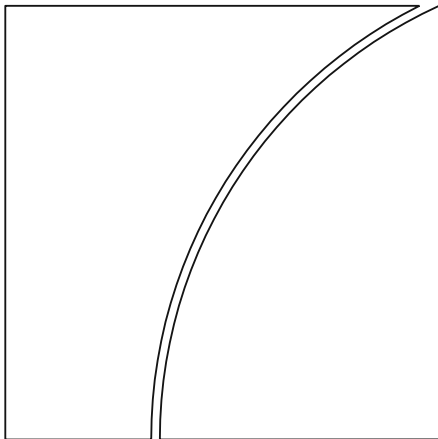


Basel Committee on Banking Supervision



Global systemically
important banks –
revised assessment
framework to address
window dressing

16 October 2026



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Introduction

In March 2024, the Basel Committee on Banking Supervision published a consultative document proposing potential revisions to the assessment methodology for global systemically important banks (G-SIBs) to address “window-dressing” activity.¹ This was based on evidence that some banks take steps to temporarily lower the values of certain indicators at year-end, which results in an underestimation of their systemic importance. These indicators are critical, as they are used to calculate the bank-specific scores, which in turn determine the list of G-SIBs and the applicable higher loss absorbency requirements. The Committee had already made clear that such window-dressing by banks is unacceptable. Such behaviour undermines the intended policy objectives of the Committee's standards and risks disrupting the operations of financial markets.

After considering the feedback from stakeholders on the consultation and additional evidence collected through the G-SIB assessment exercise, the Committee has now finalised the revisions in chapter SCO40 of the Basel Framework. This document sets out the revised standard which the Committee has agreed to implement in two steps: the revised reporting and disclosure threshold will be implemented by 1 January 2027 and the rest of the amendments to address window dressing by 1 January 2030. The Committee wishes to thank respondents for their feedback on the consultative document.

Based on the feedback received, the Committee has agreed to make a number of amendments, set out in more detail below. The Committee will continue to monitor the prevalence of window-dressing activity as part of its periodic review process.

Amendments to the standard

Reporting data and scope of application

In the consultation, the Committee gave consideration to a broad range of averaging frequencies, including averages over daily, month-end and quarter-end values. The Committee evaluated evidence brought forward for specific data items or indicators. It also took account of specific areas for which reporting averages of high-frequency values would be particularly challenging. In doing so, the Committee has sought to strike a balance between addressing window dressing behaviour and avoiding undue reporting burden. With regards to the scope of application, the Committee considered the merits of a more targeted approach relative to applying a uniform methodology for all banks.

The final standard requires, at a minimum, all banks to calculate the value of stock G-SIB indicators based on the average of quarter-end values over the financial year.

In addition, G-SIBs and near-G-SIBs (as defined by a G-SIB score above 100 basis points in the previous year's assessment)² are required to calculate the value of stock G-SIB indicators based on the frequencies summarised in Table 1. The “averaging frequency” refers respectively to the average of daily values, month-end values and quarter-end values over the reporting year.

National authorities have discretion to require banks in their jurisdiction to report the value of stock G-SIB indicators on a higher-frequency basis. This may be used, for example, if there are specific

¹ Available at [Global systemically important banks - revised assessment framework](#).

² The results from the previous year for all major banks (including G-SIBs and near-G-SIBs) are published via the G-SIB dashboard available here: <https://www.bis.org/bcbs/gsib/index.htm>

concerns of window dressing behavior with respect to a particular bank, group of banks, or indicators. It may also be used in cases where a bank is expected to temporarily fall below the 100 basis point threshold.

Averaging for G-SIB indicators and data items

Table 1

Category (and weighting)	Individual indicator and data items**	Stock / flow variable	Averaging frequency	
			G-SIBs and near G-SIBs	Other banks
Cross-jurisdictional activity (20%)	Cross-jurisdictional claims	Stock	Quarterly	Quarterly
	Cross-jurisdictional liabilities	Stock	Quarterly	Quarterly
Size (20%)	Total exposures as defined for use in the Basel III leverage ratio*	Stock	Monthly	Quarterly
	On-balance sheet items containing SFTs and derivatives		Daily	
Interconnectedness (20%)	Intra-financial system assets*	Stock	Monthly	Quarterly
	On-balance sheet items containing SFTs and derivatives		Daily	
	Intra-financial system liabilities*	Stock	Monthly	Quarterly
	On-balance sheet items containing SFTs and derivatives		Daily	
	Securities outstanding*	Stock	Monthly	Quarterly
Substitutability/financial institution infrastructure (20%)	Assets under custody	Stock	Monthly	Quarterly
	Payments activity	Flow		n/a
	Underwritten transactions in debt and equity markets	Flow		n/a
	Trading volume	Flow		n/a
Complexity (20%)	Notional amount of over-the-counter derivatives*	Stock	Daily	Quarterly
	Level 3 assets*	Stock	Quarterly	Quarterly
	Trading and available-for-sale securities	Stock	Monthly (daily on a best efforts basis)	Quarterly

* Extended scope of consolidation to include insurance activities.

** Data items that are not listed must be calculated based on the same averaging frequency as their corresponding individual indicator.

Basel Committee on Banking Supervision

Reporting and disclosure threshold

The Committee has also agreed to increase the G-SIB reporting and disclosure threshold from EUR 200 billion to EUR 350 billion. The criteria to determine which banks are subject to reporting and disclosure requirements in the G-SIB framework remains based on the leverage ratio exposure measure (including exposures arising from insurance subsidiaries) as of the previous year-end.

Implementation date

The revised EUR 350 billion reporting and disclosure threshold will be implemented from 2027 (ie from the end-2026 assessment exercise for which end-2025 data is relevant for the reporting threshold). The corresponding standard changes are set out in Annex 1.

For the rest of the changes, to provide sufficient time for banks to develop a robust and comprehensive reporting process, the implementation date is 2030 (ie requiring banks to report higher-frequency data from 1 January 2029 for the G-SIB assessment exercise published in 2030 based on 2029

data). A transitional period will commence from 1 January 2028, with banks asked to report higher frequency data (on a best-efforts basis) for the end-2028 assessment exercise that will be published in 2029. During the transitional period, reporting banks will be required to report both financial year-end values and, on a best-efforts basis, their averaged values as set out in the previous sections. During the transitional period, supervisors will be expected to apply supervisory judgment in cases in which material differences between those values are observed. The corresponding standard changes are set out in Annex 2.

Annex 1: Revisions to the Basel Framework applicable from 1 January 2027

Set out below are the final revisions to SCO40 Global systemically important banks of the Basel Framework applicable from 1 January 2027.

Sample of banks

- 40.19 The indicator-based measurement approach uses a large sample of banks as its proxy for the global banking sector. Data supplied by this sample of banks is then used to calculate banks' scores. Banks fulfilling any of the following criteria will be included in the sample ~~and will be required to submit the full set of data used in the assessment methodology to their supervisors:~~
- (1) Banks that the Committee identifies as the 75 largest global banks, based on the financial year-end-Basel III leverage ratio exposure measure, including exposures arising from insurance subsidiaries.
 - (2) Banks that were designated as G-SIBs in the previous year (unless supervisors agree that there is compelling reason to exclude them).
 - (3) Banks that have been added to the sample by national supervisors using supervisory judgment (subject to certain criteria).

Reporting and Disclosure requirements

- 40.32 For each financial year-end, all banks with a leverage ratio exposure measure, including exposures arising from insurance subsidiaries, that exceeded EUR ~~200~~350 billion in the previous year-end (using the exchange rate applicable at the financial year-end), ~~will be required to submit the full set of data used in the assessment methodology to their supervisors. These banks~~ should be required by national authorities to make publicly available the 13 indicators used in the assessment methodology.¹⁰ Banks should note in their disclosures that those figures are subject to revision and restatement.
- 40.33 Banks below this threshold that have been added to the sample owing to supervisory judgment or as a result of being classified as a G-SIB in the previous year would also be required to comply with the data submission and disclosure requirements stated in SCO40.32.

Operational timetable

- 40.35 The assessment methodology set out in this chapter applies from ~~2021~~ 2027, based on end-~~2020~~ 2026 data. The corresponding higher loss absorbency requirement (defined in RBC40) applies from 1 January ~~2023~~ 2029.

Footnote

¹⁰ 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.

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 had~~ a leverage ratio exposure measure exceeding EUR ~~200~~350 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 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 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	
10a		Trading volume of fixed income instruments	
10b		Trading volume of equities and other securities	
11	Complexity	Notional amount of over-the-counter derivatives*	

12		Level 3 assets*	
13		Trading and available for sale securities	

* Extended scope of consolidation to include insurance subsidiaries.

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.

Annex 2: Revisions to the Basel Framework applicable from 1 January 2030

Set out below are the final revisions to SCO40 Global systemically important banks of the Basel Framework applicable from 1 January 2030. Changes in red are relative to the 1 January 2027 version of SCO40 set out in Annex 1.

Assessing systemic importance

- 40.9 The global systemically important insurers framework does not formally capture the insurance subsidiaries of banking groups. Furthermore, some jurisdictions include insurance subsidiaries in their regulatory scope of consolidation whilst others do not, which may create an inconsistency in the systemic assessment of banking groups across jurisdictions. Against this background, the Committee has decided to include insurance activities for the following indicators: total exposures, intra-financial system assets, intra-financial system liabilities, securities outstanding, notional amount of over-the-counter (OTC) derivatives and level 3 assets in the size, interconnectedness and complexity categories. The approach therefore includes the following indicators with the following weights:

Indicator-based measurement approach		Table 1
Category (and weighting)	Individual indicator	Indicator weighting
Cross-jurisdictional activity (20%)	Cross-jurisdictional claims	10%
	Cross-jurisdictional liabilities	10%
Size (20%)	Total exposures as defined for use in the Basel III leverage ratio*	20%
Interconnectedness (20%)	Intra-financial system assets*	6.67%
	Intra-financial system liabilities*	6.67%
	Securities outstanding*	6.67%
Substitutability/financial institution infrastructure (20%)	Assets under custody	6.67%
	Payments activity	6.67%
	Underwritten transactions in debt and equity markets	3.33%
	Trading volume	3.33%
Complexity (20%)	Notional amount of OTC derivatives*	6.67%
	Level 3 assets*	6.67%
	Trading and available-for-sale securities	6.67%

* Extended scope of consolidation to include insurance activities.

- 40.10 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} This amount is then multiplied by 10,000 to express the indicator score in terms of basis points. For example, if a bank's size divided by the total size of all banks in the sample is 0.03 (ie the bank makes up 3% of the sample total) its score will be expressed as 300 basis points. Each category score for each bank is determined by taking a simple average of the indicator scores in that category. The overall score for each bank is then calculated by taking a simple average of its five category scores and then rounding to the nearest whole basis point.³ The maximum total score, ie the score that a bank would have if it were the only bank in sample, is 10,000 basis points (ie 100%).⁴

- ¹ See SCO40.1922 for a description of how the sample of banks is determined.
- 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 (arithmetic mean) of the two sub-indicator scores.
- ³ Fractional values between 0 and 0.5 are rounded down, while values from 0.5 to 1 are rounded up.
- ⁴ This ignores the impact of the cap on the substitutability category. The impact of the cap is such that the actual maximum score if there were only one bank in the sample is 8,000 basis points plus one fifth of the maximum substitutability score.

4.11 For banks designated as G-SIBs or near-G-SIBs (ie other banks with a systemic score equal to or above 100 basis points) in the previous year⁵, indicators based on stock data must be calculated based on the frequencies set out in the “G-SIBs and near-G-SIBs” column of Table 2. The “averaging frequency” refers respectively to the average of daily values, month-end values and quarter-end values over the reporting year. The reporting instructions published on the Committee’s website provide detailed guidance on how the data used to calculate the indicators should be reported by banks.

Footnote

- ⁵ A bank that reaches a systemic score equal to or above 100 basis points, and was not subject to the requirements set out in SCO40.11 in the previous year, will be required to report on the basis outlined in SCO40.11 from the second year following the year in which the score is published. For example, a bank with a score of 100 basis points in the end-2030 assessment will be required to report based on averages of higher-frequency data from 1 January 2033, which will be reflected in the end-2033 assessment conducted in 2034. This is to provide banks sufficient time to build the required capabilities to meet reporting requirements based on averages of higher-frequency data.

40.12 For banks with a score below 100 basis points in the previous year, or for which a score was not calculated in the previous year, all indicators based on stock data must be calculated based on an average of quarter-end values over the reporting year (set out in the “Other banks” column of Table 2).

Averaging requirements for G-SIB indicators and data items

Table 2

<u>Category</u>	<u>Individual indicator and data items**</u>	<u>Averaging frequency</u>	
		<u>G-SIBs and near-G-SIBs</u>	<u>Other banks</u>
<u>Cross-jurisdictional activity</u>	<u>Cross-jurisdictional claims</u>	<u>Quarterly</u>	<u>Quarterly</u>
	<u>Cross-jurisdictional liabilities</u>	<u>Quarterly</u>	<u>Quarterly</u>
<u>Size</u>	<u>Total exposures as defined for use in the Basel III leverage ratio*</u>	<u>Monthly</u>	<u>Quarterly</u>
	<u>On-balance sheet items containing SFTs and derivatives</u>	<u>Daily</u>	
<u>Interconnectedness</u>	<u>Intra-financial system assets*</u>	<u>Monthly</u>	<u>Quarterly</u>
	<u>On-balance sheet items containing SFTs and derivatives</u>	<u>Daily</u>	
	<u>Intra-financial system liabilities*</u>	<u>Monthly</u>	<u>Quarterly</u>
	<u>On-balance sheet items containing SFTs and derivatives</u>	<u>Daily</u>	
	<u>Securities outstanding*</u>	<u>Monthly</u>	<u>Quarterly</u>
<u>Substitutability/financial institution infrastructure</u>	<u>Assets under custody</u>	<u>Monthly</u>	<u>Quarterly</u>
<u>Complexity</u>	<u>Notional amount of over-the-counter derivatives*</u>	<u>Daily</u>	<u>Quarterly</u>
	<u>Level 3 assets*</u>	<u>Quarterly</u>	<u>Quarterly</u>
	<u>Trading and available-for-sale securities</u>	<u>Monthly (daily on a best-efforts basis)</u>	<u>Quarterly</u>

* Extended scope of consolidation to include insurance activities.

** Data items that are not listed must be calculated based on the same averaging frequency as their corresponding individual indicator.

40.13 National authorities have discretion to require banks in their jurisdiction to calculate indicators based on stock data using higher-frequency averages data than those set out in SCO40.11 and SCO40.12.

40.14 When calculating a bank's indicators, the data must be converted from the reporting currency to euros using the exchange rates published on the Basel Committee website. These rates should not be rounded in performing the conversions, as this may lead to inaccurate results.

40.15 There are different sets of currency conversions on the website, each corresponding to a different fiscal year-end. Within each set, there are two conversion tables. The first is a point-in-time, or spot, conversion rate corresponding to the following fiscal year-ends: 30 September, 30 October, 31 December, and 31 March (of the following year). The second set is an average of the exchange rates over the relevant fiscal year. Unless the bank decides to collect the daily flow data in the reporting currency directly and convert the data using a consistent set of daily exchange rate quotations, the average rates over the bank's fiscal year should be used to convert the individual payments data into the bank's reporting currency. The 31 December spot rate should be used to convert each of the ~~1213~~ indicator values (including total payments activity) to the G-SIB assessment methodology reporting currency (ie euros).

Sample of banks

40.22 The indicator-based measurement approach uses a large sample of banks as its proxy for the global banking sector. Data supplied by this sample of banks is then used to calculate banks' scores. Banks fulfilling any of the following criteria will be included in the sample:

- (1) Banks that the Committee identifies as the 75 largest global banks, based on ~~on the financial year-end~~ Basel III leverage ratio exposure measure, including exposures arising from insurance subsidiaries, calculated as defined in SCO40.11 – SCO40.12.
- (2) Banks that were designated as G-SIBs in the previous year (unless supervisors agree that there is compelling reason to exclude them).
- (3) Banks that have been added to the sample by national supervisors using supervisory judgment (subject to certain criteria).

Reporting and disclosure requirements

40.35 For each financial year-end, all banks with a leverage ratio exposure measure, including exposures arising from insurance subsidiaries, that exceeded EUR 350 billion in the previous year-end (using the exchange rate applicable at the financial year-end), will be required to submit the full set of data used in the assessment methodology to their supervisors. These banks should be required by national authorities to make publicly available the 13 indicators used in the assessment methodology. The ten stock indicators must be calculated as described in SCO40.11 – SCO40.12. Banks should note in their disclosures that those figures are subject to revision and restatement.

Operational timetable

40.38 The assessment methodology set out in this chapter applies from 2027-2030, based on ~~end-2026~~2029 data. The corresponding higher loss absorbency requirement (defined in RBC40) applies from 1 January 2029~~2032~~.

