Amendment to Capital Accord

The following text replaces the existing list of assets eligible for a 20% risk weighting in Annex 2 of the Accord:

20%

(a) Claims on multilateral development banks (IBRD, IADB, AsDB, AfDB, EIB, EBRD)[1] and claims guaranteed by, or collateralised by securities issued by such banks[2]

(b) Claims on banks incorporated in the OECD and claims guaranteed[2] by OECD incorporated banks

(c) Claims on securities firms incorporated in the OECD subject to comparable supervisory and regulatory arrangements, including in particular risk-based capital requirements[3], and claims guaranteed by these securities firms

(d) Claims on banks incorporated in countries outside the OECD with a residual maturity of up to one year and claims with a residual maturity of up to one year guaranteed by banks incorporated in countries outside the OECD

(e) Claims on non-domestic OECD public-sector entities, excluding central government, and claims guaranteed by or collateralised by securities issued by such entities[2]

(f) Cash items in process of collection

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1 Claims on other multilateral development banks in which G-10 countries are shareholding members may, at national discretion, also attract a 20% weight.

2 Commercial claims partially guaranteed by these bodies will attract equivalent low weights on the part of the claim which is fully covered. Similarly, claims partially collateralised by cash, or by securities issued by OECD central governments, OECD non-central government public-sector entities, or multilateral development banks will attract low weights on that part of the claim which is fully covered.

3 i.e., capital requirements that are comparable to those applied to banks in this Accord and its Amendment to incorporate market risks. Implicit in the meaning of the word “comparable” is that the securities firm (but not necessarily its parent) is subject to consolidated regulation and supervision with respect to any downstream affiliates.