



Tuesday, October 3, 2023

Hsu Notes Benefits of International Data Hub, Warns of Nonbank Risks

In [remarks](#) today, Acting Comptroller Hsu focused on the benefits of the BIS International Data Hub, noting for example that it provides national authorities with a horizontal view of key risks affecting the global financial system difficult to obtain elsewhere. Mr. Hsu also found time in his remarks to state that nonbanks and fintechs pose new risks and urged national authorities to exercise a “healthy dose of humility” when approaching emerging risks.

Basel Sees End-Game in Sight, US Off Late List

Finally taking the U.S. off the tardy list, the Basel Committee today [updated](#) its Basel III implementation dashboard, finding that as of Q3 2023 the US, along with the EU, UK, China, Switzerland, South Africa, and Hong Kong are now working to adopt revisions to the credit valuation adjustment and operational risk frameworks, the standardized approach for credit risk, the minimum requirements for market risk, and the output floor – i.e., Basel’s end-game. Singapore, Saudi Arabia, Korea, Japan, Indonesia and Canada have adopted all of the requirements and Argentina has not started the adoption process of any applicable standards. In countries with varying degrees of adoption across standards, most had made progress or completed their adoption of the SA, few had started theirs of the CVA, and adoption of the remaining standards varied.

Recent Files Available for Downloading

The following reports and analyses have been sent to retainer clients recently. Copies are also available to retainer clients on the Archives section of Federal Financial Analytics’ website: www.fedfin.com or clients may obtain the reports/analyses by e-mailing info@fedfin.com giving the requested item name, firm, and e-mail address. To learn more about *GSE Activity Reports*, click [here](#).

- [GSE-100223](#): As we noted earlier today, the FRB has issued a seemingly technical [FAQ](#) liberalizing the treatment of certain credit-linked notes.
- [GSE-092523](#): In her Congressional [testimony](#) last week, FedFin managing partner Karen Petrou focused on the unintended consequences wrought by new banking proposal based on their cumulative impact.
- [GSE-092023](#): Or maybe it is, but not everyone has heard.
- [LIVINGWILL23](#): Although a pending FDIC/FRB proposal imposes a raft of new requirements for resolution plans from IDIs with over \$100 billion in assets, the FDIC has also issued a freestanding proposal doing the same, also setting information-filing standards for IDIs below \$100 billion but above \$50 billion.
- [CAPITAL235](#): With HFSC Chairman McHenry (R-NC) leading the way, GOP Members of the panel’s Financial Institutions Subcommittee today blasted the banking agencies’ end-game proposal ([see Client Report CAPITAL234](#)).
- [LIVINGWILL22](#): In conjunction with proposing a new long-term debt (LTD) requirement for categories II, III, and IV banks, the Fed and FDIC are pursuing other ways to enhance resolvability.
- [TLAC9](#): Building on an advance notice of proposed rulemaking, the banking agencies have issued

several proposals to enhance the resolvability of large banking organizations not covered by stringent GSIB standards.