



## About the Basel Committee (print version)

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The Basel Committee on Banking Supervision provides a forum for regular cooperation on banking supervisory matters. Its objective is to enhance understanding of key supervisory issues and improve the quality of banking supervision worldwide. It seeks to do so by exchanging information on national supervisory issues, approaches and techniques, with a view to promoting common understanding. At times, the Committee uses this common understanding to develop guidelines and supervisory standards in areas where they are considered desirable. In this regard, the Committee is best known for its international standards on capital adequacy; the Core Principles for Effective Banking Supervision; and the Concordat on cross-border banking supervision.

The Committee's members come from Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Hong Kong SAR, India, Indonesia, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The present Chairman of the Committee is Mr Nout Wellink, President of the Netherlands Bank.

The Committee encourages contacts and cooperation among its members and other banking supervisory authorities. It circulates to supervisors throughout the world both published and unpublished papers providing guidance on banking supervisory matters. Contacts have been further strengthened by an International Conference of Banking Supervisors (ICBS) which takes place every two years.

The Committee's Secretariat is located at the Bank for International Settlements in Basel, Switzerland, and is staffed mainly by professional supervisors on temporary secondment from member institutions. In addition to undertaking the secretarial work for the Committee and its many expert sub-committees, it stands ready to give advice to supervisory authorities in all countries. Mr Stefan Walter is the Secretary General of the Basel Committee.

### Main Expert Sub-Committees

The Committee's work is organised under four main sub-committees ([organisation chart](#)):

- [The Standards Implementation Group](#)
- [The Policy Development Group](#)
- [The Accounting Task Force](#)
- [The International Liaison Group](#)

More information on each sub-committee is provided below.

The **Standards Implementation Group** (SIG) was originally established to share information and promote consistency in implementation of the Basel II Framework. In January 2009, its mandate was broadened to concentrate on implementation of Basel Committee guidance and standards more generally. It is chaired by Mr José María Roldán, Director General of Banking Regulation at the Bank of Spain.

Currently the SIG has two subgroups that share information and discuss specific issues related to Basel II implementation. The Validation Subgroup explores issues related to the validation of systems used to generate the ratings and parameters that serve as inputs into the internal ratings-based approaches to credit risk. The group is chaired by Mr Maarten Gelderman, Head of Quantitative Risk Management at the Netherlands Bank.

The Operational Risk Subgroup addresses issues related primarily to banks' implementation of advanced measurement approaches for operational risk. Mr Kevin Bailey, Deputy Comptroller, Office of the Comptroller of the Currency, United States, chairs the group.

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The primary objective of the **Policy Development Group** (PDG) is to support the Committee by identifying and reviewing emerging supervisory issues and, where appropriate, proposing and developing policies that promote a sound banking system and high supervisory standards. The group is chaired by Mr Stefan Walter, Secretary General of the Basel Committee.

Seven working groups report to the PDG: the Risk Management and Modelling Group (RMMG), the Research Task Force (RTF), the Working Group on Liquidity, the Definition of Capital Subgroup, a Basel II Capital Monitoring Group, the Trading Book Group (TBG) and the Cross-border Bank Resolution Group.

The Risk Management and Modelling Group serves as the Committee's point of contact with the industry on the latest advances in risk measurement and management, and is chaired by Mr Klaas Knot, Director of Supervisory Policy at the Netherlands Bank. It focuses on assessing the range of industry risk management practices and the development of supervisory guidance to promote enhanced risk management practices.

The Research Task Force serves as a forum for research economists from member institutions to exchange information and engage in research projects on supervisory and financial stability issues. It also acts as a mechanism for facilitating communication between economists at member institutions and in the academic sector. It is co-chaired by Mr Myron Kwast, Senior Associate Director of the Division of Research and Statistics at the Board of Governors of the Federal Reserve System, United States, and Mr Peter Praet, Executive Director at the National Bank of Belgium and member of the Management Committee of the Banking, Finance and Insurance Commission, Belgium.

The Trading Book Group addresses issues relating to the application of Basel II to certain exposures arising from trading activities. A current focus of this group is the appropriate capital treatment of event risk in the trading book. It is co-chaired by Ms Norah Barger, Associate Director, Board of Governors of the Federal Reserve System, United States, and Mr Thomas McGowan, Assistant Director, Securities and Exchange Commission, United States.

The Working Group on Liquidity serves as a forum for information exchange on national approaches to liquidity risk regulation and supervision. In September 2008, the Working Group issued *Principles for Sound Liquidity Risk Management and Supervision*, the global standards for liquidity risk management and supervision. The Working Group is also examining the scope for additional steps to promote more robust and internationally consistent liquidity approaches for cross-border banks. The group is co-chaired by Mr Nigel Jenkinson, Executive Director for Financial Stability at the Bank of England, and Mr Marc Saidenberg, Senior Vice President in the Banking Supervision Group of the Federal Reserve Bank of New York, United States.

The Definition of Capital Subgroup explores emerging trends in eligible capital instruments in member jurisdictions. It currently is reviewing issues related to the

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quality, consistency and transparency of capital with a particular focus on Tier 1 capital. The group is co-chaired by Mr Hirotaka Hideshima, Director, Deputy Head of the International Affairs Section at the Bank of Japan, and Mr Richard Thorpe, Head of Capital Adequacy Policy Department and Accounting and Audit Sector Leader at the Financial Services Authority, United Kingdom.

In the course of implementation of Basel II, national supervisors are monitoring capital requirements to ensure that banks in their jurisdiction maintain a solid capital base throughout the economic cycle. The Basel Committee has established a Basel II Capital Monitoring Group that will from time to time share national experiences in monitoring capital requirements. This group is chaired by Mr Thilo Liebig, Head of Banking Supervision Research at the Deutsche Bundesbank.

Cross-border Bank Resolution Group: the CBRG is comparing the national policies, legal frameworks and the allocation of responsibilities for the resolution of banks with significant cross-border operations. It is co-chaired by Ms Eva Hüpkens, Head of Regulation, Swiss Financial Market Supervisory Authority (FINMA), and Mr Michael H Krimminger, Special Advisor for Policy to the Chairman of the Federal Deposit Insurance Corporation.

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The **Accounting Task Force** (ATF) works to help ensure that international accounting and auditing standards and practices promote sound risk management at financial institutions, support market discipline through transparency, and reinforce the safety and soundness of the banking system. To fulfil this mission, the task force develops prudential reporting guidance and takes an active role in the development of international accounting and auditing standards. Ms Sylvie Mathérat, Director of Financial Stability, Bank of France, chairs the ATF.

Three working groups report to the ATF: the Conceptual Framework Issues Subgroup, the Financial Instruments Practices Subgroup, and the Audit Subgroup. The Conceptual Framework Issues Subgroup monitors and responds to the conceptual accounting framework project of the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board in the United States. The Subgroup is co-chaired by Mr Jerry Edwards, ATF member and Senior Advisor on Accounting and Auditing Policy, Bank for International Settlements, Switzerland, and Mr Patrick Amis, Head of Accounting Affairs, Commission Bancaire, France.

The Financial Instruments Practices Subgroup assesses implementation of international accounting standards related to financial instruments, and the links between accounting practices in this area and prudential supervision. The Subgroup is chaired by Mr Ian Michael, Technical Specialist, Accounting and Auditing Policy, Financial Services Authority, United Kingdom.

The Audit Subgroup promotes reliable financial information by exploring key audit issues from a banking supervision perspective. It focuses on responding to international audit standards-setting proposals, other issuances of the International Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants, and audit quality issues. The Subgroup is chaired by Mr Marc Pickeur, Advisor for Supervisory Policy at the Banking, Finance and Insurance Commission, Belgium.

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The **International Liaison Group** (ILG) provides a forum for deepening the Committee's engagement with supervisors around the world on a broader range of issues. It gathers senior representatives from Argentina, Australia, Brazil, Chile, China, the Czech Republic, France, Germany, Hong Kong, India, Italy, Japan, Korea, Mexico, the Netherlands, Poland, Russia, Saudi Arabia, Singapore, South Africa, Spain, the United Kingdom, the United States and the West African Monetary Union, the European Commission, the International Monetary Fund, the World Bank, the Financial Stability Institute, the Association of Supervisors of Banks of the Americas and the Islamic Financial Services Board. The ILG is chaired by Mr Giovanni Carosio, Deputy General Director, Bank of Italy.

Two working groups report to the ILG: the ILG working group on Capital (ILGC) and the Anti-Money Laundering and Countering the Financing of Terrorism Expert Group (AML/CFT EG).

The ILGC is working together with the SIG on Basel II implementation issues and both groups regularly hold joint meetings. The ILGC is chaired by Mr Karl Cordewener, Deputy Secretary General of the Basel Committee.

The AML/CFT EG is responsible for monitoring AML/CFT issues that have a bearing on banking supervision. It is co-chaired by Mr Errol Kruger, Registrar of Banks and Executive General Manager, South African Reserve Bank, and Mr Edouard Fernandez-Bollo, Director of Legal Services, Commission Bancaire, France.

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### Coordination with other standard setters

Formal channels for coordinating with supervisors of non-bank financial institutions include the **Joint Forum**, for which the Basel Committee Secretariat provides the secretariat function, and the Coordination Group. The Joint Forum was established in 1996 to address issues common to the banking, securities and insurance sectors, including the regulation of financial conglomerates. The Coordination Group is a senior group of supervisory standard setters comprising the Chairmen and Secretaries General of the Committee, the International Organization of Securities Commissions (IOSCO) and the International Association of Insurance Supervisors (IAIS), as well as the Joint Forum Chairman and Secretariat. The Coordination Group meets twice annually to exchange views on the priorities and key issues of interest to supervisory standard setters. The position of chairman and the secretariat function for the Coordination Group rotate among the member representatives of the three standard setters every two years.

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