



BANK OF ENGLAND

News release

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22 July 2014

Leverage ratio review consultation

On 11 July, the FPC published a consultation paper on the design of a leverage ratio framework for the UK, as part of the FPC's review of the role of the leverage ratio within the capital framework for banks. In line with the guidance provided by the Chancellor of the Exchequer in his November 2013 letter, the FPC intends to publish its final review in November 2014.

The FPC is seeking responses from the industry to the proposals set out in the consultation paper and these will inform its final review. In response to concerns about the length of the consultation period recently expressed by the Chair of the Treasury Select Committee, and to avoid any suggestion that these proposals have not been adequately and properly considered, the FPC has decided to extend the period for responses to its paper by four weeks.

The consultation will now close on 12 September, amounting to a response period of 9 weeks in total.

A link to a letter from Governor Mark Carney to Andrew Tyrie, Chairman of the Treasury Select Committee is below:

www.bankofengland.co.uk/publications/Documents/news/2014/governorletter220714.pdf

Notes to Editors

- “The Financial Policy Committee’s review of the leverage ratio: a consultation paper” is available here: http://www.bankofengland.co.uk/financialstability/Documents/fpc/fs_cp.pdf
- The Governor, Andrew Bailey, Deputy Governor, Prudential Regulation & Chief Executive, Prudential Regulation Authority; Donald Kohn, and Martin Taylor, external members, Financial Policy Committee, gave evidence to the TSC on 15 July, 2014. A transcript of the session is here: <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/treasury-committee/bank-of-england-financial-stability-reports/oral/11464.pdf>