

## TCH Provides Recommendations to Basel Committee on its Updated Bank Corporate Governance Principles

*States support for corporate governance framework aimed at enhancing bank safety and soundness, promoting confidence in banks, and encouraging consistent supervisory guidance*

SEAN OBLACK  
Office: 202.368.4629  
[sean.oblack@theclearinghouse.org](mailto:sean.oblack@theclearinghouse.org)

**New York, NY** – January 12, 2015 — Late last Friday, The Clearing House Association (TCH) filed a comment letter with the Basel Committee on Banking Supervision in response to its “Corporate Governance Principles for Banks” consultative document, which the Basel Committee published for public comment in October 2014. In the letter, TCH recommends certain changes designed to better delineate the board of directors’ responsibility for oversight of the business of a bank as distinct from management’s responsibility for the day-to-day operations, clarify the nature of director fiduciary duties, and reinforce the importance of giving each banking organization sufficient flexibility to tailor its governance practices to its business and risk profile. TCH also reiterates its commitment to the development of a common understanding of corporate governance practices that will facilitate the execution of the board’s and senior management’s governance functions, enhance bank safety and soundness, promote confidence in banking organizations and encourage consistent supervisory guidance.

“The Clearing House shares the Basel Committee’s commitment to highlighting important common governance elements that could guide institutions and supervisors, facilitate effective board oversight, and promote confidence in banks—ultimately supporting a strong and accountable banking system,” said Gregg Rozansky, Managing Director. “As laws, regulations and business models continue to evolve, so should bank corporate governance practices to keep pace.

“TCH has been a leader in promoting strong corporate governance practices. In 2012, TCH published [Guiding Principles for Enhancing Banking Organization Corporate Governance](#) to provide U.S. banking organizations direction on core corporate governance issues. As part of its continuing work in the area, last September TCH issued for public comment an [updated exposure draft of its Guiding Principles](#) intended to incorporate the latest U.S. regulatory developments. TCH’s *Guiding Principles* not only outline key legal and regulatory requirements and guidance but also incorporate enhancements to

governance practices that go beyond what is required by applicable U.S. laws and regulations. TCH's comment letter on the Basel Committee's consultative document echoes the major themes of TCH's *Guiding Principles*.

**About The Clearing House** Established in 1853, The Clearing House is the oldest banking association and payments company in the United States. It is owned by the world's largest commercial banks, which collectively hold more than half of all U.S. deposits and which employ over one million people in the United States, and more than two million people worldwide. The Clearing House Association L.L.C. is a nonpartisan advocacy organization that represents the interests of its owner banks by promoting and developing policies to support a safe, sound and competitive banking system that serves customers and communities. Its affiliate, The Clearing House Payments Company L.L.C., which is regulated as a systemically important financial market utility, owns and operates payments technology infrastructure that provides safe and efficient payment, clearing and settlement services to financial institutions, and leads innovation and thought leadership activities for the next generation of payments. It clears almost \$2 trillion each day, representing nearly half of all automated clearing-house, funds transfer and check-image payments made in the United States. See The Clearing House's web page at [www.theclearinghouse.org](http://www.theclearinghouse.org).