



19 May 2022

## NOTICE

### **Consultation Paper – Amendments to the Standardised Approach to Measuring Credit Risk Capital Charges for Banks**

The Bermuda Monetary Authority (Authority or BMA) is committed to maintaining alignment of its regulatory framework for banking with international standards while also ensuring that it remains appropriate for the local banking sector to continue to operate prudently, competitively and sustainably.

To achieve this goal, the Authority is seeking to adopt the Basel III reforms as introduced within the Basel Committee on Banking Supervision's (Basel or BCBS) December 2017 paper entitled; "*Basel III: Finalising post-crisis reforms*" (Basel Framework). Included within the Basel Framework is a Revised Standardised Approach (RSA), which banks are required to use to calculate their minimum capital requirements for credit risk exposures.

This consultation paper sets out the Authority's proposed adoption of Basel's revised standardised approach for credit risk. Given the extent of changes to the RSA, the Authority will work with the industry to establish an appropriate implementation date.

Industry and other stakeholders are invited to provide feedback on the proposals outlined in this consultation paper by emailing their comments to [banking@bma.bm](mailto:banking@bma.bm) by the close of business on 19 August 2022.