

On March 16, 2004, representatives of the Institute of International Finance (IIF) met with Vice-chairman Roger Ferguson and Edward Ettin, of the Board staff. The IIF representatives had asked for the meeting to discuss member concerns about the process and the timing for final development and implementation of the proposed new Basel Capital Accord (Basel II). IIF voiced concerns in the following areas: (1) the rumored differential time tables for implementation as between Europe and the United States; (2) the rumored differences in views on details of Basel proposals among the U.S. regulators; (3) the risk that the U.S. review processes might make U.S. regulators unable to implement on schedule; (4) the importance to international banks of simultaneous implementation across markets; (5) the ambiguity and lack of detail in the treatment of operational risk across jurisdictions (“home/host” issues); and (6) the desirability of revising the international implementation date to assure a simultaneous starting date.

¹ Messrs. Charles H. Dallara, Managing Director, and David Schraa, Director of the Banking and Regulatory Department.