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Agreement on Quantification and Timing of Basel III Minimum Capital Requirements

September 13, 2010 | Client Update

On September 12, 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee on Banking Supervision (the "Basel Committee Oversight Body" and the "Basel Committee," respectively), announced agreement on the calibration and phase-in of new capital standards proposed by the Basel Committee and the timing of their implementation (the "September 12 Press Release"). The capital standards and new capital buffers will require banks to hold more capital, predominantly in the form of common equity, than under current rules. The new leverage and liquidity ratios, and the proposed, stricter criteria for inclusion in capital and for calculating risk-weighted assets, will lead to the same result.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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