



Dear Members,

In a press release issued on September 12th, 2010¹, the oversight body of the Basel Committee on Banking Supervision, announced a substantial strengthening of existing capital requirements and published the Basel III reform implementation calendar. The implementation process by member countries will begin on January 1st 2013; member countries will thus translate the rules into national laws and regulation before this date.

Consequently, the national implementation of the Basel III reform guidelines is a core issue for ICBA members. National regulators must be fully aware of the cooperative shares specificities to adapt the renewed frameworks to our distinctive business model. All the more so since capital instruments that do not meet the criteria for inclusion in common equity 1 will be excluded from common equity Tier 1 as of 1 January 2013.

Even if some transition arrangements have been put in place by the Basel Committee (please see the press release p.4) the recognition of cooperative banks member shares as tier 1 capital in the national laws is an issue of the utmost importance. That's why you will find enclosed to this letter a technical paper on the Basel III impacts on cooperative banks to support your effort to make our model recognized.

We remain at your disposal for any further information and send you our best wishes,

Cooperatively Yours,
ICBA General Secretary

¹ <http://www.bis.org/press/p100912.htm>