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**Joint Press Release:**

British Bankers' Association  
International Swaps and Derivatives Association  
London Investment Banking Association

**UK Government Secures Positive EU Deal for Banks**

The Chancellor of the Exchequer will today [Tuesday 11th] announce to his EU colleagues that political agreement has been reached on the Capital Requirements Directive. The joint trade associations strongly welcome the agreement on this Directive which implements Basel II, the global framework on capital adequacy for banks, in the EU. This is a significant success for the European economy, financial institutions and for consumers. It will ensure a more efficient allocation of capital and reduces the possibility and severity of banking crises in the EU.

The hard work of the UK Presidency on behalf of the Council, in close co-operation with the European Parliament and Commission has made it possible for this important piece of legislation to reach an early conclusion. UK firms will now benefit from the more risk sensitive approach to capital that the CRD will offer.

The Trading Book element of the proposals was crucial for investment banks in the UK and in Europe. The inclusion of this in the final package demonstrates in particular the goodwill MEPs have shown in responding to industry's needs.

Governments across the EU now have the, not insubstantial, task of implementing the Directive. We encourage regulators around the globe to cooperate to ensure their implementation plans are harmonised and principles-based to ensure supervisory duplication is minimised.

In particular, we call upon regulators to clarify the ramifications for cross-border banking groups of the 1-year delay US regulators have recently announced.

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**Notes for Editors:**

1. European Finance Ministers are meeting at the monthly ECOFIN Council of Ministers meeting in Brussels.
2. **The International Swaps and Derivatives Association (ISDA)** is the global trade association representing leading participants in the privately negotiated derivatives industry. ISDA was chartered in 1985, and today has more than 650 member institutions from 47 countries. These members include most of the world's major institutions that deal in privately negotiated derivatives, as well as many of the businesses, governmental entities and other end users that rely on over-the-counter derivatives to manage efficiently the financial market risks inherent in their core economic activities. Information about ISDA and its activities is available on the Association's web site: [www.isda.org](http://www.isda.org).
3. **The British Bankers' Association (BBA)** is the leading trade association in the banking and financial services industry representing banks and other financial services firms operating in the UK. It has 250 members, three quarters of whom are of non-UK origin, representing 60 different countries. BBA members hold 90% of the UK banking sector's assets and represent 95% of all banking employment in the UK. Given its international membership and location in the world's leading financial centre, the BBA covers a wide variety of UK, European and international issues.
4. **The London Investment Banking Association (LIBA)** is the principal trade association in the UK for firms active in the investment banking and securities industry. The Association represents the interests of its Members on all aspects of their business and promotes their views to the authorities in the United Kingdom, the European Union and elsewhere. LIBA's membership covers virtually all the major investment banks operating in the UK.