

## News Notice

### **Bermuda publishes final rules and reporting framework for Basel II**

Following lengthy consultation with industry, the Authority has published 'Revised Framework for Regulatory Capital Assessment', which sets out in a single policy document the final rules for implementation in Bermuda of Pillars 1 and 2 of the new Basel II international capital accord. The Authority is also publishing the new reporting form and guidance notes that institutions must use from 1 January 2009 to calculate and report their capital requirements to the Authority. To view or download the above mentioned documents, visit the Policy & Guidance and Reporting Forms & Guidelines sections of the Document Centre.

The one remaining element of the Authority's Basel II policy is its approach to market discipline and disclosure - Pillar 3 of the new accord. The Authority will shortly be publishing its proposals in a consultation paper and would welcome feedback from banks and other interested parties. Once finalised, the Pillar 3 policy will be incorporated in the Revised Framework for Regulatory Capital Assessment.

These new arrangements for setting minimum capital requirements for institutions caught within scope (mainly banks but also applies to some investment firms) come into effect on 1 January 2009. Until then, institutions should continue to report on the current basis. The Authority will, however, expect firms to commence parallel running during the second half of the year and will hold discussions on an individual basis about the impact of the transition to the new framework and other implementation issues.