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**Chair of the Committee on Constitutional Affairs, European Parliament**  
**Plenary debate on the Motion for resolution on the Finalisation of Basel III**

*Plenary session statement*  
*21 November 2016, European Parliament, Strasbourg*

Dear colleagues,

I would like to refer to three issues which in my opinion are crucial.

The first one is the need for comparability of internal models

This is a pre-condition for proper supervision. Models must be comparable across the institutions supervised.

So, we must keep up the good work done in this area.

It is about the work of the EBA, but also about the functioning of the SSM. It takes us toward a common understanding of the assessment and approval of models.

Huge investments have been made in the use of internal models and they allow to treat information better and with a higher level of granularity than a standardised approach would.

They have been introduced only relatively recently so it might well be that we still need to figure out how to fine tune some concepts and rules.

Transparency on the process of granting authorisation to use internal models is here a key point.

A second issue is this of proportionality: I would endorse a wide definition of the term as a fair balance between the costs and benefits of a measure for each group of stakeholders so that the new rules do not result in disproportionate burdens on some types of banks or some regions of the world.

And the last issue is this of global standards. My belief is that, if we want to avoid regulatory fragmentation, we should adhere to them closely, in particular when we regulate an activity which is transnational and cross border in nature such a finance. I can understand that some would want to depart from the global standards on some points, when they are not suited to our specific situation.

But then, the best way is to act before tensions arise and to try to influence the standard-making process at the global level.

We are well represented in Basel, so we are equipped to do that, if we speak with one voice.