

**DATE:** December 8, 2006

**SUBJECT:** Draft interagency notice of proposed rulemaking on Basel IA.

**HIGHLIGHTS:** The Federal Reserve Board on Tuesday released a draft interagency notice of proposed rulemaking that would revise the existing risk-based capital framework by giving the vast majority of banks, bank holding companies, and savings associations the option of either continuing to use the existing Basel I-based capital rule or adopting a more risk sensitive rule, known as Basel IA. However, as proposed, Basel IA would not be available to large, complex international banking organizations subject to the proposed Basel II advanced capital framework.

**DOCUMENT**

**LOCATION:** <http://www.federalreserve.gov/boarddocs/press/bcreg/2006/20061205/default.htm>

**FURTHER  
INFORMATION:**

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