

ISDA Symposium® Trading Book Capital: Market & Counterparty Risk

Thursday, October 25, 2018
Shangri-La Hotel, Tokyo
Tokyo

The post-crisis regulatory reform highlighted an increasing focus of the regulators on the capital requirements for trading book activities.

The Fundamental Review of the Trading Book will have profound consequences on the way market risk capital is calculated for trading businesses. It changes every aspect of market risk models, introducing a new and more sophisticated Standardised Approach as well as making fundamental changes to internal models. Furthermore it redefines the boundary between the trading book and banking books having significant implications for desk structures.

In December 2017 the Basel Committee of Banking Supervision (BCBS) released also the revised framework for Credit Valuation Adjustment (CVA) with a major change to the previous framework, the removal of internal models approach. Banks will now have to choose between the Standardised approach and the Basic approach to calculate the CVA capital charge.

Further we look into the Standardised Approach for Counterparty Credit Risk (SA-CCR) that will replace the current exposure method (CEM) and is being considered in other areas of the regulatory capital framework.

ISDA leads the industry working groups on those major regulatory reforms and the conference speakers are all expert practitioners who have been directly involved in the development and evolution of the financial regulations.

8:30 AM

Registration and Morning Coffee

9:00 AM

Introduction and Welcoming Remarks

9:10 AM

Regulatory Keynote Address

9:30 AM

Fundamental Review of the Trading Book

- Key methodology components
 - Latest Basel Consultation
 - Implementation challenges
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10:15 AM

Break

10:30 AM

Credit Valuation Adjustment

- Standardized Approach
 - Basic Approach
 - Implementation challenges
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11:00 AM

Standardized Approach for Counterparty Credit Risk (SA-CCR)

- Overview on the Standardized Approach for measuring Counterparty Credit Risk exposures
 - Potential shortcomings and differences respect to the CEM and the SM
 - Impact of transition from the CEM to SA-CCR
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11:30 AM

Panel Discussion: Latest Developments in Trading Book Capital Requirements

- Which are the key changes in the capital framework and how important are those changes for banks that are active in the trading book arena
 - How do firms progress with implementation of the reforms and how do we ensure consistent cross border application of the standards
 - What is the future of trading booking capital regulation, what are the areas that warrant close monitoring?
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12:30 PM

Symposium Concludes

Venue Location:

Shangri-La Hotel, Tokyo
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