The Office of the Comptroller of the Currency (OCC) advised national banks of two Basle Committee actions which might have an effect on their future risk-based capital calculations.

The first change lowers the risk weighting for claims on certain securities firms to 20 percent from 100 percent. The lower weighting would apply to securities firms that are subject to supervision and capital adequacy standards comparable to those required of depository institutions. The OCC will publish a notice of proposed rulemaking this year to solicit industry comment on a conforming amendment to its risk-based capital regulation.

The Basle Committee also proposed altering the requirements a bank must meet in order to apply on-balance sheet netting to its regulatory capital calculations. The Basle Committee has published a consultative paper that invites industry comments on its proposal, which would limit on-balance sheet netting. Because the Committee's proposal is not consistent with U.S. generally accepted accounting principles, banks are encouraged to review the proposal carefully. During this consultative period, national banks will continue to use the current instructions for submitting their regulatory reports.

The Basle Committee, which meets regularly at the Bank of International Settlements, Basle, Switzerland, is made up of representatives of the central banks and supervisory authorities of the Group of Ten countries and Luxembourg.

The Basle Committee papers are available from the Internet site of the Bank for International Settlements at www.bis.org or may be requested from the OCC's Communications Department on (202) 874-4700.

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The OCC charters, regulates and examines approximately 2,800 national banks and 66 federal branches of foreign banks in the U.S., accounting for more than half the nation's banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.