

RCAP jurisdictional assessments: self-reporting monitoring template for RCAP follow-up actions

Jurisdiction: Japan

Status as of: 31 December 2018

With reference to RCAP report: Assessment of Basel III regulations – Japan (October 2012), its follow-up assessment (December 2016), LCR regulations – Japan (December 2016), and G-SIB framework – Japan (June 2016)

Part A¹

Post-RCAP follow up: Changes applied to local regulations of the Basel Framework relating to risk-based capital standards (RCAP-Capital)

Table A

(1) Issue and/or relevant Basel paragraph number(s)	(2) Detailed description of finding (please indicate as precisely as possible the finding as identified in the relevant RCAP assessment report)	(3) Detailed reference to the domestic legislation/regulation that addresses the finding	(4) Summary description of amendment or rectification made
149	Under the Basel framework, banks must disclose their countercyclical capital buffer requirement. This aims to make the countercyclical capital buffer easier to interpret and to enhance its credibility. This requirement has not been implemented in Japan. As the countercyclical capital buffer rate is currently 0% in Japan, Japanese banks have limited exposures to jurisdictions with positive rates and country rates are publicly available, the Assessment Team considered this finding not to be	Draft rule on disclosure of CCyB was published in June 2018.	The JFSA published draft rule on disclosure of CCyB consistent to the Pillar 3 disclosure requirements that is internationally agreed. It is now under the process of finalisation, and is anticipated to be implemented from March 2019.

¹ To be completed only for those findings where action has been taken or initiated. Any plans for addressing other findings may be indicated in Part B.

Post-RCAP follow up: Changes applied to local regulations of the Basel Framework relating to risk-based capital standards (RCAP-Capital)

Table A

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	material at the moment. However, the deviation could become material in the future if buffer rates rose or exposures increased significantly. The FSA told the Assessment Team that they expected to implement the requirement with future revisions to the Pillar 3 disclosure requirements. As this requirement was not in effect by the cut-of date of 30 September 2016, it has not been taken into account for this assessment.		

Post-RCAP follow up: Changes applied to local regulations of the Basel Framework relating to liquidity coverage ratio standards (RCAP-LCR)

Table B

(1) Issue and/or relevant Basel paragraph number(s)	(2) Detailed description of finding (please indicate as precisely as possible the finding as identified in the relevant RCAP assessment report)	(3) Detailed reference to the domestic legislation/regulation that addresses the finding	(4) Summary description of amendment or rectification made
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Part B

Nil.