

**Question for written answer E-002843/2021/rev.1  
to the Commission**  
Rule 138  
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Subject: Basel III finalisation

The capital requirements established by the Basel Committee on Banking Supervision (BCBS) are designed to regulate large internationally-active institutions. On its official website, the BCBS states:

‘Like all Basel Committee standards, Basel III standards are minimum requirements which apply to internationally active banks.’

Despite its clear focus on internationally active banks, Basel III also applies to small and medium-sized financial institutions in the EU. However, regulatory costs are largely fixed and thus affect small banks disproportionately.

The finalisation of Basel III is an opportunity to restore proportionality for small banks.

1. How can the EU protect smaller, non-systemically important institutions from excessive red tape?
2. What scope does the Commission see for considering the situation of small financial institutions in the finalisation of Basel III and ensuring that banking regulations are enforced proportionally?