



February 5, 2018

Filed electronically

William Coen
Secretary General
Basel Committee on Banking Supervision
Bank for International Settlements
CH-4002 Basel
Switzerland

Re: Technical Amendment – *Basel III: Treatment of extraordinary monetary policy operations in the Net Stable Funding Ratio* (Dec. 2017)

Dear Mr. Coen:

World Council of Credit Unions (World Council) appreciates the opportunity to comment on the Basel Committee on Banking Supervision’s (Committee) Technical Amendment – *Basel III: Treatment of extraordinary monetary policy operations in the Net Stable Funding Ratio*.¹ Credit unions are cooperative depository institutions and World Council is the leading trade association and development organization for the international credit union movement. Worldwide, there are over 60,000 credit unions in 109 countries with USD 1.8 trillion in total assets serving 223 million physical person members.²

World Council supports the Committee’s proposal to reduce depository institutions’ Required Stable Funding (RSF) liquidity reserves to as low as a five percent RSF reserve factor for institutions’ claims on a central bank related to the central bank’s extraordinary “liquidity-absorbing operations,” including secured transactions with a residual maturity of more than six months.

We support providing depository institutions supervisors and central banks with increased flexibility vis-à-vis exceptional central bank operations to help promote financial stability, whether those exceptional central bank operations are to provide emergency liquidity or are to absorb excess liquidity in the banking system.

In addition, World Council supports the Committee’s proposal to provide a reduced RSF reserve factor for instruments used as collateral in connection with exceptional central bank liquidity operations.

World Council urges the Committee to finalize this Technical Amendment as proposed.

¹ Basel Committee on Banking Supervision, *Technical Amendment – Basel III: Treatment of extraordinary monetary policy operations in the Net Stable Funding Ratio* (Dec. 2017), available at <https://www.bis.org/bcbs/publ/d429.htm>.

² World Council of Credit Unions, *2015 Statistical Report* (2016), available at https://www.woccu.org/documents/2015_Statistical_Report_WOCCU.



World Council of Credit Unions

World Council appreciates the opportunity to comment to the Committee on the Technical Amendment – *Basel III: Treatment of extraordinary monetary policy operations in the Net Stable Funding Ratio*. If you have questions about our comments, please feel free to contact me at medwards@woccu.org or +1.202.508.6755.

Sincerely,

A handwritten signature in black ink that reads "Michael S. Edwards". The signature is fluid and cursive, with the first name being the most prominent.

Michael S. Edwards
VP and General Counsel
World Council of Credit Unions