Basel Committee
on Banking Supervision

# Proportionality in bank regulation and supervision – a survey on current practices

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## Contents

# Introduction

The concept of proportionality has been a longstanding and embedded feature of the work of the Basel Committee on Banking Supervision. For example, the Committee's original Basel I framework was focused on the capital adequacy of "international banks" only, with no expectation that the framework be applied to other banks.[1] This scope of internationally-active banks continues to apply for all of the Committee's regulatory standards, including the recently-finalised Basel III framework.[2] And these standards comprise minimum standards; jurisdictions are free to apply more conservative requirements should they deem it necessary. In a similar vein, the Committee's Core Principles for Effective Banking Supervision note that "supervisory practices should be commensurate with the risk profile and systemic importance of the banks being supervised".[3]

Even though the scope of the Basel framework is limited to internationally-active banks, the framework provides a degree of proportionality. For example, the risk-weighted capital framework usually provides different approaches for calculating regulatory capital requirements (ie a range of standardised and internally-modelled approaches). The framework also applies higher capital requirements for systemically-important banks.

Over the past decade, the Committee has pursued a comprehensive and wide-ranging set of post-crisis reforms. These reforms have helped strengthen the resilience of internationally-active banks and enhance global financial stability, but they have also resulted in a more complex framework that is more resource-intensive to implement and supervise. As a result, some jurisdictions have introduced a proportionate approach to their domestic regulatory framework, while others have revised existing proportionality regimes.

To take stock of the proportionality measures in place across jurisdictions, the Committee recently conducted a survey among its members and those of the Basel Consultative Group (BCG).[4] This report summarises the main results of this survey.[5]

In brief, the majority of respondents to the survey currently apply proportionality measures in their jurisdictions. In most cases, such measures are applied to banks that represent a relatively small share of total banking assets in the relevant jurisdiction, although there is a fair degree of heterogeneity.

Jurisdictions rely on a number of determinants in identifying proportionality thresholds / segments. These include a wide number of balance sheet metrics and differentiation by banks' business models. In most cases, these indicators are coupled with supervisory judgment when determining the scope of banks subject to different requirements.

Most jurisdictions apply some form of proportionality related to capital and liquidity requirements. These generally take the form of a modified / simpler version of existing Basel standards, particularly for the more complex risk categories, or an exemption from such requirements for certain banks. Jurisdictions similarly apply proportionate reporting and disclosure requirements, with some banks

1 See BCBS (1988).

2 See BCBS (2017).

3 See BCBS (2012).

4 The BCG is the Committee's forum for deepening its engagement with non-member countries on banking supervisory issues. BCG membership comprises central banks and supervisory authorities from 28 countries, as well as supervisory groups, international agencies and other bodies.

5 The survey was conducted in February 2018, so the information in this report reflects the responses received by jurisdictions at that time.

subject to less onerous requirements and submission frequencies. Most jurisdictions also apply a proportionate approach to their supervisory practices, including the intensity of on- and off-site examinations, requirements related to risk management controls and governance, and supervisory stress tests.

## Defining proportionality

Prudential regulation seeks to internalise the externalities resulting from the distress or failure of individual banks and the banking system. In principle, the externalities may vary based on the risk profile of each bank. In that regard, proportionality can be loosely defined as setting standards for banks – encompassing both prudential and the associated administrative (eg reporting) requirements – that are commensurate with their risk profiles in order to achieve a desired (common) objective. This "tailored" approach to regulation seeks to reflect the different nature of banks' business models, systemic importance, cross-border activity and more generally the risks to which they are exposed. The aim of proportionality is therefore not to reduce the resilience of banks or the banking system, but rather to reflect the relative differences in risk across banks.

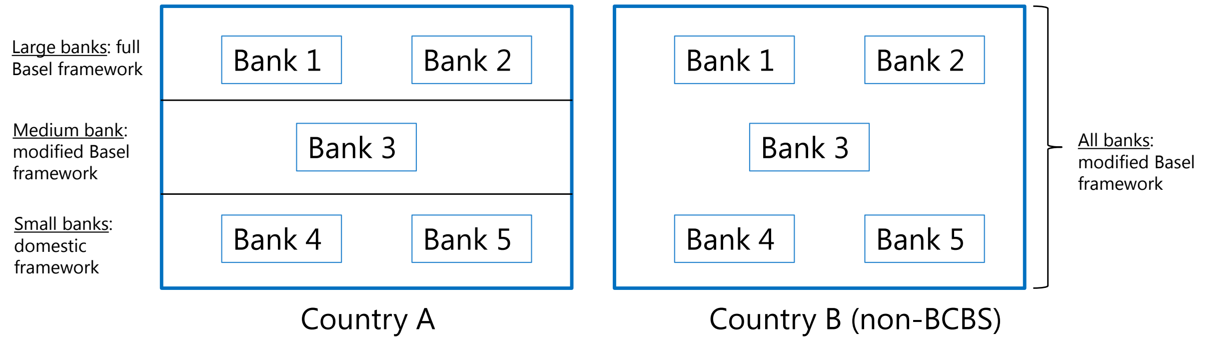
Building on this definition, the Committee took stock of examples of proportionality measures where a jurisdiction did not implement the full Basel regulatory framework for all banks. As a result, examples of proportionality could include:

(i) applying the full Basel framework for some banks in a jurisdiction, and another set of requirements (eg a subset or modified version of the Basel framework) for other banks (Country A in Figure 1); or

(ii) in the case of non-Basel Committee members, applying a modified or limited set of the Basel framework for all banks in a jurisdiction (Country B in Figure 2).

The survey did not cover measures applied to internationally-active banks that are more conservative than the Basel framework (ie super-equivalent or 'gold-plated' measures). It also did not consider measures related to higher loss-absorbency requirements for global / domestic systemically-important banks (SIBs) as examples of proportionality, since there are Basel frameworks related to both global and domestic SIBs. The survey also focused on steady-state proportionality measures only (ie it did not cover examples of applying different transitional arrangements for different types of banks).

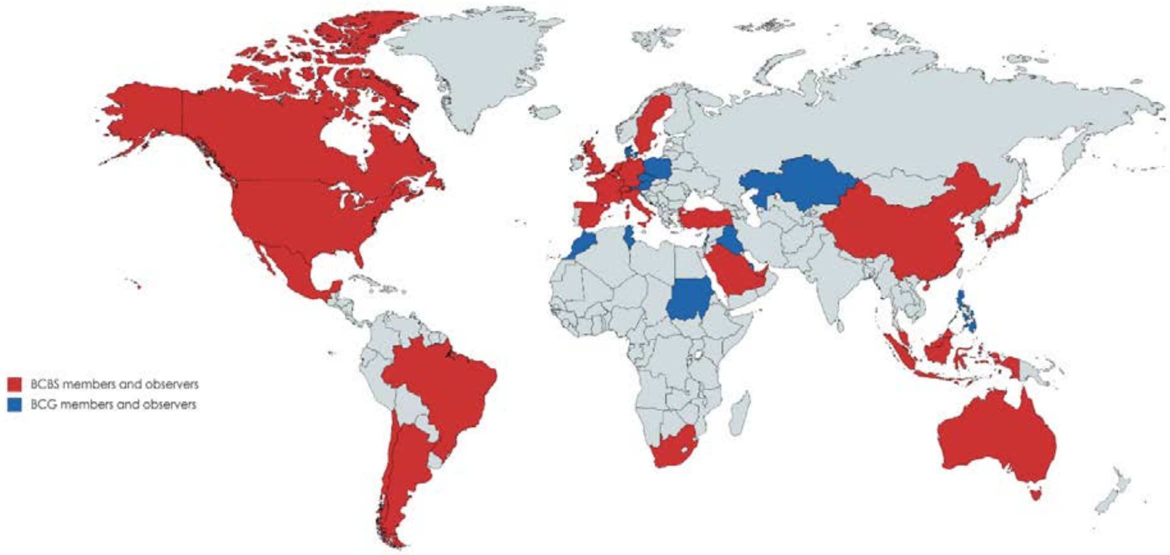
**Figure 1:** Stylised examples of proportionality measures



## Respondents to survey

In total, 45 jurisdictions responded to the Committee's survey, which included 24 respondents from the Committee and 21 respondents from the BCG (see Annex 1 for the full list of respondents). Responses spanned a wide geographical range (Figure 2).

**Figure 2:** Respondents to proportionality survey(a)(b)




Source: mapchart.net and Basel Committee calculations.

(a) The European Commission and European Central Bank also responded to the survey; the map therefore includes all BCBS jurisdictions from the European Union (EU), in addition to EU BCG members that responded to the survey. Respondents not shown on map: Guernsey, Turks and Caicos, the Association of Supervisors of Banks of the Americas, and the Group of International Finance Centre Supervisors.

## Questionnaire

The survey was conducted in February 2018. It started by first asking respondents whether they apply proportionality as part of their regulatory framework. It then focused on three broad areas related to proportionality:

(i) the approaches taken by jurisdictions to identify the different segments / thresholds of banks subject to different requirements;

(ii) the types of regulatory and supervisory requirements that vary across these segments; and

(iii) any operationalisation challenges / impediments encountered with current proportionality practices.

The survey also asked respondents whether they have plans to introduce or revise their proportionality regimes in the future. Annex 2 includes the full set of survey questions.

# Results

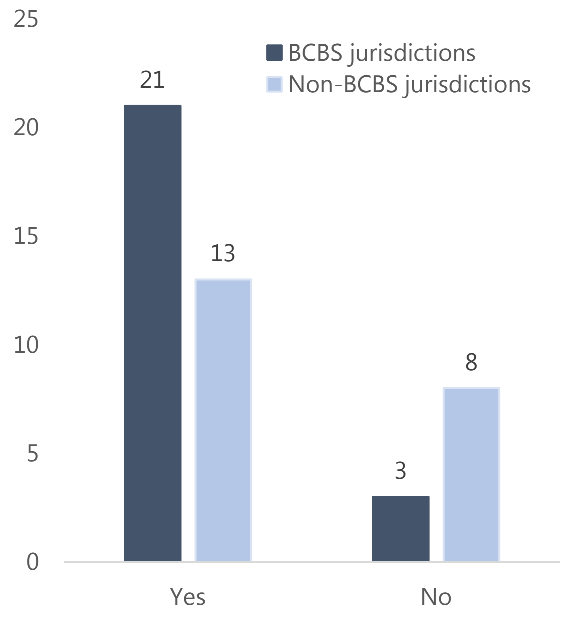
## Use of proportionality measures

In total, 34 of 45 respondents (75% of respondents) indicated that they currently apply proportionality measures (Chart 1). Among Committee jurisdictions, over 85% of respondents apply a proportionality regime, while over 60% of BCG jurisdictions have proportionality measures in place.

The scope of banks in a jurisdiction subject to proportionality measures varies (Chart 2). In most cases, proportionality measures are applied to a subset of banks only (only one BCG respondent noted that a modified / limited Basel framework applies to all banks). While there is a degree of heterogeneity across jurisdictions regarding the number of banks subject to proportionality measures, these banks generally represent a relatively small share of total banking assets in the relevant jurisdiction. This is consistent with the nature of the Basel framework comprising minimum standards for internationally-active banks only, with jurisdictions free to apply other standards to other banks. Some of this heterogeneity could also reflect the scope of proportionality measures included in the stocktaking exercise, which covered both regulatory and supervisory measures.

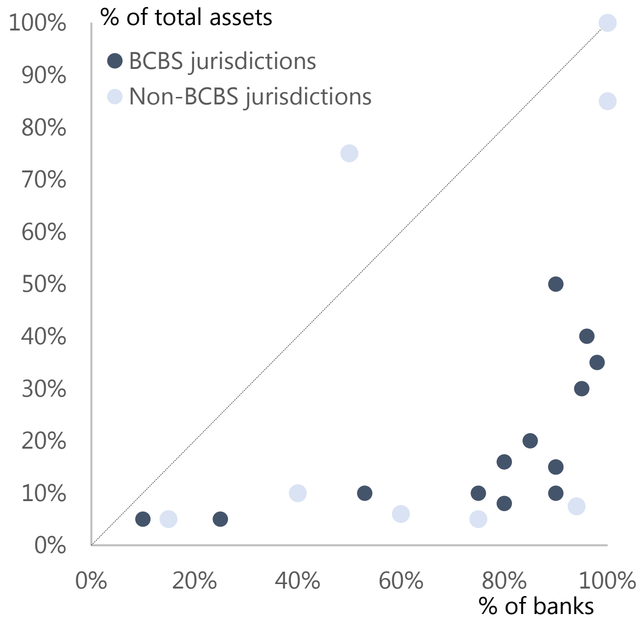
In some cases, respondents noted that proportionality measures are applied to a larger number of banks, which constitute a large share of total banking assets. This is primarily the case for non-BCBS jurisdictions, and is consistent with the principle that such jurisdictions are not expected to apply the Basel framework in full to some or all of the banks in their jurisdiction.

**Chart 1:** Number of respondents that currently apply proportionality measures




Source: BCBS proportionality survey.

**Chart 2:** Scope of banks subject to proportionality measures

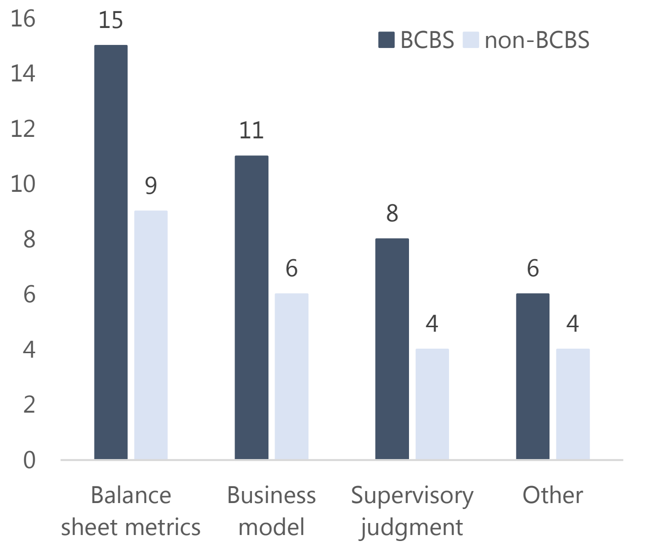



Source: BCBS proportionality survey.

## Determining proportionality thresholds and segments

As illustrated in Chart 2, most jurisdictions apply proportionality measures to a subset of banks only. One area covered by the survey was the way in which jurisdictions determined the thresholds / segments of banks subject to different regulatory and supervisory requirements.

**Chart 3:** Determinants used for proportionality thresholds / segments[(a)]




Source: BCBS proportionality survey.

(a) "Other" includes the country of incorporation of the bank, whether the bank is a branch or subsidiary, and the level of foreign activity of the bank.

Chart 3 shows the determinants used by jurisdictions in defining proportionality thresholds. In most cases, jurisdictions do not rely on a single determinant, but make use of several indicators. The most-cited determinants relate to balance sheet metrics. For example, this includes various measures of size (eg total assets / exposure, specific asset classes, deposits, etc.), expressed in absolute or relative terms (eg as a percentage of total banking system assets, GDP, etc.). Measures of systemic importance based on balance sheet metrics (eg intra-financial system exposures) are also used by a number of jurisdictions to determine the degree of interconnectedness, substitutability and complexity of banks. Several jurisdictions also vary regulatory requirements based on the business model of banks (eg wholesale, retail, specialist banks, Islamic banks, etc.). And a few jurisdictions vary requirements based on the country of incorporation of the bank (ie whether the bank is domestic or foreign).

Many jurisdictions complement these determinants with supervisory judgment. Put differently, only a limited set of jurisdictions apply a mechanistic and quantitative approach in determining proportionality thresholds. In most cases, these determinants are coupled with supervisory judgment in determining the requirements applied to different banks.

## Proportionality measures applied by jurisdictions

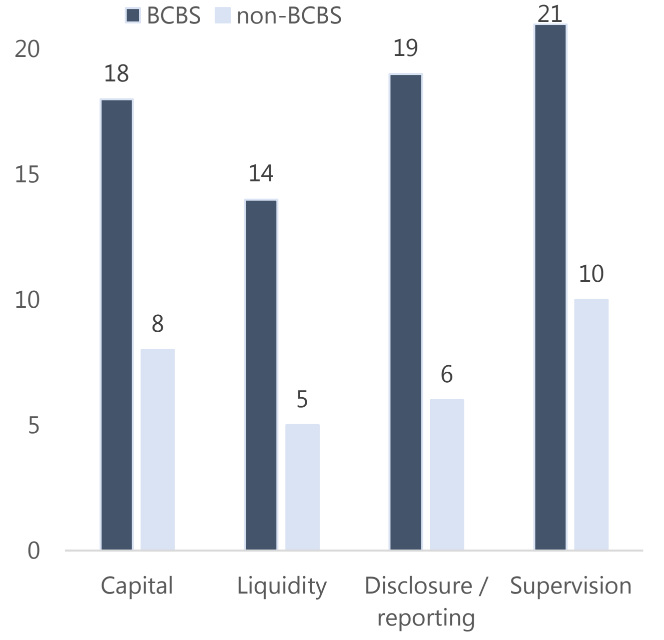
The survey covered the types of proportionality measures applied by jurisdictions for capital requirements, liquidity requirements, disclosure and reporting requirements, and supervisory measures. Most jurisdictions reported multiple proportionality measures spanning a number of these areas (Chart 4).

Many jurisdictions apply some form of proportionality related to capital requirements. In some instances, this takes the form of a modified or limited Basel framework (based on Basel I or Basel II) to a subset of banks. Several jurisdictions have also applied simplified versions of specific approaches in the Basel framework for a subset of banks. These include simpler approaches related to market risk, counterparty credit risk, credit valuation adjustment risk, equity investments in funds, and operational risk. In a few cases, some jurisdictions exempt banks from some of these approaches, or from other domestic rules. A few jurisdictions also apply modified definitions of capital to some banks.

Some jurisdictions reported proportionality measures related to liquidity requirements. These generally take the form of a modified version of the liquidity coverage ratio, and (where implemented), the net stable funding ratio, or an exemption of such requirements for a subset of banks. A few jurisdictions apply domestic liquidity rules instead, or do not apply Pillar 2 liquidity requirements to some banks.

Most jurisdictions indicated that they apply proportionate reporting and/or disclosure requirements. These generally take the form of simpler reporting/disclosure templates, and/or a reduced frequency for submitting these templates. A few jurisdictions also exempt banks from specific reporting and/or disclosure requirements, particularly for liquidity risk.

**Chart 4:** Types of proportionality measures applied by jurisdictions




Source: BCBS proportionality survey.

Nearly all jurisdictions have a proportionate supervisory framework in place. This includes varying the level of supervisory intensity, including the number and magnitude of on- and off-site examinations for different types of banks. Several jurisdictions also vary requirements related to risk management controls and governance across different types of banks. Some jurisdictions also noted that they exempt, or apply less onerous, supervisory stress tests to a subset of banks.

## Challenges with existing proportionality frameworks

While most jurisdictions did not report any operational challenges in implementing and overseeing their proportionality regimes, a few respondents identified a few hurdles. These comprise the following:

- **Balancing proportionality and comparability:** In designing their proportionality requirements, some jurisdictions pointed to the delicate trade-off between the benefits of tailoring requirements for different types of banks while also preserving comparability in banks' regulatory ratios.
- **Balancing proportionality and competition:** Another challenge highlighted by some jurisdictions is how to balance the appropriate differentiation of requirements to reflect the diversity of banks without inducing unwarranted competitive inequalities. For example, one jurisdiction noted that the ex-ante principle of designing "capital neutral" simpler approaches for smaller banks is not always feasible in practice.
- **Determination of proportionality segments:** Some jurisdictions reported a challenge with identifying the appropriate determinants for proportionality segments (eg which quantitative metrics should be used, the balance between quantitative and qualitative measures, etc.).

- **Arbitrage of thresholds and changes in banks' business models:** A few jurisdictions reported some challenges with ensuring that banks do not arbitrage the proportionality thresholds / segments to benefit from less onerous requirements. In a similar vein, another challenge identified in implementing proportionate supervisory approaches is the ongoing demands to keep pace with changes in banks' risk profiles and activities.

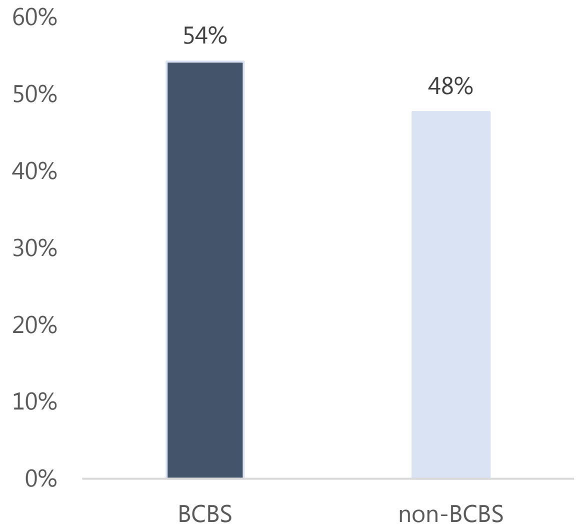
## Future plans related to proportionality

The survey asked jurisdictions whether they intend to introduce proportionality measures or make any changes to their existing proportionality regime.

The majority of Committee respondents indicated that they have future plans related to proportionality, while just under half of BCG respondents indicated likewise (Chart 5). These include plans to review existing proportionality regimes, including the scope for developing simpler approaches for capital and liquidity requirements, reducing reporting and disclosure requirements, and reviewing the scope of banks subject to proportionality measures, and the associated threshold determinants. And some jurisdictions noted that they plan to apply a proportionate approach to supervision.

A few jurisdictions that do not currently apply proportionality measures indicated that they plan to consider introducing a proportionality regime in the future.

**Chart 5:** Percentage of jurisdictions with future plans related to proportionality measures




Source: BCBS proportionality survey.

# Summary of responses by jurisdictions on selected issues

## **Table 1:** Summary of survey responses – determinants of proportionality segments / thresholds

**BCBS jurisdictions**

| Jurisdiction | Determination of segments | | | |
|---|---|---|---|---|
| Argentina | Balance sheet metrics | | | |
| Australia | Supervisory judgment | | | |
| Brazil | Balance sheet metrics | Risk profile | GDP | Foreign activity |
| Canada | Balance sheet metrics | Business model | | |
| Chile | | | | |
| China | Balance sheet metrics | Foreign activity | | |
| European Union | Balance sheet metrics | Business model | Supervisory judgment | |
| Belgium | Balance sheet metrics | Business model | Supervisory judgment | |
| Germany | Balance sheet metrics | Business model | Supervisory judgment | |
| SSM | Balance sheet metrics | Business model | Supervisory judgment | |
| Sweden | Balance sheet metrics | Business model | Supervisory judgment | |
| United Kingdom | Balance sheet metrics | Business model | Supervisory judgment | Country of incorporation |
| Hong Kong | Balance sheet metrics | Supervisory judgment | | |
| Indonesia | Balance sheet metrics | Foreign ownership | | |
| Japan | Branches / subs abroad | | | |
| Korea | Business model | Supervisory judgment | | |
| Malaysia | Business model | | | |
| Mexico | Balance sheet metrics | | | |
| Saudi Arabia | | | | |
| Singapore | Balance sheet metrics | | | |
| South Africa | Balance sheet metrics | Business model | | |
| Switzerland | Balance sheet metrics | | | |
| Turkey | Business model | | | |
| United States | Balance sheet metrics | Materiality | | |

**Non-BCBS jurisdictions**

| Jurisdiction | Determination of segments | | |
|---|---|---|---|
| Abu Dhabi (ADGM) | | | |
| Americas | Balance sheet metrics | Business model | |
| Bahrain | Country of incorporation | Islamic finance | Business model |
| European Union | Balance sheet metrics | Business model | Supervisory judgment |
| Austria | Balance sheet metrics | Business model | Supervisory judgment |
| Czech Republic | Balance sheet metrics | Business model | Supervisory judgment |
| Denmark | Balance sheet metrics | Business model | Supervisory judgment |
| Poland | Balance sheet metrics | Business model | Supervisory judgment |
| Group of International Finance Centre | Balance sheet metrics | Supervisory judgment | |
| Guernsey | | | |
| Iraq | | | |
| Kazakhstan | | | |
| Lebanon | | | |
| Morocco | Balance sheet metrics | Supervisory judgment | |
| Palestine | | | |
| Philippines | Business model | Balance sheet metrics | |
| Qatar | | | |
| Qatar (QFC) | Business model | Branch or sub | |
| Sudan | All banks | | |
| Thailand | Balance sheet metrics | Supervisory judgment | Materiality |
| Tunisia | Balance sheet metrics | Business model | |
| Turks and Caicos Islands | | | |

## Table 2: Summary of survey responses – types of proportionality measures for BCBS jurisdictions

| Jurisdiction | Type of proportionality | | | |
|---|---|---|---|---|
| | Capital | Liquidity | Disclosure / reporting | Supervision |
| Argentina | • Modified operational risk<br>• Modified IRRBB | • Exemption of LCR, NSFR and intraday requirements | • Exemption of LCR and NSFR disclosure / reporting | • Varied supervisory intensity |
| Australia | • Modified IRRBB<br>• Modified CVA | • Modified liquidity requirement | • Reduced disclosure requirements<br>• Reduced reporting requirements | • Reduced risk management / governance requirements<br>• Varied supervisory intensity<br>• Proportional stress tests<br>• Phased licensing regime |
| Brazil | •Simplified RWA calculation<br>•Exemption of market risk<br>•Modified IRRBB<br>•Simplified definition of capital<br>• Higher minimum capital ratio | • Exemption of LCR and NSFR | • Reduced reporting requirements | • Reduced risk management / governance requirements<br>• Varied supervisory intensity / recovery plans |
| Canada | • Modified market risk | • Modified LCR | • Reduced disclosure requirements | • Reduced risk management / governance requirements<br>• Varied supervisory intensity |
| Chile | | | | |
| China | | • Simplified LCR | • Simplified LCR disclosure | • Reduced risk management / governance requirements |
| European Union | • Modified market risk<br>• Modified CCR<br>• Modified definition of capital | | • Reduced reporting requirements and frequency<br>• Reduced disclosure requirements | • Reduced risk management / governance requirements<br>• Varied supervisory intensity |
| Belgium | • Modified market risk<br>• Modified CCR<br>• Modified definition of capital | | • Reduced reporting requirements and frequency<br>• Reduced disclosure requirements | • Varied supervisory intensity |
| Germany | • Modified market risk<br>• Modified CCR<br>• Modified definition of capital | | | • Varied supervisory intensity |
| SSM | • Modified market risk<br>• Modified CCR<br>• Modified definition of capital | | • Reduced reporting requirements and frequency<br>• Reduced disclosure requirements | • Reduced risk management / governance requirements<br>• Varied supervisory intensity |
| Sweden | • Modified market risk<br>• Modified CCR<br>• Modified definition of capital | | • Reduced reporting requirements and frequency<br>• Reduced disclosure requirements | • Reduced risk management / governance requirements<br>• Varied supervisory intensity |
| United Kingdom | • Modified market risk<br>• Modified CCR<br>• Modified definition of capital<br>• Exemption of domestic leverage ratio | • Exemption of Pillar 2 liquidity guidance | • Reduced reporting requirements and frequency<br>• Reduced disclosure requirements | • Reduced risk management / governance requirements<br>• Proportional stress tests<br>• Varied supervisory intensity |
| Hong Kong | • Modified Basel I credit risk<br>• Exemption of market risk rules | • Modified liquidity rules | • Reduced reporting frequency<br>• Exemption of disclosure requirements | • Varied supervisory intensity<br>• Proportional stress tests |
| Indonesia | • Exemption of capital conservation buffer | • Exemption of LCR and NSFR | • Exemption of disclosure requirements | • Varied supervisory intensity |
| Japan | • Lower minimum capital ratio | • Exemption of LCR | • Modified disclosure / reporting requirements and frequency | • Varied supervisory intensity |
| Korea | • Basel I<br>• Exemption of leverage ratio | • Exemption / lower LCR calibration<br>• Exemption NSFR | | • Varied supervisory intensity |
| Malaysia | • Modified Basel I | • Domestic liquidity rules | • Reduced reporting requirements and frequency<br>• Reduced disclosure requirements | • Varied supervisory intensity<br>• Proportional stress tests |
| Mexico | | | | |
| Saudi Arabia | | | | |
| Singapore | | • Domestic liquidity rules<br>• Exemption of NSFR | • Exemption of liquidity disclosure requirements | • Varied supervisory intensity |
| South Africa | • Less onerous capital requirements | • Less onerous liquidity requirements | • Reduced reporting requirements<br>• Exemption of disclosure requirements | • Varied supervisory intensity |
| Switzerland | • Simplified market risk<br>• Simplified counterparty credit risk<br>• Simplified equity investments in funds<br>• Reduced operational risk requirements | | • Less frequent and condensed liquidity reporting<br>• Reduced disclosure requirements | • Varied supervisory intensity |
| Turkey | | • Domestic liquidity rules | | • Varied supervisory intensity |
| United States | • Domestic leverage ratio<br>• Domestic standardised approach | • Modified LCR<br>• Proposed modified NSFR | • Reduced reporting requirements<br>• Reduced disclosure requirements | • Varied supervisory intensity<br>• Proportional stress tests |

**Table 3:** Summary of survey responses – types of proportionality measures for non-BCBS jurisdictions

| **Jurisdiction** | **Type of proportionality** | | | |
|---|---|---|---|---|
| | Capital | Liquidity | Disclosure / reporting | Supervision |
| Abu Dhabi (ADGM) | • Waiver for CVA exemption<br>• Exemption of margin requirements | | | • Varied supervisory intensity |
| Americas | | | | |
| Austria | | | | • Varied supervisory intensity |
| Bahrain | • Different minimum capital requirements | | • Reduced reporting requirements | • Varied supervisory intensity |
| European Union | • Modified market risk<br>• Modified CCR<br>• Modified definition of capital | | • Reduced reporting requirements and frequency<br>• Reduced disclosure requirements | • Reduced risk management / governance requirements<br>• Varied supervisory intensity |
| Austria | • Modified market risk<br>• Modified CCR<br>• Modified definition of capital | | • Reduced reporting requirements and frequency<br>• Reduced disclosure requirements | • Reduced risk management / governance requirements<br>• Varied supervisory intensity |
| Czech Republic | • Modified market risk<br>• Modified CCR<br>• Modified definition of capital | | • Reduced reporting requirements and frequency<br>• Reduced disclosure requirements | • Reduced risk management / governance requirements<br>• Varied supervisory intensity |
| Denmark | • Modified market risk<br>• Modified CCR<br>• Modified definition of capital | | • Reduced reporting requirements and frequency<br>• Reduced disclosure requirements | • Reduced risk management / governance requirements<br>• Varied supervisory intensity |
| Poland | • Modified market risk<br>• Modified CCR<br>• Modified definition of capital | | • Reduced reporting requirements and frequency<br>• Reduced disclosure requirements | • Reduced risk management / governance requirements<br>• Varied supervisory intensity |
| Czech Republic | | | • Reduced disclosure / reporting requirements | • Varied supervisory intensity |
| Denmark | • Modified / exemption of MREL | | • Reduced reporting frequency | • Reduced risk management / governance requirements<br>• Varied supervisory intensity |
| Group of International Finance Centre Supervisors | | • Modified liquidity rules | • Reduced reporting frequency | |
| Guernsey | | | | |
| Iraq | | | | |
| Kazakhstan | | | | |
| Lebanon | | | | |
| Morocco | • Limited set of Basel framework | • Limited set of Basel framework | | • Reduced risk management / governance requirements |
| Palestine | | | | |
| Philippines | • Modified Basel I<br>• Exemption of market risk | • Simplified liquidity metric | • Simplified reporting templates | • Reduced risk management / governance requirements<br>• Varied supervisory intensity |
| Poland | | | • Waiver to report LCR on consolidated basis | • Varied supervisory intensity |
| Qatar | | | | |
| Qatar (QFC) | | • Modified LCR<br>• Modified NSFR | | • Reliance on group-wide supervisory assessment for branches |
| Sudan | • Modified Basel II | | | |
| Thailand | • Exemption of market risk | | | |
| Tunisia | • Exemption of market risk | • Exemption of LCR | | • Varied supervisory intensity |
| Turks and Caicos Islands | | | | |

# Annex 1: BCBS and BCG respondents to proportionality survey

- Abu Dhabi (ADGM)
- Association of Supervisors of Banks of the Americas
- Argentina
- Australia
- Austria
- Bahrain
- Belgium
- Brazil
- Canada
- Chile
- China
- Czech Republic
- Denmark
- European Central Bank
- European Commission
- Germany
- Group of International Finance Centre Supervisors
- Guernsey
- Hong Kong
- Indonesia
- Iraq
- Japan
- Kazakhstan
- Korea
- Lebanon
- Malaysia
- Mexico
- Morocco
- Palestine
- Philippines
- Poland
- Qatar Central Bank
- Qatar Financial Centre Regulatory Authority
- Saudi Arabia
- Singapore
- South Africa
- Sudan
- Sweden
- Switzerland
- Thailand
- Tunisia
- Turkey
- Turks and Caicos Islands
- United Kingdom
- United States

# Annex 2: Survey questionnaire

Q1) Do you currently apply proportionate requirements to banks in your jurisdictions? If you do not, please proceed to question 8.

Q2) How do you determine the segments/thresholds/tiering of banks subject to different regulatory requirements?

Q3) Does your current proportionality regime include different capital and/or liquidity requirements for different banks? If so, please describe the different requirements.

Q4) Does your current proportionality regime include different reporting and/or disclosure requirements for different banks? If so, please describe the different requirements.

Q5) How does proportionality impact other supervisory practices within your supervisory framework? Are there any other features of your proportionality regime that may be of relevance for the Basel Committee?

Q6) Roughly speaking, what percentage of banks in your jurisdiction are subject to proportional requirements (ie any of the issues discussed in questions 3 to 5)?

Q7) Have you encountered any operational challenges in implementing and overseeing your proportionality regime?

Q8) Do you plan to introduce or make any changes to your proportionality regime?