



27/09/2013

Financial Stability Board

fsb@bis.org

Principles for an effective risk appetite framework

The Swedish Bankers' Association welcomes the draft principles. We believe it is important to create a common global framework, in particular, the creation of a common nomenclature for supervisors and firms. The ideal would be for these common definitions to be used by all stakeholders in all contexts not only in the RAF, but also for instance in guidelines on internal governance. By stakeholders we mean supervisors at both national, European and international level as well as financial institutions.

A high level framework makes it possible for the institution, in respect of the size, organisational structure and business model, to adopt internal guidelines that fit the business. It is however, essential, that it is made clear that the more detailed requirements in subsection 4.1, do not relate to the parent company's obligations towards the subsidiaries within a group. Even though a parent company has the overarching responsibility for the group, it is too far-reaching to impose an obligation to micromanage the subsidiaries.

SWEDISH BANKERS' ASSOCIATION



Thomas Östros



Åsa Arffman