

Press release

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International supervisory community meets to discuss challenges ahead for global bank supervision and regulation

- International Conference of Banking Supervisors endorses the revised *Core principles for effective banking supervision*.
- Basel Committee agrees to consult on guidelines for strengthening banks' counterparty credit risk management.
- Agrees to publish an analytical report on the digitalisation of finance.

Over 220 central bankers and banking supervisors representing more than 90 jurisdictions met on 24–25 April in Basel for the 23rd International Conference of Banking Supervisors (ICBS). The ICBS included a programme to celebrate the 50th anniversary of the Basel Committee on Banking Supervision. Delegates took the opportunity to reflect on the Committee's achievements over the past half century, the outlook for banks and supervisors, and the implications for the Committee's future work.

Delegates endorsed the Committee's revised *Core principles for effective banking supervision*, the global standard for the sound prudential regulation and supervision of banks and banking systems. The Committee commenced a review of the Core Principles in 2022, with the objective of reflecting supervisory and regulatory developments, structural changes affecting the banking system and lessons learned since the last update in 2012. The revised standard reflects changes to:

- embed learnings for mitigating financial risks and to strengthen the macroprudential aspects of supervision;
- promote operational resilience;
- reinforce corporate governance and risk management practices; and
- address new and emerging risks, including the digitalisation of finance and climate-related financial risks.

The Core Principles are universally applicable and accommodate a range of banking systems and a broad spectrum of banks. The Core Principles are used by supervisors to assess the effectiveness of their regulatory and supervisory frameworks. They are also used by the International Monetary Fund (IMF) and World Bank as part of the Financial Sector Assessment Program (FSAP) to evaluate the effectiveness of countries' banking supervisory systems and practices. The revised standard was developed by a task force comprised of both Committee and non-Committee member jurisdictions, as well as the IMF and World Bank.

Delegates reaffirmed the importance of effective supervision and bank risk management practices, and committed to fully implementing the revised standard.

Pablo Hernández de Cos, Chair of the Basel Committee, said: "This year's ICBS was a landmark event for central bankers and banking supervisors from around the world to celebrate the Committee's achievements over the past 50 years and to look ahead at the evolving risks and structural changes affecting the global banking system. Participants also acknowledged the benefits of the Committee's Basel III standards and the importance of member jurisdictions implementing them in full and consistently, and as soon as possible. More generally, the ICBS highlighted the ongoing commitment for cross-border cooperation in a world where banks are highly interconnected in the global financial system."

Preceding the ICBS, the Basel Committee met on 23 April. The Committee:

- Approved for publication a consultation paper on guidelines for banks' counterparty credit risk management. The proposed guidelines reflect the lessons learned from recent episodes of non-bank financial intermediation distress and would replace the Committee's [existing](#) *Sound practices for banks' interactions with highly leveraged institutions*. The consultation paper will be published next week.
- Approved to publish an analytical report on the digitalisation of finance. The report builds on the *Sound Practices: Implications of fintech developments for banks and bank supervisors* [published](#) in 2018, and takes stock of recent developments in the digitalisation of finance and the regulatory and supervisory implications. The report will be published in May.

Notes to editors

The Basel Committee is the primary global standard setter for the prudential regulation of banks and provides a forum for cooperation on banking supervisory matters. Its mandate is to strengthen the regulation, supervision and practices of banks worldwide with the purpose of enhancing financial stability. The Committee reports to the Group of Central Bank Governors and Heads of Supervision and seeks its endorsement for major decisions. The Committee has no formal supranational authority, and its decisions have no legal force. Rather, the Committee relies on its members' commitments to achieve its mandate. The Group of Central Bank Governors and Heads of Supervision is chaired by Tiff Macklem, Governor of the Bank of Canada. The Basel Committee is chaired by Pablo Hernández de Cos, Governor of the Bank of Spain.

More information about the Basel Committee is available [here](#).

The ICBS, which has been held every two years since 1979, brings together senior central bankers and bank supervisors from around the world as well as representatives of international financial institutions. The conference promotes the discussion of key supervisory issues and fosters the continuing cooperation in the oversight of international banking. With its wide membership of senior supervisors and policymakers, the ICBS presents a unique opportunity for a broad-based discussion on issues that are timely and relevant to supervisors in advanced and emerging market economies alike.