

Basel III and Capital Requirements: not just about bonuses

On the day of the plenary vote in the European Parliament on the Capital Requirements package (CRDIV-CRR), EUROCHAMBRES is relieved that an agreement has finally been reached and the negotiations are close to completion. While discussions on limiting bankers' bonuses have captured much of the attention, Chambers welcome in particular the focus on a reduced risk-weighting on loans provided to small and medium-sized enterprises (SMEs).

“Chambers fully support the reduction of risk-weights for SMEs given the credit squeeze that many creditworthy businesses are encountering and the limited scope for alternative sources of financing in Europe. Despite the delay, we endorse the conclusion of the CRDIV-CRR package, which strikes a good balance between increasing EU banks' capital requirements and facilitating an adequate flow of financing to the real economy,” said EUROCHAMBRES' Secretary General Arnaldo Abruzzini.

EUROCHAMBRES sounded a note of caution by calling for rigorous follow-up, highlighting that many EU member states, as well as the USA, failed to meet the deadline for implementation of the Basel III rules. Looking ahead, more cost-effective tools to evaluate SMEs' creditworthiness should be developed in parallel as an additional measure to improve the flow of finances between banks and businesses.

Further information: Ms Iwona Mertin, Tel. +32 2 282 08 88, mertin@eurochambres.eu
Press contact: Ms Guendalina Cominotti, Tel. +32 2 282 08 66, cominotti@eurochambres.eu
All EUROCHAMBRES' press releases can be downloaded from
www.eurochambres.eu/content/default.asp?PageID=153