

From: [REDACTED]
Sent: lundi 4 mai 2020 17:15
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: ISDA/IIF/GFMA letter - CVA risk framework – Industry addendum
Categories: [REDACTED]

Dear [REDACTED],

Thank you for your email and enclosed materials on the CVA risk framework, sent in support to your previous response to our public consultation on the implementation of the Basel finalised standards in the European Union.

Our expert will examine this with interest and will come back to you should they have additional questions.

Best regards,

[REDACTED]

[REDACTED]
[REDACTED]



[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]



The views expressed in this e-mail are my own and may not, under any circumstances, be interpreted as stating an official position of the European Commission.

From: [REDACTED]
Sent: Friday, May 1, 2020 11:49 AM
To: [REDACTED]

Cc: [REDACTED]

Subject: ISDA/IIF/GFMA letter - CVA risk framework – Industry addendum

Dear [REDACTED]

Dear [REDACTED],

Hope all is well in these challenging times.

On behalf of the International Swaps and Derivatives Association, Inc. (“ISDA”), the Global Financial Markets Association (“GFMA”), the Institute of International Finance (“IIF”), and our members, we are enclosing a letter and further materials on the targeted revisions to the CVA risk framework, in support of our consultation response submitted on February 25th.

The Association have been heavily involved in providing evidence-based analysis to the Basel Committee on Banking Supervision (BCBS) with regards to the CVA risk framework, and continue to believe that it is critical to achieve a better balance between the BCBS’ stated objectives of risk sensitivity, simplicity, and consistency in the revisions currently being considered.

To further help in this process, the attached industry addendum and set of FAQs focus on presenting a simplified alternative for improving the granularity of the counterparty credit spread (“CCS”) risk weights and elaborating on the industry ask to enhance the recognition of CVA index hedges to reflect their ability to hedge systematic credit spread risk in line with the BCBS objectives. Besides these specific points, the Associations would like to emphasize our view that the industry recommendations for both an appropriate recalibration and reduced scope of application of the CVA framework remain essential elements in order to ensure that the framework accurately captures the underlying economic risks.

The extended implementation timeline of the finalised Basel III framework announced at the end of March gives an opportunity for further review of the industry results and we stand ready to provide any additional data requested by BCBS where feasible.

We stand at your disposal, should you have any questions.

Yours sincerely,

[REDACTED]

[REDACTED]



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