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# *Regulatory Panel – Outstanding Policy Issues*

**20 May 2005**

**Klaas Knot  
Director, Supervisory Policy Division  
De Nederlandsche Bank**

Level 1

Council

Commission

Parliament

Level 2

EBC

FCC

EIOPC

ESC

Level 3

CEBS

CEIOPS

CESR

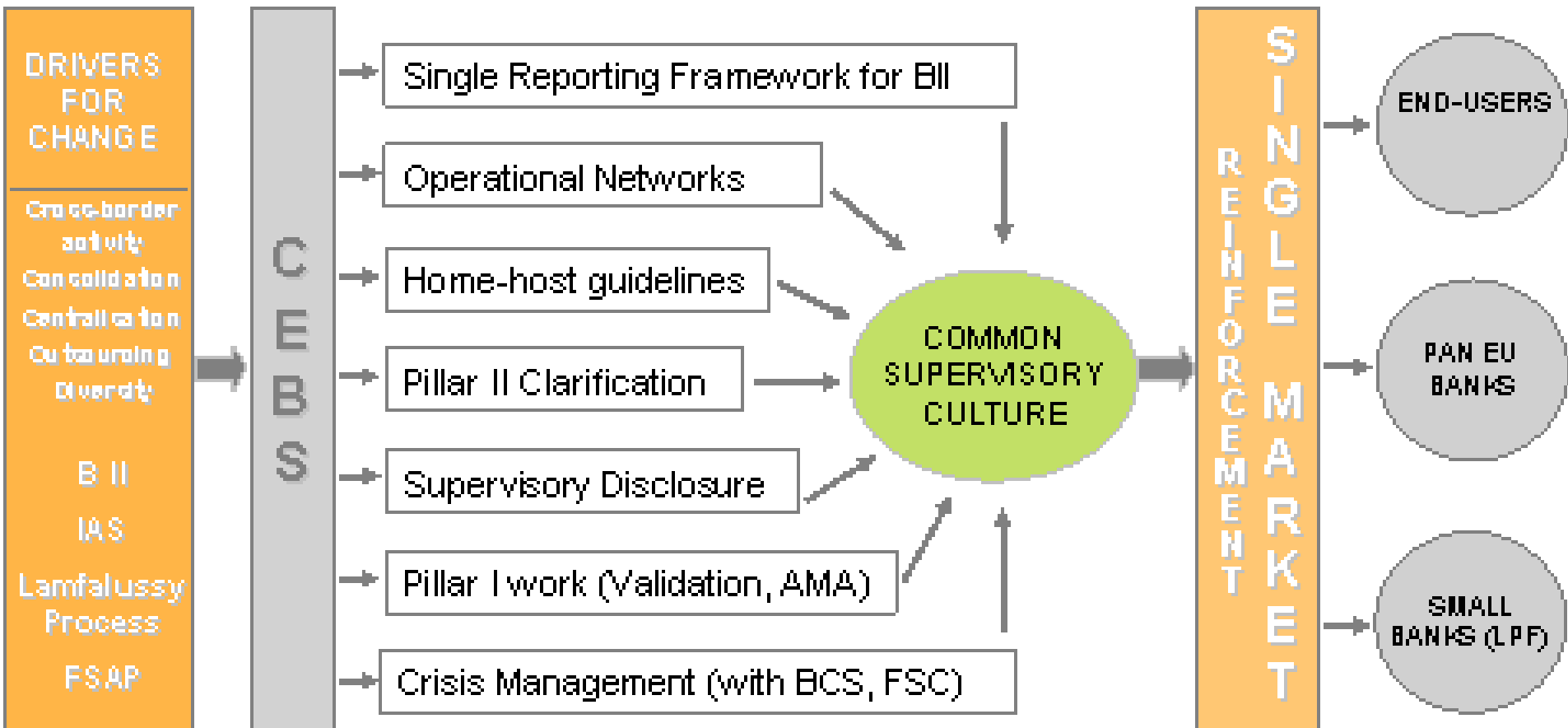
Level 4

Enforcement/  
Member States

# *CEBS' aim and key objectives*

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- Aim  
Sound technical advice based on best banking supervisory and market practices, and enhance financial stability
- One of its key objectives  
Work towards the safety and soundness of the financial system by adopting best international supervisory practices and encouraging its members to adopt these in a convergent and consistent manner



# *CEBS' work on CRD implementation*

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- CRD provides unprecedented opportunity for CEBS to make progress in meeting its objectives
- Mean: promoting a common culture and consistent approach to banking supervision
- One (non-binding) tool is *developing guidelines* in relation to forthcoming EU legislation
- Strong incentive to share the burden by working together, exchanging ideas and pooling resources

# *Joint Working Group on Validation*

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- JWGV's mandate  
proposals for convergence on the implementation and validation of AMA and IRB approaches, with the aim of elaborating guidelines
- Five Workstreams: WS 5 on operational risk
- Focus of the work so far:  
interpretation of the implicit national discretions dealing with IRB and AMA matters

# *JWGV guidance*

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## JWGV guidance

- Addressed to supervisors
  - Inform institutions about supervisory expectations
  - Neutral on the extent to which supervisors perform their own assessment of validation
  - Contain minimum requirements
- ➔ Consistency with the work of the AIGOR

# *JWGV time schedule*

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## Three phases

1. Deliver guidelines going out to consultation in mid 2005
2. More in-depth guidance on specific issues
3. Longer term, without fixed outcomes or timelines, designed to further understanding and share experiences



# *Workstream 5 – AMA Road Map (Examples)*

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- Partial use
- Allocation methodology
- AMA application
- Documentation
- AMA four elements
- Use test
- EL/UL