Basel Committee
on Banking Supervision

# Technical Amendment

## Finalisation of various technical amendments

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# Introduction

To promote a consistent global implementation of the Basel Framework, the Basel Committee on Banking Supervision[1] regularly monitors and reviews issues that arise from the implementation of its standards. Where necessary, it publishes clarifications and interpretive guidance. In some instances, implementation issues can be clarified in the form of answers to frequently asked questions (FAQs), without any changes to the standard. On other occasions, the issue, though minor in effect, cannot be resolved unambiguously without an amendment to the text of the standard itself. In these cases, the Committee has decided to publish the clarification as a proposed technical amendment.

In July 2024, the Committee issued a set of proposed technical amendments for consultation.[2] No concerns were raised by stakeholders during the consultation period. The final versions set out below are, therefore, unchanged from the versions set out in the consultative document. The changes will shortly be integrated into the consolidated Basel Framework. Committee members have agreed to implement the technical amendments set out in this document as soon as practical and within three years at the latest. The technical amendment to SCO60.80 will be implemented as part of the final cryptoasset exposures standard, ie from 1 January 2026.

## CRE20.48: Specialised lending

Paragraph CRE20.48 (2023 version) of the standardised approach to credit risk includes the following definition of specialised lending: *"A corporate exposure will be treated as a specialised lending exposure if such lending possesses <u>some or all</u> of the following characteristics, either in legal form or economic substance…"*. Under the internal ratings-based (IRB) approach, the definition set out under CRE30.7 is the following: *"In addition to general corporates, within the corporate asset class five sub-classes of specialised lending (SL) are identified. Such lending possesses <u>all</u> the following characteristics, in legal form or economic substance…"*. To better align the text in the standardised and IRB definitions, the following technical amendment has been adopted:

*CRE20.48* *A corporate exposure will be treated as a specialised lending exposure if such lending possesses ~~some or~~ all of the following characteristics, either in legal form or economic substance:*

*[…].*

## SCO60.80: Curvature charge for Group 2a cryptoassets

Paragraph SCO60.80 (2026 version) of the cryptoasset exposure standard prescribes the formula for aggregating curvature risk positions within a bucket for Group 2a cryptoasset exposures. The current formula sums the absolute values of curvature sensitivities and would result in a curvature capital charge for long option positions, even though these would generate delta-adjusted gains in the curvature shock scenarios (ie negative curvature risk sensitivities). For all other asset classes under the market risk framework, a single long option position would generate zero curvature capital, rather than a positive curvature charge. In addition, hedging transactions would also result in increased curvature capital using this formula. Flooring $CVR^{+}$and $CVR^{-}$ at zero avoids setting capital requirements for negative curvature. This formula still provides a conservative aggregation for positive curvature risks (by simple sum) without

[1] The Basel Committee on Banking Supervision is the primary global standard setter for the prudential regulation of banks and provides a forum for cooperation on banking supervisory matters. Its mandate is to strengthen the regulation, supervision and practices of banks worldwide with the purpose of enhancing financial stability.

[2] See www.bis.org/bcbs/publ/d576.htm.

allowing any offset against negative curvature from other equities (by flooring $CVR^{+}$and $CVR^{-}$ at zero before summation). To align the treatment of Group 2a cryptoassets with other asset classes, the following technical amendment has been adopted:

*SCO60.80 For aggregating curvature risk positions within a bucket, the following formula must be used:*

$$K_b = \max(K_b^{+}, K_b^{-})\,, where$$

$$\cancel{K_b^{+} = \sum_k |CVR_k^{+}| \text{ and } K_b^{-} = \sum_k |CVR_k^{-}|}$$

$$K_b^{+} = \sum_k \max(CVR_k^{+}, 0)$$

$$K_b^{-} = \sum_k \max(CVR_k^{-}, 0)$$