application: The template is mandatory for banks having part or all of their capital requirements ~~RWA~~ for CVA risk measured according to the full version of the BA-CVA. The template should be fulfilled with only the amounts obtained from the netting sets which are under the full BA-CVA.

Content: Capital requirements ~~RWA~~.

Frequency: Semiannual.

Format: Fixed. Additional rows can be inserted for the breakdown of other risks.

		a
		Capital requirements under BA-CVA ~~RWA~~
1	K Reduced	
2	K Hedged	
3	**Total**	

Definitions and instructions

Row number	Explanation
1	*K Reduced:* $DS_{BA\text{-}CVA} \times K_{reduced}$ as per [MAR50.14].
2	*K Hedged:* $DS_{BA\text{-}CVA} \times K_{hedged}$ as per [MAR50.21].
3	*Total:* $DS_{BA\text{-}CVA} \times K_{full}$ as per [MAR50.20] ~~multiplied by 12.5~~.

Linkages across templates

[CVA2:3/a] is equal to [OV1:10/c~~a~~] if the bank only uses the full BA-CVA for all CVA risk exposures.

Template CVA3: The standardised approach for CVA (SA-CVA)

Purpose: To provide the components used for the computation of capital requirements ~~RWA~~ under the SA-CVA for CVA risk.

Scope of application: The template is mandatory for banks having part or all of their capital requirements ~~RWA~~ for CVA risk measured according to the SA-CVA.

Content: Capital requirements ~~RWA~~.

Frequency: Semiannual.

Format: Fixed. Additional rows can be inserted for the breakdown of other risks.

		a	b
		Capital requirements under SA-CVA ~~RWA~~	Number of counterparties
1	Interest rate risk		
2	Foreign exchange risk		
3	Reference credit spread risk		
4	Equity risk		
5	Commodity risk		
6	Counterparty credit spread risk		
7	**Total (sum of rows 1 to 6)**		

Linkages across templates

[CVA3:7/a] is equal to [OV1:10/c~~a~~] if the bank only uses the SA-CVA for all CVA risk exposures.

Table CVAB: Qualitative disclosures for banks using the SA-CVA

Purpose: To provide the main characteristics of the bank's CVA risk management framework.

Scope of application: The table is mandatory for all banks using the SA-CVA to calculate their capital requirements ~~RWA~~ for CVA risk.

Content: Qualitative information.

Frequency: Annual.

Format: Flexible.

Banks must provide the following information on their CVA risk management framework:

(a)	A description of the bank's CVA risk management framework.
(b)	A description of how senior management is involved in the CVA risk management framework.
(c)	An overview of the governance of the CVA risk management framework (eg documentation, independent control unit, independent review, independence of the data acquisition from the lines of business).

SCO40.10, SCO40.32 and DIS75: Calculation of the score for and disclosure of the Trading Volume Indicator

SCO40.10 describes the methodology for calculating the score for the individual G-SIB indicators: *"For each bank, the score for a particular indicator is calculated by dividing the individual bank amount (expressed in EUR) by the aggregate amount for the indicator summed across all banks in the sample."* However, this is not accurate for the Trading Volume Indicator (TVI), which was introduced with the 2018 G-SIB methodology. The TVI score is not calculated as the individual bank TVI amount divided by the sum of the

TVI amount summed across all banks in the sample. The TVI score is instead calculated for each bank using its two sub-indicators: (1) trading volume of fixed income instruments; and (2) trading volume of equities and other securities. Scores are first calculated for each sub-indicator by dividing the individual bank amount by the aggregate amount for the sub-indicator summed across all banks in the sample. The trading volume indicator is then calculated as the simple average of the two sub-indicator scores. To clarify the correct methodology for calculating the score of the TVI, the following technical amendment to SCO40.10 is proposed:

SCO40.10 *For each bank, the score for a particular indicator is calculated by dividing the individual bank amount (expressed in EUR) by the aggregate amount for the indicator summed across all banks in the sample.*[1,2] *[...]*

Footnote 2: "The calculation of the score for the trading volume indicator differs from the calculation of the scores for the other 12 indicators. The trading volume indicator is calculated for each bank using two sub-indicators: (1) trading volume of fixed income instruments; and (2) trading volume of equities and other securities. Scores are first calculated for each sub-indicator by dividing the individual bank amount (expressed in EUR) by the aggregate amount for the sub-indicator summed across all banks in the sample. The trading volume indicator is then calculated as the simple average of the two sub-indicator scores"

Moreover, the calculation of the TVI score should also be reflected in the disclosure requirements. While SCO40.32 refers to a requirement for all banks with a leverage ratio exposure measure, including exposures arising from insurance subsidiaries, that exceeded EUR 200 billion in the previous year-end to publicly disclose the 13 indicators used in the G-SIB assessment methodology, in practice, there are 14 items that need to be disclosed, since the amounts of the two TVI sub-indicators are needed to be able to calculate a bank's TVI score. While this has been noted in the G-SIB template instructions, SCO40.32 has not been amended accordingly. To clarify the correct requirement, the following technical amendment to SCO40.32 is proposed:

SCO40.32 *For each financial year-end, all banks with a leverage ratio exposure measure, including exposures arising from insurance subsidiaries, that exceeded EUR 200 billion in the previous year-end (using the exchange rate applicable at the financial year-end) should be required by national authorities to make publicly available the 13 indicators used in the assessment methodology.*[1] *Banks should note in their disclosures that those figures are subject to revision and restatement*

Footnote 1: For the trading volume indicator, banks should be required by national authorities to make publicly available its two sub-indicators: (i) trading volume of fixed income instruments; and (ii) trading volume of equities and other securities.

Finally, the calculation of the TVI should also be clarified in the *content* and *accompanying narrative* sections of the GSIB1 template in DIS75:

Template GSIB1 – Disclosure of G-SIB indicators

Purpose: Provide an overview of the indicators that feed into the Committee's methodology for assessing the systemic importance of global banks.

Scope of application: The template is mandatory for banks which in the previous year have either been classified as G-SIBs, have a leverage ratio exposure measure exceeding EUR 200 billion or were included in the assessment sample by the relevant authority based on supervisory judgment (see SCO40).

For G-SIB assessment purposes, the applicable leverage ratio exposure measure definition is contained in the LEV.

For application of this threshold, banks should use the applicable exchange rate information provided on the Basel Committee website at www.bis.org/bcbs/gsib/. The disclosure itself is made in the bank's own currency.

Content: At least the ~~12~~ 13 indicators (including the two sub-indicators for the trading volume indicator, ie (i) trading volume of fixed income instruments, and (ii) trading volume of equities and other securities) used in the assessment methodology of the G-SIB framework (see [SCO40]).

Frequency: Annual. National authorities may allow banks whose financial year ends on 30 June to report indicator values based on their position as at 31 December (ie interim rather than financial year-end data).

Or in circumstances when banks are required to restate figures to reflect final data submitted to the Committee. This template must also be included in the bank's financial year-end Pillar 3 report. Restatements are only necessary if considered so by the national authority or on voluntary basis.

Format: Flexible. The information disclosed must be fully consistent with the data submitted to the relevant supervisory authorities for subsequent remittance to the Committee in the context of its annual data collection exercise for the assessment and identification of G-SIBs.

Where jurisdictions require banks (or banks voluntarily choose) to disclose the full breakdown of the indicators, such disclosure must take place using the template and related instructions that sample banks use to report their data to the Committee's data hub or as required by their local jurisdiction. The template format and its reporting instructions are available on the Basel Committee website (see www.bis.org/bcbs/gsib/reporting_instructions.htm).

Accompanying narrative: Banks should indicate the annual reference date of the information reported as well as the date of first public disclosure. Banks should include a web link to the disclosure of the previous G-SIB assessment exercise.

Banks may supplement the template with a narrative commentary to explain any relevant qualitative characteristic deemed necessary for understanding the quantitative data. This information may include explanations about the use of estimates with a short explanation as regards the method used, mergers or modifications of the legal structure of the entity subjected to the reported data, the bucket to which the bank was allocated and changes in higher loss absorbency requirements, or reference to the Basel Committee website for data on denominators, cutoff scores and buckets.

Regardless of whether Template GSIB1 is included in the annual Pillar 3 report, a bank's annual Pillar 3 report as well as all the interim Pillar 3 reports should include a reference to the website where current and previous disclosures of Template GSIB1 can be found.

	Category	Individual indicator	Values
1	Cross-jurisdictional activity	Cross-jurisdictional claims	
2		Cross-jurisdictional liabilities	
3	Size	Total exposures	
4	Interconnectedness	Intra-financial system assets	
5		Intra-financial system liabilities	
6		Securities outstanding	
7	Substitutability/ Financial institution infrastructure	Assets under custody	
8		Payment activity	
9		Underwritten transactions in debt and equity markets	
10a		Trading volume of fixed income instruments	
10b		Trading volume of equities and other securities	
1~~0~~1	Complexity	Notional amount of over-the-counter derivatives	
1~~1~~2		Level 3 assets	
1~~2~~3		Trading and available for sale securities	

Definitions and instructions

The template must be completed according to the instructions and definitions for the corresponding rows in force at the disclosure's reference date, which is based on the Committee's G-SIB identification exercise.

DIS75: G-SIB indicators disclosure requirements - inclusion of insurance subsidiaries in the leverage ratio exposure measure

The 2018 G-SIB methodology requires the leverage ratio exposure measure used for the G-SIB assessment to also include insurance subsidiaries. There is currently an inconsistency between SCO40, which was updated in 2018 to reflect this change, and the disclosure requirements set out in DIS75 Template GSIB1, which have not been updated. The proposed technical amendment will amend the *scope of application* section of the GSIB1 template in DIS75 to clarify that leverage ratio exposure used for the G-SIB assessment must also include insurance subsidiaries. Moreover, the proposed technical amendment would clarify more broadly the indicators for which insurance activities should be included, aligning the table in the GSIB1 template with Table 1 in SCO40.9:

Template GSIB1 – Disclosure of G-SIB indicators

Purpose: Provide an overview of the indicators that feed into the Committee's methodology for assessing the systemic importance of global banks.

Scope of application: The template is mandatory for banks which in the previous year have either been classified as G-SIBs, have a leverage ratio exposure measure exceeding EUR 200 billion or were included in the assessment sample by the relevant authority based on supervisory judgment (see SCO40).

For G-SIB assessment purposes, the applicable leverage ratio exposure measure definition is contained in the LEV. Its scope also includes exposures arising from insurance subsidiaries.

For application of this threshold, banks should use the applicable exchange rate information provided on the Basel Committee website at www.bis.org/bcbs/gsib/. The disclosure itself is made in the bank's own currency.

Content: At least the 12 indicators used in the assessment methodology of the G-SIB framework (see [SCO40]).

Frequency: Annual. National authorities may allow banks whose financial year ends on 30 June to report indicator values based on their position as at 31 December (ie interim rather than financial year-end data).

Or in circumstances when banks are required to restate figures to reflect final data submitted to the Committee. This template must also be included in the bank's financial year-end Pillar 3 report. Restatements are only necessary if considered so by the national authority or on voluntary basis.

Format: Flexible. The information disclosed must be fully consistent with the data submitted to the relevant supervisory authorities for subsequent remittance to the Committee in the context of its annual data collection exercise for the assessment and identification of G-SIBs.

Where jurisdictions require banks (or banks voluntarily choose) to disclose the full breakdown of the indicators, such disclosure must take place using the template and related instructions that sample banks use to report their data to the Committee's data hub or as required by their local jurisdiction. The template format and its reporting instructions are available on the Basel Committee website (see www.bis.org/bcbs/gsib/reporting_instructions.htm).

Accompanying narrative: Banks should indicate the annual reference date of the information reported as well as the date of first public disclosure. Banks should include a web link to the disclosure of the previous G-SIB assessment exercise.

Banks may supplement the template with a narrative commentary to explain any relevant qualitative characteristic deemed necessary for understanding the quantitative data. This information may include explanations about the use of estimates with a short explanation as regards the method used, mergers or modifications of the legal structure of the entity subjected to the reported data, the bucket to which the bank was allocated and changes in higher loss absorbency requirements, or reference to the Basel Committee website for data on denominators, cutoff scores and buckets.

Regardless of whether Template GSIB1 is included in the annual Pillar 3 report, a bank's annual Pillar 3 report as well as all the interim Pillar 3 reports should include a reference to the website where current and previous disclosures of Template GSIB1 can be found.

	Category	Individual indicator	Values
1	Cross-jurisdictional activity	Cross-jurisdictional claims	
2		Cross-jurisdictional liabilities	
3	Size	Total exposures as defined for use in the Basel III leverage ratio*	
4	Interconnectedness	Intra-financial system assets*	
5		Intra-financial system liabilities*	

6		Securities outstanding*	
7	Substitutability/ Financial institution infrastructure	Assets under custody	
8		Payment activity	
9		Underwritten transactions in debt and equity markets	
10	Complexity	Notional amount of over-the-counter derivatives*	
11		Level 3 assets*	
12		Trading and available for sale securities	

* Extended scope of consolidation to include insurance activities.

Definitions and instructions

The template must be completed according to the instructions and definitions for the corresponding rows in force at the disclosure's reference date, which is based on the Committee's G-SIB identification exercise.

RBC30 and DIS75: amendments to reflect the new market risk framework

On 1 January 2023, the capital rules for trading book exposures were replaced by the new market risk framework. Consequently, the countercyclical capital buffer (CCyB) sections of the consolidated Basel Framework which refer the trading book rules should be updated to reflect the concepts and terminology of the new market risk framework (FRTB). For example, the term "incremental risk charge", which is used when defining "private sector credit exposures" for the calculation of the CCyB, in RBC30 is no longer used under the new rules. The proposed technical amendments to RBC30 outlined below update the rules text accordingly. These changes are also reflected in the proposed amendment to the *definitions and instructions* section of the CCyB1 template in DIS75.

The implementation date for the proposed technical amendments is the same as the implementation date of the FRTB, ie 1 January 2023. To account for the fact that not all jurisdictions plan to implement the FRTB by the implementation date on 1 January 2023, the current rules text remains relevant for jurisdictions that still use the current trading book rules.

RBC30.13 *Internationally active banks will look at the geographic location of their private sector credit exposures (including non-bank financial sector exposures) and calculate their countercyclical capital buffer requirement as a weighted average of the buffers that are being applied in jurisdictions to which they have an exposure. Credit exposures in this case include all private sector credit exposures that attract a credit risk capital charge, or ~~the~~ a risk weighted equivalent trading book capital charge~~s~~ for specific risk or ~~and, the incremental~~ default risk ~~charge and securitisation~~.*

RBC30.13 FAQ1 *What are "private sector credit exposures"?*

"Private sector credit exposures" refers to exposures to private sector counterparties which attract a credit risk capital charge ~~in the banking book, and the risk-weighted~~, or a ~~an~~ risk weighted equivalent ~~trading book~~ market risk capital charge~~s~~ for ~~specific risk, the incremental risk charge, and securitisation.~~ banks' exposures in the trading book as follows:

- *If the SSA is applied: the risk weighted equivalent market risk capital charge for specific risk as described in MAR40.*
- *If the IMA or the SA is applied: the risk weighted equivalent market risk capital charge for default risk as described in MAR22 and MAR33.*

Interbank exposures and exposures to the public sector are excluded, but non-bank financial sector exposures are included.

RBC30.15 *For the default risk charge ~~value-at-risk (VaR) charge for specific risk, the incremental risk charge and the comprehensive risk measurement charge~~, banks should work with their supervisors to develop an approach that would translate these charges into individual instrument risk weights that would then be allocated to the geographic location of the specific counterparties that make up the charge. However, it may not always be possible to break down the charges in this way due to the charges being calculated on a portfolio by portfolio basis. In such cases, the charge for the relevant portfolio should be allocated to the geographic regions of the constituents of the portfolio by calculating the proportion of the portfolio's total exposure at default (EAD) that is due to the EAD resulting from counterparties in each geographic region.*

RBC30.15 FAQ2 *What are the relevant exposures on the trading book for the computation of geographical weights in the buffer add-on?*

As noted in RBC30.13 ~~and RBC30.15~~, private sector credit exposures subject to the market risk capital framework are those that attract: ~~the risk weighted equivalent trading book capital charges for specific risk, the incremental risk charge, and securitisation. For the VaR for specific risk, the incremental risk charge, and the comprehensive risk measures, banks should work with their supervisors to develop an approach that would translate these charges into individual instrument risk weights that would then be allocated to the geographic location of specific counterparties. However, it may not always be possible to break down the charges in this way due to the charges being calculated on a portfolio by portfolio basis. In such cases, one method is that the charge for the relevant portfolio should be allocated to the geographic regions of the constituents of the portfolio by calculating the proportion of the portfolio's total EAD that is due to the EAD resulting from counterparties in each geographic region.~~

~~The Basel Committee will monitor implementation practices and provide more prescriptive guidance should circumstances warrant it.~~

- *a risk weighted equivalent market risk capital charge for specific risk, if the SSA is applied; or*
- *a risk weighted equivalent market risk capital charge for default risk, if the IMA or the SA is applied.*

Template CCyB1 – Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement

Purpose: Provide an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the bank's countercyclical capital buffer.

Scope of application: The template is mandatory for all banks subject to a countercyclical capital buffer requirement based on the jurisdictions in which they have private sector credit exposures subject to a countercyclical capital buffer requirement compliant with the Basel standards. Only banks with exposures to jurisdictions in which the countercyclical capital buffer rate is higher than zero should disclose this template.

Content: Private sector credit exposures and other relevant inputs necessary for the computation of the bank-specific countercyclical capital buffer rate.

Frequency: Semiannual.

Format: Flexible. Columns and rows might be added or removed to fit with the domestic implementation of the countercyclical capital buffer and thereby provide information on any variables necessary for its computation. A column or a row may be removed if the information is not relevant to the domestic implementation of the countercyclical capital buffer framework.

Accompanying narrative: For the purposes of the countercyclical capital buffer, banks should use, where possible, exposures on an "ultimate risk" basis. They should disclose the methodology of geographical allocation used, and explain the jurisdictions or types of exposures for which the ultimate risk method is not used as a basis for allocation. The allocation

of exposures to jurisdictions should be made taking into consideration the clarifications provided by RBC30. Information about the drivers for changes in the exposure amounts and the applicable jurisdiction-specific rates should be summarised.

	a	b	c	d	e
Geographical breakdown	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets (RWA) used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical capital buffer amount
		Exposure values	RWA		
(Home) Country 1					
Country 2					
Country 3					
⋮					
Country N					
Sum					
Total					

Definitions and instructions

Unless otherwise provided for in the domestic implementation of the countercyclical capital buffer framework, private sector credit exposures relevant for the calculation of the countercyclical capital buffer (relevant private sector credit exposures) refer to exposures to private sector counterparties which attract a credit risk capital charge ~~in the banking book~~, or a ~~and the~~ risk-weighted equivalent market risk capital charge for banks' exposures in the trading book ~~capital charges~~ for specific risk or ~~and, the incremental~~ default risk ~~charge and securitisation~~ as defined in [RBC30.13]. Interbank exposures and exposures to the public sector are excluded, but non-bank financial sector exposures are included.

Country: Country in which the bank has relevant private sector credit exposures, and which has set a countercyclical capital buffer rate greater than zero that was applicable during the reporting period covered by the template.

Sum: Sum of private sector credit exposures or RWA for private sector credit exposures, respectively, in jurisdictions with a non-zero countercyclical capital buffer rate.

Total: Total of private sector credit exposures or RWA for private sector credit exposures, respectively, across all jurisdictions to which the bank is exposed, including jurisdictions with no countercyclical capital buffer rate or with a countercyclical capital buffer rate set at zero, and value of the bank-specific countercyclical capital buffer rate and resulting countercyclical capital buffer amount.

Countercyclical capital buffer rate: Countercyclical capital buffer rate set by the relevant national authority in the country in question and in force during the period covered by the template or, where applicable, the higher countercyclical capital buffer rate set for the country in question by the home authority of the bank. Countercyclical capital buffer rates that were set by the relevant national authority, but are not yet applicable in the country in question at the disclosure reference date (pre-announced rates) must not be reported.

Total exposure value: If applicable, total private sector credit exposures across all jurisdictions to which the bank is exposed, including jurisdictions with no countercyclical capital buffer rate or with a countercyclical capital buffer rate set at zero.

Total RWA: If applicable, total value of RWA for relevant private sector credit exposures, across all jurisdictions to which the bank is exposed, including jurisdictions with no countercyclical capital buffer rate or with a countercyclical capital buffer rate set at zero.

Bank-specific countercyclical capital buffer rate: Countercyclical capital buffer that varies between zero and 2.5% or, where appropriate, above 2.5% of total RWA calculated in accordance with RBC30.9 to RBC30.15 as a weighted average of the countercyclical capital buffer rates that are being applied in jurisdictions where the relevant credit exposures of the bank are located and reported in rows 1 to N. This figure (ie the bank-specific countercyclical capital buffer rate) may not be deduced from the figures reported in this template as private sector credit exposures in jurisdictions that do not have a countercyclical capital buffer rate, which form part of the equation for calculating the figure, are not required to be reported in this template.

Countercyclical capital buffer amount: Amount of Common Equity Tier 1 capital held to meet the countercyclical capital buffer requirement determined in accordance with RBC30.9 to RBC30.15.

Linkages across templates

[CCyB1:Total/d] is equal to [KM1:9/a] for the semiannual disclosure of KM1, and [KM1:9/b] for the quarterly disclosure of KM1

[CCyB1:Total/d] is equal to [CC1:66/a] (for all banks) or [TLAC1:30/a] (for G-SIBs)

Annex: FAQs that have been added to the Basel Framework

Set out below are five FAQs that have been added to the Basel Framework. FAQs are intended to clarify the intended interpretation of the standards and promote their consistent global implementation. As they do not change the standards themselves, they are issued in final form and not subject to public consultation.

OPE10.3 (2023 version)

Should income and expenses from insurance activities where the bank acts as an intermediary (rather than the insurance provider) be excluded from the Business Indicator?

No. When the bank acts as an insurance intermediary and, therefore, is not the insurance provider (ie the risk taker), the related income and expenses are not excluded from the Business Indicator. On the other hand, income and expenses from the bank's insurance or reinsurance business (ie relating to activities where a bank acts as the insurance provider) are excluded.

OPE25.26 (2023 version)

How should the costs relating to a bank asset that is damaged or destroyed be defined?

In a case where a bank asset is damaged or destroyed and without prejudice of additional indirect losses, the losses related to the asset value and the costs of repair or replacement depend on how the bank proceeds in addressing that damage or destruction:

a) In cases where an asset of the bank is damaged or destroyed and the bank does not replace or repair it, the operational loss amount corresponds to the reduction in the book value of the asset plus any residual clean-up or disposal costs.

b) In cases where an asset of the bank is damaged or destroyed and the bank decides to replace it or repair it fully, then the operational loss amount is the cost of replacing or repairing the asset plus any residual clean-up or disposal costs.

c) In cases where an asset of the bank is damaged and the bank decides to repair it partially (ie the asset has less book value after repair than prior to the operational loss event), then the operational loss amount is the cost of repairing the asset plus the loss of book value of the asset after the repair relative to its pre-operational loss event book value plus any residual clean-up or disposal costs.

OPE25.26 (2023 version)

What is the threshold of materiality for timing losses and pending losses?

Like other operational losses, timing losses and pending losses must be included in the operational loss event dataset if they are associated with an operational loss event that exceeds €20,000 (€100,000 upon national discretion) for banks in buckets 2 and 3.

LCR40.69 (2019 version)

How does the LCR in the Basel Framework treat autocallable notes or those funding instruments that mature as soon as a pre-defined market-based trigger is reached or if a trigger is breached at a pre-defined date?

Autocallable notes or those funding instruments with market-based maturity triggers issued by the bank should be treated as other contingent funding obligations according to LCR40.69 in connection with LCR40.67. Accordingly, competent authorities and banks should consider which trigger events may occur under the stress assumptions set out in LCR20.2 on the basis of prudent and appropriate analysis.

NSF30.9 (2019 version) and NSF30.24 (2019 version)

Does the deduction of variation margin from replacement cost in connection with a derivative or bilateral netting contract include the portion of variation margin that is in excess of the replacement cost amount of that derivative or bilateral netting contract? Or do national supervisors only allow a variation margin deduction up to the amount of the derivative asset or liability?

While national discretion exists on this matter, the amount of variation margin in connection with a derivative or bilateral netting contract that is in excess of the replacement cost of that derivative or bilateral netting contract must be adequately captured. This can be done by considering the full amount of variation margin in the calculation of the bank's net derivative asset or liability, or by excluding any amount of variation margin that is posted or received in excess of the replacement cost of the corresponding derivative or bilateral netting contract and treating them according to the corresponding balance-sheet treatment (ie, typically a loan), the period of encumbrance and, where applicable, the type of counterparty. The Committee intends to monitor the impact of this national discretion.