Jersey Financial Services Commission

Basel III: feedback on near-final prudential rules

In May 2026, we published our near-final draft documents and sought feedback on these detailed requirements by 12 July 2026.

Most feedback focused on technical clarifications and implementation matters rather than challenges to the overall policy direction. Key areas raised included operational risk, credit risk, large exposures and capital requirements.

In response, we will proceed with the proposed framework, subject to minor drafting amendments, glossary updates and additional guidance where appropriate. We will continue to engage with industry on areas requiring further clarification, including real estate exposures, large exposures and reporting requirements.

You can find our progress and final Basel III prudential rules under Basel III (jerseyfsc.org).

Feedback summary

Operational risk

Respondents supported the proposed operational risk framework and welcomed alignment with the PRA's Standardised Approach. Feedback focused on loss data, common operational risk events and the treatment of the Internal Loss Multiplier (**ILM**). We will proceed with the framework as proposed and provide additional guidance where appropriate.

Credit risk – standardised approach

Feedback centred on Public Sector Entities, SME definitions, ADC exposures, real estate exposures and foreign currency mismatch provisions. We will proceed with the framework and provide additional clarification and glossary updates where required.

Capital requirements and own funds

Respondents sought clarification on transactional accounts, dividends and unverified profits. No significant concerns were raised regarding the overall capital framework, and we will proceed as proposed.

Large exposures

Respondents welcomed alignment with the PRA framework, including the proposed concession arrangements for group counterparties. Feedback focused on transitional arrangements, exemptions and reporting considerations. We will provide further clarification where needed.

Other prudential frameworks

Respondents raised limited concerns regarding the Leverage ratio, Market risk, Counterparty credit risk and NSFR frameworks. We intend to proceed largely as proposed, with minor drafting amendments and additional guidance where appropriate.

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