

**Stellungnahmen
Stellungnahme DK Basel
Comittee's consultative
document on the revised
Standardised Approach for
Market Risk (Fundamental
Review of the Trading Book)**

16. April 2014

We welcome the Basel Committee's making available for discussion the consultative document on the revised Standard Approach for Market Risk. We are particularly pleased that the Basel Committee has acted on the suggestion from market participants and has not only further developed the Cash Flow Approach and now presented an "Adjusted Cash Flow Approach" ("ACFA") but has also developed a "Sensitivity Based Approach" ("SBA") based on sensitivities.

The German Banking Industry Committee ("GBIC") is amongst the market participants that favoured the development of a sensitivity-based approach in their opinions on the consultation paper "Fundamental review of the trading book: a revised market risk framework (BCBS 265)".

The Basel Committee has now presented its idea of the concrete design of an SBA. On the basis of this detailed idea the GBIC remains of the opinion that the SBA is preferable to the ACFA. However, in the further development of the SBA greater attention should be paid that the banks should be allowed to use their existing sensitivity data and that the regulations do not contradict the risk controlling procedures used in the banks. As already explained in our comments of January 2014, sensitivity calculation often depends on the system. So that existing sensitivities from the controlling systems can be used for reporting, the regulations must allow a certain leeway.

We would like to stress that the SBA developed by the TBG represents something totally new for the banks. Given the brief consultation period, virtually no bank or banking association will have been able to analyse the proposal in detail, let alone quantify its implications. Our comments are therefore necessarily of a general nature. We would nevertheless like to highlight a number of design flaws which we have noted. [...]