



February 25, 2020

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Monica Ellis
Secretary General
Basel Committee on Banking Supervision
Bank for International Settlements
CH-4002
Basel, Switzerland

Re: Consultative Document: *Credit Valuation Adjustment risk: targeted final revisions* (November 2019)

Dear Ms. Ellis:

World Council of Credit Unions (World Council) appreciates the opportunity to comment on the Basel Committee on Banking Supervision's (Basel Committee) consultative document *Credit Valuation Adjustment risk: targeted final revisions*.¹ Credit unions are cooperative depository institutions and World Council is the leading trade association and development organization for the international credit union movement. Worldwide, there are over 85,000 credit unions in 119 countries with USD 2.2 trillion in total assets serving 274 million physical-person members.²

The proposed revisions appear to bring the Credit Valuation Adjustment framework in alignment with the finalization of the market risk framework completed in January 2019. To that end, World Council supports the targeted changes that accomplish this goal. Additionally, the scope of portfolios that must set aside capital for Credit Valuation Adjustment risk are to be altered and exclude some securities transactions and exempt certain client-cleared derivatives. Likewise, we support these proposed changes and believe the approach taken by the Basel Committee appears reasonable.

¹ Basel Committee on Banking Supervision, *Consultative Document: Credit Valuation Adjustment risk: targeted final revisions* (Nov. 2019), available at <https://www.bis.org/bcbs/publ/d488.pdf>.

² World Council, *Statistical Report* (2018), available at https://www.woccu.org/impact/global_reach/statreport.



World Council appreciates the opportunity to comment on the Basel Committee's *Consultative Document: Credit Valuation Adjustment risk: targeted final revisions*. If you have questions about our comments, please feel free to contact me at aprice@woccu.org or +1-850-766-5699.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew T. Price'. The signature is fluid and cursive, with a long horizontal stroke at the beginning and a large, looped 'P' at the end.

Andrew T. Price
Vice President of Advocacy
World Council of Credit Unions