



PRESS RELEASE

28 March 2018

ECB aims to ensure that banks apply rules on internal models in a consistent manner

- ECB publishes first chapter of guide to internal models for consultation
- Consultation period ends on 28 May 2018
- General topics chapter outlines how ECB aims to ensure uniform understanding of existing legal framework
- ECB to consult on additional chapters of guide at later stage

Today the European Central Bank (ECB) has published the first chapter of its guide to internal models (the “guide”) for consultation. The guide is intended to ensure a common and consistent approach to the most relevant aspects of the applicable regulation on internal models for banks directly supervised by the ECB.

This first chapter of the guide is devoted to general topics and contains principles for non-model-specific topics, in particular for the internal ratings-based (IRB) approach: overarching principles, implementation of the IRB approach, internal model governance, internal validation, internal audit, model use, model change management and third-party involvement. The complete guide will also include model-specific chapters (for credit, market and counterparty credit risks). The ECB will consult on these chapters at a later date.

The guide was drafted in close cooperation with the national competent authorities (NCAs) and draws on the experience gained in the context of the targeted review of internal models (TRIM) project. A [preliminary version of the guide](#) was made available on 28 February 2017 and has been refined on the basis of the feedback received from institutions. This revised version also takes into account the outcomes of the reviews and horizontal analyses on general topics performed as part of the TRIM project. The consultation on the guide starts today and ends on 28 May 2018. The draft guide itself and a list of frequently asked questions (FAQs) are available on the ECB’s banking supervision website.

PRESS RELEASE / 28 March 2018

ECB aims to ensure that banks apply rules on internal models in a consistent manner

The ECB will hold a public hearing on 18 April 2018 as part of this consultation. Information on registering for the public hearing and submitting comments can be found on the ECB's banking supervision website. Following the public consultation, the ECB will publish the comments received together with a feedback statement.

For media queries, please contact Esther Tejedor, tel.: +49 69 1344 95596.

European Central Bank Directorate General Communications
Global Media Relations Division, Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

Reproduction is permitted provided that the source is acknowledged.