

**Stellungnahmen
Stellungnahme DK zum BCBS
Discussion Paper “The
regulatory framework:
balancing risk sensitivity,
simplicity and comparability“**

10. Oktober 2013

On 08 July 2013, the Basel Committee for Banking Supervision (BCBS) published its Discussion Paper "The regulatory Framework: balancing risk-sensitivity, simplicity and comparability". This Paper seeks to facilitate a discussion of ideas for a more balanced approach reconciling the partly contradictory Basel objectives of risk-sensitivity, simplicity and comparability thus overcoming needless complexity in the Basel Standards and enhancing comparability. During this exercise, from our point of view, the framework's risk-sensitivity should possibly be maintained or, potentially, should even be further strengthened. We appreciate the present opportunity to submit our comments.

We should like to preface our comments by pointing out that the German Banking Industry Committee represents a highly heterogeneous community of banks featuring an extremely large variety of sizes. Our members range from regional players, i.e. banks with ten members of staff to global players listed on the stock exchange featuring one hundred thousand full-time employees. Owing to this circumstance allow us to occasionally advocate in favour of differentiated standardised approaches for small and medium-sized banks; in other words, there should be a multi-tier treatment. Having said this, the German Banking Industry Committee is consistently in favour of protecting the risk-sensitivity of all approaches alike. Risk sensitivity should be maintained for all approaches by following a hierarchy ranging from standardized approaches to advanced approaches. Our main rationale for this approach is providing a modular toolkit from which those regulatory requirements and calculation methods can be chosen which are respectively most appropriate to the specific constellation, i.e. it can be applied in a modular and evolutionary manner both to local players and to international financial institutions thus accommodating banks' respective idiosyncrasies.

Furthermore, we should like to point out that we explicitly welcome the opportunity to share our views. In many regards, the host of new regulatory projects has exhausted banks' resources nearly to the limit. We subscribe to the Basel Committee's fundamental view that, over time, the complexity inherent in the Basel Framework has seen a constant increase. Furthermore, in recent years there has been an exponential rise in the scope and interdependency of the requirements thus further compounding the rules' complexity. We endorse the Basel Committee endeavours aimed at enhancing the comparability and the trustworthiness of the risk based Basel ratios as well as simplifying the framework in general. [...]