



## Insights

# Basel Committee Proposes Revisions to Net Stable Funding Ratio

**Regulatory Updates - SFI**  
**January 13, 2014**

On January 12, 2014, the Basel Committee on Banking Supervision (BCBS) issued a consultative document proposing revisions to the Net Stable Funding Ratio (NSFR) under Basel III. The NSFR is designed to limit over-reliance by banks on short-term wholesale funding. BCBS first proposed the NSFR in 2009 and included an NSFR measure in the 2010 Basel III agreement. The revisions proposed by the BCBS on January 12th are intended to reduce cliff effects within the measurement of funding stability, improve the alignment of the NSFR with the liquidity coverage ratio (LCR) and alter the calibration of the NSFR to focus greater attention on short term, potential volatile funding sources. For a copy of the proposed rule, please [click here](#).