
Press release

AFME: US Basel III Proposals Mark Major Step In Completing Global Banking Reforms

19 March 2026

Following the publication today of the US proposals for the implementation of Basel III rules, **Caroline Liesegang, Head of Prudential Regulation and Research at the Association for Financial Markets in Europe (AFME)**, said:

“Today’s proposal from the US authorities is a significant and long-awaited step towards completing the global Basel reform agenda. While the detail will require careful assessment, the overall direction is now clearer.

“The proposal points to an increase in capital requirements, which for US global systemically important banks (G-SIBs) is expected to be broadly off-set by changes to G-SIB surcharges and reforms to the stress testing framework. In practice, this suggests that the overall impact on US banks is likely to be limited and could even result in a reduction in requirements for some firms. By contrast, banks in the EU are facing a more significant increase in capital requirements, raising important questions about the relative competitiveness of European banks.

“Removing the output floor for market risk is a divergence from international standards and we will carefully assess the impact on internationally active banks, in particular, with respect to the ongoing discussions on EU FRTB implementation and banking competitiveness in Europe.

“As implementation progresses, it will be important to ensure that the overall calibration remains consistent with international standards and recognises regional market specificities without creating unnecessary divergence across jurisdictions. Many of AFME’s members operate globally and maintaining a level playing field between the US, EU and UK frameworks will be critical to supporting competitiveness, efficient capital allocation and financial stability.

“We will review the proposals in detail and engage with policy makers to ensure the final framework achieves these objectives.”

– Ends –

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Notes:

1. The Association for Financial Markets in Europe (AFME) is the voice of the leading banks in Europe’s financial markets, providing expertise across a broad range of regulatory and capital markets issues. We represent over 150 leading global and European banks and other significant market players. Our members play a vital role in Europe’s financial ecosystem, underwriting around 90% of European corporate and sovereign debt, and 85% of European listed equity capital issuances. Importantly, AFME members are market makers, providing liquidity, which is essential for ensuring financial markets can function efficiently. We also represent law firms and other associate members which advise market participants and support AFME’s legal and regulatory initiatives. For more information please visit the AFME website: www.afme.eu
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