

108TH CONGRESS  
1ST SESSION

# H. R. 2043

To establish a mechanism for developing uniform United States positions on issues before the Basel Committee on Banking Supervision at the Bank for International Settlements, to require a review on the most recent recommendation of the Basel Committee for an accord on capital standards, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 9, 2003

Mr. BACHUS (for himself, Mrs. MALONEY, Mr. OXLEY, and Mr. FRANK of Massachusetts) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To establish a mechanism for developing uniform United States positions on issues before the Basel Committee on Banking Supervision at the Bank for International Settlements, to require a review on the most recent recommendation of the Basel Committee for an accord on capital standards, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “United States Finan-  
5       cial Policy Committee For Fair Capital Standards Act”.

1 **SEC. 2. UNITED STATES FINANCIAL POLICY COMMITTEE.**

2 (a) ESTABLISHMENT.—There is hereby established  
3 an inter-agency committee, to be known as the “United  
4 States Financial Policy Committee” (hereafter in this Act  
5 referred to as the “Committee”), which shall consist of—

6 (1) the Secretary of the Treasury, who shall  
7 serve as the Chairperson of the Committee;

8 (2) the Chairman of the Board of Governors of  
9 the Federal Reserve System;

10 (3) the Comptroller of the Currency; and

11 (4) the Chairperson of the Federal Deposit In-  
12 surance Corporation.

13 (b) PURPOSE.—The purpose of the Committee is to  
14 develop uniform United States positions on proposals  
15 made to, and issues before, the Basel Committee on Bank-  
16 ing Supervision that, if implemented, may directly or indi-  
17 rectly affect United States financial institutions.

18 (c) MEETINGS.—The Committee shall meet before  
19 any meeting of the Basel Committee on Banking Super-  
20 vision and any other time the Chairperson or any member  
21 of the Committee calls for a meeting.

22 (d) ADHERENCE TO COMMITTEE POSITION.—

23 (1) IN GENERAL.—Each member of the Com-  
24 mittee that is a participant on the Basel Committee  
25 on Banking Supervision shall adhere to the positions

1 of the Committee in any negotiations of the Basel  
2 Committee on Banking Supervision.

3 (2) LACK OF UNIFORM POSITION.—If the mem-  
4 bers of the Committee that are participants on the  
5 Basel Committee on Banking Supervision are unable  
6 to agree on a uniform position on an issue, the posi-  
7 tion of the Secretary of the Treasury shall be deter-  
8 minative for purposes of paragraph (1) with respect  
9 to such issue.

10 (e) REPORTS TO THE CONGRESS.—

11 (1) ANNUAL REPORT.—

12 (A) IN GENERAL.—The Committee shall  
13 submit an annual report to the Congress on the  
14 proceedings of the Committee during the period  
15 covered by the report.

16 (B) CONTENTS OF REPORT.—The report  
17 shall include—

18 (i) a brief description of issues that  
19 were addressed by the Committee;

20 (ii) a brief description of the uniform  
21 positions developed by the Committee with  
22 respect to such issues; and

23 (iii) in the case of any issue for which  
24 a uniform policy was not agreed to, a brief  
25 description of the positions of the parties

1 to the disagreement and an explanation of  
2 the reasons why the parties could not  
3 reach an agreement.

4 (2) REPORTS TO THE CONGRESS PRIOR TO  
5 AGREEMENT ON ANY BASEL ACCORD.—

6 (A) IN GENERAL.—No Federal banking  
7 agency (as defined in section 3(z) of the Fed-  
8 eral Deposit Insurance Act) may agree to any  
9 proposed recommendation of the Basel Com-  
10 mittee on Banking Supervision before the agen-  
11 cy submits a report on the proposed rec-  
12 ommendation to the Congress.

13 (B) CONSULTATIONS.—The head of any  
14 Federal banking agency that submits a report  
15 to the Congress under subparagraph (A) shall  
16 consult with the Congress concerning the pro-  
17 posal.

18 (3) EVALUATION OF NEW BASEL CAPITAL AC-  
19 CORD BEFORE REPORT.—Before submitting a report  
20 to the Congress under paragraph (2) with respect to  
21 the New Basel Capital Accord, as revised through  
22 the Third Consultative Paper published on April 29,  
23 2003, or any subsequent revisions or final agree-  
24 ment, the Federal banking agencies (as defined in  
25 section 3(z) of the Federal Deposit Insurance Act),

1 in consultation with the Secretary of the Treasury,  
2 shall evaluate the impact of the revised Capital Ac-  
3 cord, taking into account the following factors, and  
4 shall include such evaluation in the report:

5 (A) The cost and complexity of the pro-  
6 posal.

7 (B) The impact of the proposal on small,  
8 medium, and large financial institutions.

9 (C) The impact of the proposal on real es-  
10 tate markets.

11 (D) The effect of an operational risk cap-  
12 ital standard on the resilience of the Nation's  
13 financial system and competition.

14 (E) The impact of the proposal on com-  
15 petition between banks and other financial in-  
16 stitutions.

17 (F) The need for additional training for  
18 supervision and examination personnel.

19 (G) Any comments filed by the public after  
20 notice and an opportunity to comment for a pe-  
21 riod of not less than 60 days.

22 (H) The relative impact of compliance by  
23 domestic banks.

24 (f) ADMINISTRATIVE SUPPORT SERVICES.—Each  
25 agency represented on the Committee shall provide such

1 administrative support services as may be necessary for  
2 the Committee to carry out its responsibilities under this  
3 Act.

