

**Stellungnahmen
Stellungnahme DK zum
Financial Stability Board
Consultation Paper “Principles
for an Effective Risk Appetite
Framework“**

13. September 2013

The Financial Stability Board (FSB) received the mandate from the G20 to develop more stringent supervisory rules for systemically important financial institutions (SIFIs). In an attempt to ensure a more effective Risk Appetite Framework (RAF), the present Consultation Paper contains comprehensive, detailed requirements applicable first and foremost to the frameworks that need to be implemented by SIFIs. Yet, at the same time, the FSB also recommends transferring the principles to all other financial institutions and to have their compliance verified by national supervisors.

However, from our point of view, the FSB's detailed requirements concerning the RAF should exclusively apply to SIFIs. In this context it is worth noting that Germany has already implemented a principle based framework for minimum requirements with regard to banks' risk management specifically concerning the underlying risk strategy, risk capacity and risk limits. This framework already is sufficient for an appropriate risk appetite framework of banks. Already today, these requirements apply to all banks and they have been tested and tried in practice. Notwithstanding the foregoing, should there be a genuine need to subject all banks to clearly more detailed requirements, in our view, these rules should reflect the nature of high level principles to a greater extent.

Given the rationale of the Consultation Paper, our following comments are based on the assumption that there will be a broad scope of application (i.e. our following comments are based on the understanding that the proposed requirements shall be applicable to all financial institutions). [...]