Index

APB 211–12, 387–90
Arthur Andersen review 156, 157–9
auditors, regulation of 387–90
auditors, role of
  post-Barings 156–8, 212
  post-BCCI 134, 211–12
  prior to introduction of the Banking Act (1987) 30–36
authorization procedures
  under the Banking Act (1979) 31
  under the Banking Act (1987) 37, 216–43, 352
  appeals procedures 242–3
  revocation procedures 240–42
Baestaens 247
Banco Ambrosiano Holdings affair
  11–12
  impact on the Basle Concordat 12
Bank of Credit and Commerce International (BCCI) affair 121–34
  impact on domestic supervisory practice 129–34
  impact on international supervisory arrangements 12–16, 117, 132–4, 364
Bank of England Act (1946) 3
bank ownership ‘rules’ 28, 357–9, 405
Bankhaus I.D. Herstatt, collapse of 9
  impact on domestic supervisory practice 9–10
  impact on international supervisory practice 9–11
Banking Act (1979) 8, 27–9, 30
Banking Act (1987), 30, 34, 36–9, 92, 205, 211, 216, 222
banking groups, supervision of 361–73
  Bank’s approach 367–73
EU approach 365–7
IOSCO principles 362–5
Barcroft, P. 80
Barings affair 97, 135–61
  implications for domestic supervisory practice 156–61
Basle Committee initiatives
  capital accord 45–80
  core principles for effective banking supervision 83–8
  interest rate risk management principles 80–82
  promulgation of the Basle Concordat 9–26
Basle Concordat 9–26
  original (1975) version 11
  1983 revision 11–12
  1992 (BCCI) revision 12–16
  subsequent developments 16–26, 84–8
Baumol 385
Bingham Report 121, 132–3, 243, 367
BIS 9, 45, 47, 48, 49, 52, 53, 83, 376, 377
Blue Arrow affair 379–80
Board of Banking Supervision
  establishment of 31–2, 34, 38–9
  inquiry into the collapse of Barings 135–56
British and Commonwealth Bank affair 119–20
capital adequacy assessment
  during the 1950s and 1960s 4–5
  under the Banking Act (1979) 28, 257–61
  under the Basle capital accord (1988) 45–80
  amendment to accommodate market risk 62–80
  recognition of bilateral netting schemes 51–6, 394–5
supervisory treatment of multilateral netting schemes
57–62
under the EC’s Solvency Ratio Directive (1989) 107
recognition of bilateral netting schemes 118
under the US/UK accord (1987) 40–45, 262–3
capital, definition used for regulatory purposes
prior to the US/UK accord (1987) 244–7
under the Basle capital accord (1988) 46–7, 247–8
as amended to accommodate market risk (1996) 70–71
under the EC’s Capital Adequacy Directive (1993) 112–13
under the EC’s Own Funds Directive (1989) 103–6, 249–52, 391
under US/UK accord (1987) 41–2, 247
Clarotti, P. 118
Committee on Corporate Governance 213
Committee on Payment and Settlement Systems 82, 83
Companies Act (1948) 3
Companies Act (1967) 3, 4
Companies Act (1985) 37, 352
consolidated supervision
under the Banking Acts (1979 and 1987) 368
under the EC’s Second Consolidated Supervision Directive (1992) 107–8, 366, 368–70, 408–9
Cooke, P. 101
country risk, assessment of 28, 356

Dale, R. 80, 172
Deposit Protection Scheme
amendments made under the Banking Act (1987) 39, 360

original (1982) provisions 28–9, 360
derivatives, supervision of trading/management 376–7
credit derivatives 377
trading abuses 381
Dimson, E. 64
duration 289

EC Directives
Bank Accounts Directive (1986) 102
First Banking Coordination Directive (1977) 8, 99, 100
First Consolidated Supervision Directive (1983) 102
Own Funds Directive (1989) 103–6, 249–52
Exchange Control Act (1947) 3

Fédération des Experts Comptables Européens 387
Financial Action Task Force on Money Laundering 26
Index


Goldstein, M. 83 Group of Thirty 40, 88–90, 377


Kupiec, P.H. 67


Marsh, P. 64
Memoranda of Understanding between domestic regulators 92, 97, 155, 214, 390
with overseas supervisors 155, 214–15
monetary controls, prudential impact of 5
money laundering, combat of 378
Moneylenders Acts (1900–1927) 4
O’Brien, J.M. 67
off-site monitoring
pre-Banking Act (1979) 3–5
under the Banking Act (1979) 28
under the Banking Act (1987) 32
Offshore Supervisors Group 16, 20, 24
on-site activities
pre-Banking Act (1979) 3–5
under the Banking Act (1979) 28
under the Banking Act (1987) 32
operational risk, assessment of 374
Price Waterhouse 106, 286
Protection of Depositors Act (1963) 3, 4
provisions, assessment of the adequacy of 28, 352
in respect of country debt 352–5, 404
RATE assessment model 159–61, 206–7
Reid, M. 6
Revell, J. 99
risk asset ratio, calculation of
prior to the US/UK accord (1987) 257–62
under the Basle capital accord (1988) 45–51
as amended to accommodate market risk (1996) 71–80
under the EC’s Solvency Ratio (1989) and Own Funds Directives (1989) 103–7, 263–8
under the US/UK accord (1987) 41–5, 262–3
Salt, M. 383
SCALE assessment model 161, 206–7
secondary banking crisis (1973–75) 6–8
impact on domestic supervisory practice 7–8
securitization, supervisory approach to 378–9
settlement risk, assessment of 82–3, 375–6
settlement systems 82–3
Cedel 83
CHAPS 375–6
CREST 375–6
ECHO 82
Euroclear 83
Multinet 82
TARGET 83
TAURUS 375
Singapore Inspectors’ Inquiry into the collapse of Barings 135
solo consolidated supervision 153–4
Southern, D. 383
Taylor, M. 159
Treasury and Civil Service Committee 121, 130–31, 149
Tripartite Group (Joint Forum) 83, 372–3
Tugendhat, C. 178
voluntary self-regulation 382–3
Code of Banking Practice 383
Code of Mortgage Lending Practice 95, 383
Code of Practice on the Advertising of Interest-Bearing Accounts 383
Ombudsman Schemes 383
Walker, G. 370
White Paper on the Licensing and Supervision of Deposit-Taking Institutions (1976) 8