

**BIS Working Group Meets in Delhi
for Consultations on New Capital Accord**

February 7, 2001

A Working Group on Capital set up by the Core Principles Liaison Group (CPLG) of the Bank for International Settlements is currently meeting in New Delhi to discuss the proposals of the second consultative paper on the new capital accord. The Basel Committee on Banking Supervision had released the second consultative paper on the new capital accord in January 2001. The first consultative paper was released in June last year.

The Working Group on Capital, chaired by Mr. Charles Freeland, Deputy Secretary General of the Basel Committee on Banking Supervision, is expected to provide the viewpoint of the supervisors of the emerging economies on the new capital accord. The proposals of the accord on capital will have a bearing on the banking systems in non-G-10 countries.

The members of the Group include supervisory agencies and central banks from non G-10 countries and multilateral agencies, such as, the International Monetary Fund and the World Bank. Supervisory agencies and central banks from South America, Europe, Africa, Australia and South East Asia, including India, are participating in the discussions. India is represented by Shri S P Talwar, Deputy Governor, Reserve Bank of India on the Group. Several recommendations made by this Group earlier on the first consultative paper on the new capital accord were accepted by the Basel Committee on Banking Supervision and have been incorporated in the second consultative paper.

The Basel Committee on Banking Supervision is a committee of the supervisory agencies of G-10 countries. The Committee has emerged as the standard setting body of banks and banking supervisors. In recent years, the Committee has also been actively consulting with the supervisory agencies of the non-G-10 countries as a part of the standard setting exercise. Consequently, it has set up a Core Principles Liaison Group (CPLG) comprising the supervisory agencies of a few select non-G-10 countries, including the Reserve Bank of India.

The Reserve Bank of India has hosted the meeting which will conclude on February 9.

**Alpana Killawala
General Manager**

Press Release : 2000-01/1126