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BAZEL III I DALJE

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eri FSI i radne grupe EMEAP za
bankarsku superviziju (domaćin
Bank Negara Malezija), Kuala
Lumpur, Malezija, 17. januara
2011. godine*

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Chairman, Basel Committee
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*Remarks of Nout Wellink
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Meeting on Better Supervision and
Better Banking in a Post-crisis Era
FSI and EMEAP Working Group
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2011*

BASEL III AND BEYOND

Uvod

Želeo bih da zahvalim guverneru Zeti, Jozefu Tošovskom i EMAP grupi što su me pozvali da vam se danas obratim u Kuala Lumpuru. Mesec je dana kako su objavljena pravila Bazela III za kapital i likvidnost, koji su prekretnica u globalnoj regulatorskoj saradnji. Može se reći da je Bazelski komitet sa objavljivanjem pravila Bazela III, krenuo iz faze postavljanja standarda u fazu njihove primene.

Želeo bih danas da dam pregled onog što je supervizorska zajednica postigla u reformisanju globalnog regulatornog sistema i da vas podsetim zašto je to bilo neophodno. Bazel III je presudno dostignuće koje zahteva enormne resurse i usmerenost. Kao što ću govoriti u nastavku, naš prelazak iz faze postavljanja standarda u primenu znači mnogo veću usredsređenost na intenzivnu superviziju. Govoriću o primeni standarda i dati opis programa budućeg rada Bazelskog komiteta.

Pre nego što pogledamo datalje rada koji je pred nama, podsetiću vas na motive reforme Bazela III i glavnih pitanja na koje se reforma odnosi.

Bazel III

Mada je Bazel III projektovan da bi rešavao slabosti prošle krize, glavni cilj Komiteta bio je da pripremi banke i bankarski sektor za narednu krizu. Podsetimo se da se krize prelivaju, nezavisno od toga odakle potiču. Kombinacija globalizacije i sve bržih finansijskih inovacija znači da je svim zemljama potrebno da drže više amortizera kapitala i likvidnosti da bi se bankarski sistem i ekonomija zaštitili od neočekivanih rizika. Nažalost, pamćenje teži da bude kratko a znatni rizici za bankarski sektor su uporni. Dozvolite mi da nabrojim neke od uzroka krize:

- Finansijsku krizu su primarno izazvali ekscesna globalna likvidnost, preterani leveridž, suviše malo kapitala nedovoljnog kvaliteta i neadekvatni amortizeri likvidnosti.
- Pogoršanje su izazvali prociklični proces deleveridža i međupovezanost sistemski značajnih finansijskih institucija za koje se smatralo da su suviše velike da bi propale.

- Jedan broj drugih faktora imao je isto tako značajnu ulogu. Tu spadaju veliki nedostaci u upravljanju rizicima, korporaciono upravljanje, transparentnost tržišta, praksa kompenzacija i kvalitet supervizije. Upravljanje rizicima i supervizija nisu uspele zbog preterano uskog fokusa na pojedinačne firme i nedovoljnog razumevanja kako sistemski rizici mogu da deluju u stresu.

Bazel III je projektovan da reši ove nedostatke i, još važnije, da jača solidnost pojedinih banaka i stabilnost šireg bankarskog sektora. Okvir uključuje pristupe po pojedinačnim firmama ali isto tako inkorporira makroprudencijalne mere da bi se pomoglo rešavanju sistemskog rizika i međupovezanosti.

- Prvo, Bazel III suštinski podiže kvalitet kapitala, sa većim usmerenjem na akcionarski kapital za apsorbovanje gubitaka.
- Drugo, postigli smo obuhvatnije pokrivanje rizika, naročito u vezi sa aktivnostima tržišta kapitala. Izloženosti u knjizi trgovanja, na primer, biće podvrgnute stresnom zahtevu value-at-risk. Banke moraju držati odgovarajući kapital za manje likvidnu aktivu, osetljivu na kredit sa dužim rokovima držanja. Izloženosti sekjuritizacije imajuće kapitalne troškove konzistentnije sa onima za bankarsku knjigu.
- I treće, uveli smo standarde za jaču superviziju, upravljanje rizicima i obelodanjivanje.

Pored ovih mikroprudencijalnih mera, Bazel III uvodi fundamentalno nove elemente u globalni regulatorni okvir. Oni uključuju:

- Kapitalne amortizere koji mogu da pomognu zaštitu bankarskog sektora od kreditnih mehurova i iz kojih se može vući tokom stresnih vremena. Ovo može da pomogne ublažavanju pritisaka na rast cena nekretnina, na primer, što u Aziji predstavlja rastuću zabrinutost.
- Jednostavan koeficijent leveridža koji obezbeđuje zaštitnu mrežu režimu zasnovanom na riziku.
- Međunarodno harmonizovani okvir likvidnosti.

Navodimo da je Komitet preduzeo temeljni pregled potencijalnog uticaja standarda Bazela III kroz našu Grupu za makroekonomsku ocenu

Introduction

I would first like to thank Governor Zeti, Jozef Tošovský and EMEAP for inviting me to Kuala Lumpur to speak to you today. It is now one month after we published the Basel III rules for capital and liquidity, which is a milestone in global regulatory collaboration. With the publication of the Basel III rules, one can say that the Basel Committee has now moved from the standard setting to the implementation phase.

This morning I would like to review what the supervisory community has achieved in reforming the global regulatory system and to remind you why it was necessary. Basel III is a landmark achievement that required enormous resources and focus. As I will discuss in a moment, our shift from the standard-setting phase to the implementation means a much greater focus on intensive supervision. I will talk about implementation of the standards followed by a description of the Basel Committee's future work programme.

Before we look into the details of the work ahead of us, I would like to recall the motivation for the Basel III reforms and the main issues the reforms have addressed.

Basel III

While Basel III was designed to address the weaknesses of the past crisis, the Committee's main intent was to prepare banks and the banking sector for the next crisis. Let us remember that crises spill over, no matter where they emanate. The combination of globalisation and ever more rapid financial innovation means that all countries need to hold higher capital and liquidity buffers to protect the banking

system and economy from unexpected risks.

Unfortunately, memories tend to be short and significant risks to the banking sector persist.

Let me recount some of the causes of the crisis:

- The financial crisis was triggered primarily by excess global liquidity, too much leverage, too little capital of insufficient quality, and inadequate liquidity buffers;



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- It was made worse by a procyclical deleveraging process and the interconnectedness among systemically important financial institutions that were considered too-big-to-fail;
- A number of other factors also played a major role. These include major shortcomings in risk management, corporate governance, market transparency, compensation practices, and the quality of supervision. Risk management and supervision failed due to an overly narrow, firm-specific focus and an insufficient understanding of how broader system-wide risks could play out under stress.

Basel III was designed to address these shortcomings and, more importantly, to enhance both bank-specific soundness and wider banking sector stability. The framework includes firm-specific approaches but also incorporates macroprudential measures to help address systemic risk and interconnectedness.

- First, Basel III substantially raises the quality and quantity of capital, with a much greater focus on common equity to absorb losses.

(MAG) i Grupu za dugoročni ekonomski uticaj (LEI). Na osnovu konzervativnih pretpostavki, MAG rezultati pokazuju da se od novih standarda očekuje da imaju samo skroman uticaj na ekonomski rast tokom tranzicionog perioda, dok LEI rezultati pokazuju da će ekonomski benefiti povezani sa višim zahtevima za kapitalom i likvidnošću znatno nadmašiti troškove. MAG je nedavno objavila naknadni rad koji je počeo sa prosečnom kapitalnom pozicijom od 5,7% za velike banke, što je bilo zasnovano na rezultatima naše studije kvantitativnog uticaja i pretpostavci da je u potpunosti uveden okvir Bazel III u skladu sa tranzicionim aranžmanima Komiteta. Pod tim uslovima, podizanje globalnog koeficijenta akcionarskog kapitala na 7% rezultiraće maksimalnim padom nivoa BDP od 0,22%, u odnosu na bazne prognoze. U pogledu stopa rasta, godišnji rast bi bio 3 bazna poena ispod nivoa osnovne linije tokom ovog perioda, dok bi benefiti povećanog kapitala znatno nadmašili troškove.

Kada su u pitanju izazovi koji su pred nama i budući rad Komiteta najneposredniji i najznačajniji imperativ je, naravno, primena regulatornih standarda.

Primena je bitna

Komitet i njegovo nadzorno telo guvernera i šefova supervizije stalno su navodili da će novi standardi biti uvedeni na način koji ne ometa oporavak realne ekonomije. Ovo

je ugrađeno u nelinearnu vremensku liniju koju smo usvojili za primenu standarda. Na primer, pojačanja iz jula 2009. godine koja su osnažila zahteve za propisanim kapitalom i obelodanjivanjem za aktivnosti na tržištima kapitala stupiće na snagu, kako se očekuje, najkasnije ove godine. Zahtevi iz Bazela III počinju da se primenjuju od početka 2013. godine i postupno će se uvoditi do 2019. godine.

Pravila moraju da se primenjuju na blagovremen i globalno konzistentan način. Sve zemlje članice Bazelskog komiteta sada moraju da počnu proces prenošenja teksta pravila Bazela III u nacionalnu regulativu i zakone do 2013. godine kao krajnjeg roka. Banke sa svoje strane moraju da počnu planiranje i pripremu. Želeo bih da naglasim da zvanični i privatni sektor imaju podjednaku odgovornost u tome, jer će zajedno da žanju benefite stabilnijeg finansijskog sistema.

Bazel III je ključni odgovor *regulatora* na probleme koje je otkrila finansijska kriza ali nova pravila i standardi nisu dovoljni. Naredni kritični zadatak pred nama odnosi se na bolju i prodorniju *superviziju* na globalnom nivou. Komitet je postavio jače mehanizme da bi osigurao da se u potpunosti primene regulativa i standardi koje je razvio i koji su dobili potvrdu G20. U tom cilju, Grupa Komiteta za primenu standarda sprovodiće prateće i tematske ekspertske preglede. Oblasti usmerenja uključuje zajedničko tumačenje standarda i

potencijalne oblasti za regulatornu arbitražu. Isto tako ćemo pratiti primene u bankama i kod supervizora u oblastima kao što su stres testiranje i dobro upravljanje rizikom likvidnosti. Niko nema koristi od



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- Second, we have achieved a more comprehensive coverage of the risks, especially related to capital markets activities. Trading book exposures, for example, will be subject to a stressed value-at-risk requirement. Banks must hold appropriate capital for less liquid, credit sensitive assets with much longer holding periods. Securitisation exposures will be subject to capital charges more consistent with those for the banking book.
- And third, we have introduced stronger supervision, risk management and disclosure standards.

In addition to these microprudential measures, Basel III introduces fundamentally new elements into the global regulatory framework. These include:

- Capital buffers that can help protect the banking sector against credit bubbles and that can be drawn down during times of stress. This could also help moderate upward pressure on real estate prices, for example, which in parts of Asia is a mounting concern;
- A simple leverage ratio that provides a backstop to the risk-based regime, and
- An internationally harmonised liquidity framework.

I should also note that the Committee has undertaken a thorough review of the potential impact of the Basel III standards through our Macroeconomic Assessment Group (MAG) and the Long term Economic Impact Group (LEI). Based on conservative assumptions, the MAG results show that the new standards are expected to have only a modest impact on economic growth over the transition period, while the LEI results show that the economic benefits associated with the higher capital and liquidity requirements will substantially exceed the costs. The MAG recently published follow-up work that started with an average capital position of 5.7% for large banks, which was based on the results of our quantitative impact study, and assumed a fully phased-in Basel III framework according to the Committees' transitional arrangements. Under these conditions, raising the global common equity capital ratio to 7% would result in a maximum decline in the level of GDP, relative to baseline

forecasts, of 0.22%. In terms of growth rates, annual growth would be 3 basis points below its baseline level over this period, with the benefits of increased capital well surpassing the costs.

I will now turn to the challenges ahead and the future work of the Committee. The most immediate and significant imperative is, of course, implementation of the regulatory standards.

Implementation is essential

The Committee and its oversight body of Governors and Heads of Supervision have consistently stated that the new standards will be introduced in a manner that does not impede the recovery of the real economy. This is embodied in the staggered timeline we have adopted for implementing the standards. For example, the July 2009 enhancements that strengthen regulatory capital and disclosure requirements for capital markets activities are due to take effect by no later than the end of this year. The Basel III requirements begin to take effect from the beginning of 2013 and will be progressively phased in by 2019.

The rules need to be implemented in a timely and globally consistent manner. All Basel Committee member countries must now begin the process of translating the Basel III rules text into national regulations and legislation to meet the 2013 deadline. Banks, for their part, must also begin to plan and prepare. I would like to stress that the official and the private sector have a shared responsibility in this, as they both will reap the benefits of a more stable financial system.

Basel III is the core *regulatory* response to problems revealed by the financial crisis but new rules and standards are not enough. The next critical task at hand relates to better and more intrusive *supervision* at the global level. The Committee has put in place stronger mechanisms to ensure that regulations and standards developed by the Committee and endorsed by the G20 are implemented in full. For that purpose, the Committee's Standards Implementation Group will conduct follow up and thematic peer reviews. Areas of focus will include common interpretation of standards

slabih banaka i supervizorske prakse i zato članice treba da pozdrave proces dubljih i kritičnijih ekspertskih pregleda. Ovde nam je potreban unekoliko kulturološki zaokret, u kome se u većoj meri odaje priznanje mogućnostima koje pruža proces kritičkog ekspertskog pregleda, ali ne tumačiti te preglede kao pretnju.

Tamo gde je manje iskustva, kao što su koeficijenti likvidnosti i leveridža, standardi će se uvoditi postepeno i njihova primena će se na odgovarajući način nadgledati. Ovo će nam omogućiti da nenameravane posledice rešavamo prilagođavanjem gde to bude odgovarajuće.

Budući rad

Paralelno sa usmerenjem Komiteta na primenu, program našeg budućeg rada pokriva sledeće oblasti: (i) posmatranje izvesnih elemenata Bazela III; (ii) dalje razvijanje standarda supervizije; (iii) napore za unapređenje supervizorske prakse i praksu reorganizacije prekograničnih banaka.

Posmatranje Bazela III

U pogledu okvira za likvidnost, Komitet je odlučio da primeni promišljen ali oprezan pristup kada je reč o primeni standarda likvidnosti. Zato će kratkoročni koeficijent pokrivenosti likvidnosti postati minimalni standard 2015. godine, dok će dugoročni neto stabilni koeficijent finansiranja postati minimalni standard 2018. godine. Nedavno objavljeni tekst pravila predviđa "period posmatranja" koji će omogućiti supervizorima da dobiju robustnije izveštavanje tokom tog perioda. Namera je da se oceni uticaj novih standarda na banke, bankarski sektor i šira tržišta.

U meri u kojoj standardi proizvedu neke nenamerne posledice, do 2013. godine bi se ostvarila revizija LCR - koeficijenta pokrića likvidnosti, a do sredine 2016. godine revizija NSFR - koeficijenta neto stabilnog finansiranja. Mada je bilo ključno da postavimo globalne standarde likvidnosti, u isto vreme priznajemo da su - u poređenju sa regulativom za kapital - podaci i iskustvo za regulativu likvidnosti nepotpuni. Imajući u vidu značaj uvođenja

standarda minimuma likvidnosti, želimo da budemo sigurni da ćemo to uraditi pravilno. Međutim, ovaj proces ne sme ni na koji način da dovede u pitanje obavezu da u potpunosti primenimo snažne globalne standarde likvidnosti u skladu sa dogovorenim dinamikom.

Komitet će isto tako pažljivo da monitoriše performansu koeficijenta leveridža, kao i njegovo ponašanje u poređenju sa merenjem zasnovanom na riziku. Pratićemo osnovne komponente i koeficijent. Početkom 2015. godine od banaka će se zahtevati da obelodane svoj koeficijent leveridža i komponente. Komitet će sprovesti finalna prilagođavanja definicije i kalibriranja u prvoj polovini 2017. godine u pripremama za tretman Stub 1 na dan 1. januara 2018. godine.

Postavljanje standarda

U oblasti postavljanja standarda, razvoj politike nastavlja se radom na pravilima o tržišnom riziku, o bankama od značaja za sistem, o oslanjanju na eksterne rejtinge i o velikim izloženostima.

Uzevši ovo u pravilnom redosledu, sprovodimo temeljnu reviziju knjige trgovanja. Revizija rešava osnovna pitanja kao što su: da li je potrebno zadržati razlikovanje knjige trgovanja i bankarske knjige? Da li je VaR najbolji metod za izračunavanje zahteva za kapitalom? Kako treba definisati trgovinske aktivnosti? Tokom napredovanja na ovom radu konsultovaćemo se sa industrijom.

Šire, pažljivo ćemo sagledati kako banke dolaze do svojih mera izloženosti, kako ponderišu svoju aktivu i kako se angažuju na aktivnostima ublažavanja rizika. Usmerenje bi trebalo da bude na izgradnji dobrih poslovnih modela na osnovi koju čine adekvatan kapital i likvidnost.

Drugi visoki prioritet za Komitet je naš rad u saradnji sa FSB na bankama značajnim za sistem. Komitet je razvio privremenu metodologiju koja uključuje kvantitativne i kvalitativne indikatore za identifikovanje banaka od sistemskog značaja na globalnom nivou. Ispitujemo veličinu dodatne sposobnosti apsorpcije gubitaka koju će imati SIFI, što se može postići nekom kombinacijom akcionarskog kapitala, kapitala za nepredviđene okolnosti i

and potential areas for regulatory arbitrage. We will also follow up to review implementation by banks and supervisors in areas like stress testing and sound liquidity risk management. Nobody benefits from weak banks and supervisory practices, and members should therefore welcome a process of greater and more critical reviews by peers. We need somewhat of a cultural shift here, where greater recognition is given to the opportunities provided by a critical peer review process, rather than seeing such reviews as a threat.

Standards where we have less experience, such as the liquidity and leverage ratios, will be phased in gradually and their implementation monitored accordingly. This will enable us to address any unintended consequences by making adjustments where appropriate.

Future work

I will now turn to future work. In parallel to the Committee's focus on implementation, our future work programme covers the following areas: (i) the observation of certain elements of Basel III; (ii) further development of supervisory standards; and (iii) efforts to improve supervisory practices and cross-border bank resolution practices.

Observation of Basel III

With respect to the liquidity framework, the Committee decided to take a deliberate but cautious approach when it comes to implementing the liquidity standards. This is why the short-term liquidity coverage ratio will become a minimum standard in 2015 while the longer term net stable funding ratio will become a minimum standard in 2018. The recently published rules text provides for an "observation period" that will enable supervisors to obtain more robust reporting over this period. The intent is to assess the impact of the new standards on individual banks, the banking sector and the broader markets.

To the extent that the standards produce any unintended consequences, revisions to the LCR would be made by mid-2013 and by mid-2016 for the NSFR. While it was critical that we put in place global liquidity standards,

at the same time we recognise that - compared to capital regulation - data and experience for liquidity regulation is less complete. Given the significance of introducing minimum liquidity standards, we want to make sure we get it right.

However, this process should in no way call into question the commitment to fully implement strong global liquidity standards according to the agreed timelines.

The Committee will also carefully monitor the performance of the leverage ratio, as well as its behaviour compared to the risk-based measure. We will track the underlying components and the ratio. Beginning in 2015, banks will be required to disclose their leverage ratio and components. The Committee will carry out any final adjustments to the definition and calibration in the first half of 2017 in preparation for a Pillar 1 treatment on 1 January 2018.

Standard setting

In the standard setting area, policy development work continues on the market risk rules, systemically important banks, the reliance on external ratings and large exposures.

Taking these in turn, we are conducting a fundamental review of the trading book. The review addresses basic questions like: Should the distinction between the trading book and banking book be maintained? Is VaR the best method for calculating capital requirements? How should trading activities be defined? We will consult with the industry as this work progresses.

More generally, we will be taking a very close look at how banks arrive at their measures of exposure, how they risk-weight their assets, and how they engage in risk mitigation activities. The focus should be on building sound business models underpinned by adequate capital and liquidity.

Another high priority for the Committee is our work on systemically important banks, in collaboration with the FSB. The Committee has developed a provisional methodology that includes both quantitative and qualitative indicators to identify systemically important banks at the global level. We are also examining the magnitude of additional loss absorbency that global SIFIs should have, which could be

zaduženjem za iskup. Ovaj rad će biti završen tokom nekoliko narednih meseci. Očekujem da Komitet inicira reviziju naše postojeće smernice za velike izloženosti.

Rad na smanjenju oslanjanja na eksterne rejtinge u okviru za propisani kapital dalja je oblast usmerenja. Ona uključuje rešavanje "efekta litice" u snižavanju rejtinga sekjuritizacije i jačanje standarda nezavisne *due diligence* za sekjuritizaciju.

Napori na unapređenju supervizorske prakse i reorganizacije prekograničnih banaka

Treća široka oblast usmerenja odnosi se na supervizorsku praksu i reorganizaciju prekograničnih banaka. Mada se mnogi napori usmeravaju ka sprečavanju krize, još uvek postoji potreba da se nastavi rad na reorganizaciji prekograničnih banaka. Komitet trenutno ocenjuje primenu preporuka Grupe za reorganizaciju prekograničnih banaka u zemljama članicama.

Najzad, tema koja predstavlja link između primene naših principa koje sam napred izložio i budućeg rada Komiteta jeste revizija Osnovnih principa za efektivnu superviziju banaka. Mnoge supervizorske lekcije naučene tokom krize i artikulisane u dokumentima Komiteta moraju da se inkorporišu u revidirani set Osnovnih principa. Pored toga, FSB je identifikovao oblasti u Osnovnim principima koje mogu da se prošire ili pojasne da bi obuhvatile teme povezane sa supervizijom finansijskih institucija značajnih za sistem. Komitet će zato revidirati Osnovne principe u 2011. godini. Reviziju će preduzeti Bazelska konsultativna grupa, u čijem sastavu su na primer Malezija, Tajland i Filipini i regionalne grupe kao što je EMEAP.

Zaključak

Dozvolite mi da zaključim tako što ću reći da, iako sam ponosan na dostignuća Bazelskog komiteta na finaliziranju Bazela III, odmah uvažavam da je potrebno još rada. Blagovremena i konzistentna primena pravila će biti značajna kao ono što je do sada učinjeno.

U budućnosti, biće isto tako bitno da regulatorni standardi drže korak sa novim rizicima. Mada finansijske inovacije proizvode mnoge benefite za finansijski sistem, one isto tako mogu da ugroze finansijsku stabilnost ako se njima ne upravlja kako treba i ako se ne nadgledaju.

Pored toga, podvlačim značaj supervizije. Bazel III i drugi globalni standardi pružili su čvrstu bazu za stabilniji bankarski sistem i sada je uloga supervizora da obezbede da se pravila primenjuju i poštuju.

Najzad, od ključnog značaja su saradnja i razmena gledišta među supervizorima. Zato cenim događaje kao što je ovaj na kojima se može otvoreno diskutovati o pitanjima od zajedničkog interesa.

Hvala na pažnji.



met through some combination of common equity, contingent capital and bail-in debt. This work will be fleshed out in the next few months. I expect that the Committee will also initiate a review of our existing guidance on large exposures.

Work to reduce the reliance on external ratings in the regulatory capital framework is another area of focus. This includes addressing cliff effects from securitisation ratings downgrades and strengthening independent due diligence standards for securitisations.

Efforts to improve supervisory practices and cross-border bank resolution.

The third broad area of focus relates to supervisory practices and cross-border bank resolution. While many efforts focus on the prevention of crises, there is still a need to continue working on cross-border

bank resolution. The Committee is currently assessing implementation by its member countries of recommendations made by its Cross-border Bank Resolution Group.

Finally, a topic which makes the link between the implementation of our principles which I discussed earlier, and the future work of the Committee, is the revision of the Core Principles for Effective Banking Supervision. Many of the supervisory lessons learned during the crisis and articulated in the Committee's documents need to be incorporated in a revised set of Core Principles. In addition, the FSB has identified areas of the Core Principles that could be expanded or clarified to address topics related to the supervision of systemically important financial institutions. The Committee will therefore revise the Core Principles in 2011. The review will be undertaken by a group consisting of Committee members as well as members of our Basel Consultative Group, which includes for example, Malaysia, Thailand and the Philippines as well as regional groups like EMEAP.

Conclusion

Let me conclude by saying that, while I am proud of the Basel Committee's achievement in finalising Basel III, I quickly acknowledge that more work needs to be done. Implementing the rules in a timely and consistent manner will be as important as what has been achieved so far.

Looking ahead, it will also be essential for regulatory standards to keep pace with new risks. While financial innovation produces many benefits for the financial system, it can as well jeopardise financial stability if it is not properly managed and supervised.

In addition, I underscore the importance of supervision. Basel III and other global standards have provided a strong basis for a more stable banking system and it is now the role of supervisors to ensure the rules are implemented and adhered to.

Finally, cooperation and exchange of views among supervisors is of crucial importance. I therefore appreciate events like this one where we can openly discuss issues of common interest.

Thank you for your attention.

