
Joint Release

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
New York State Banking Department**

For immediate release

May 5, 2003

Banking Agencies Announce Publication of Basel Accord Consultative Paper

WASHINGTON -- The Basel Committee on Banking Supervision, based in Basel, Switzerland, released its third consultative paper on the new Basel Capital Accord for comment on April 29, 2003. The paper seeks to continue the consultation process on revising the 1988 Capital Accord. Comments are invited by July 31, 2003.

The Basel Committee released the previous consultative paper on the new Accord in January 2001. The proposals have been substantially revised since that time to reflect the comments received on the 2001 document, as well as comments on several other documents released by the Basel Committee. Particular focus has been given to the Internal Ratings Based Approaches for commercial and retail credits, securitization, and the quantitative methodologies for operational risk. These changes reflect the continuing development of the new Accord and do not reflect a fundamental change to the overall framework, which establishes minimum capital for credit, market and operational risks. The framework also encompasses supervisory review of capital adequacy and market discipline through enhanced disclosure.

The U.S. agencies plan to follow the release of this consultative paper with an Advance Notice of Proposed Rulemaking (ANPR) in the next few months. This ANPR will be based on the Committee's third consultative paper and will focus on how the U.S. agencies intend to implement domestic changes that reflect the specific nature of U.S. banks and banking. The ANPR will also provide a proposal on the scope of application of the new Accord (i.e., the criteria in the U.S. rule governing the population of U.S. banks that will be required to comply with Basel II). Banks and other interested parties will be given the opportunity to comment on the ANPR proposals, as well as on the Notice of Proposed Rulemaking that will follow the ANPR.

The paper is available on the committee's website at www.bis.org, the Office of the Comptroller of the Currency's (OCC) website at www.occ.gov, the Federal Reserve Board's website at www.federalreserve.gov, and the Federal Deposit Insurance Corporation's website at www.fdic.gov. Comments on the Committee's third consultative paper on the new Basel Capital Accord may be sent to both the Basel Committee and the regulatory agencies.

Comments for the Basel Committee can be sent electronically to:
BCBS.Capital@bis.org or to:

Basel Committee on Banking Supervision
Bank for International Settlements
CH - 4002, Basel
Switzerland

Comments can be sent to the Federal Reserve electronically to
Regs.comments@federalreserve.gov or to:

Basel 2003 Capital Proposal
Board of Governors of the Federal Reserve System
Mail stop 155
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Comments can be sent to the Federal Deposit Insurance Corporation electronically to
comments@fdic.gov or to:

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Comments can be sent to the Office of the Comptroller of the Currency electronically to
Basel.Comments@occ.treas.gov or to:

Basel 2003 Capital Proposal
Office of the Comptroller of the Currency
Mail Stop 3-6
250 E Street SW
Washington, DC 20219

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