

The Basel Committee and the language of global standards

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The Basel Committee on Banking Supervision, founded by the central bank governors of the Group of Ten at the end of 1974, has published its standards in English since its earliest documents. The Basel Concordat of 1975, the Capital Accord of 1988, Basel II of 2004 and the reforms collectively known as Basel III, published between 2010 and 2017, were all drafted in English by working groups whose members came from many jurisdictions. Charles Goodhart's history of the early years of the Committee shows that the members negotiated the wording of these texts closely because the language of the standards determined their later transposition into national law.¹

Because the Basel standards are drafted in English, they carry the conceptual vocabulary of English and American banking supervision into the national law of member jurisdictions. Terms such as Common Equity Tier 1, leverage ratio, liquidity coverage ratio, net stable funding ratio and output floor entered the languages of continental Europe as loanwords or as technical translations. In German-speaking supervisory practice, terms like *Leverage Ratio* and *Output Floor* are often used without translation, while official legal texts use German equivalents. The Basel standards themselves have no binding force as international law. They are a form of soft law that becomes binding only when national legislators and supervisors adopt them.²

In Switzerland, the transposition of the Basel standards takes place mainly through the Capital Adequacy Ordinance and the Liquidity Ordinance of the Federal Council and through FINMA ordinances and circulars. These texts are published in German, French and Italian, which are the legally binding versions. The Swiss authorities therefore translate concepts that were first formulated in English into the official languages. A Swiss bank applies the German or French text of the ordinance while its risk managers

and its group reporting continue to work with the English terms of the Basel framework. Part F described how the final Basel III package entered into force in Switzerland on 1 January 2025. The linguistic process behind that transposition is a quiet but important example of the way English shapes Swiss law.³

Translation is never neutral. When the German text of an ordinance renders an English concept, it must choose between a literal translation, a paraphrase and the use of the English term. Each of these choices can affect interpretation. The courts and FINMA interpret the Swiss texts according to Swiss methods of interpretation, which take account of the wording in all official languages and of the purpose of the provision. When the provision transposes an international standard, the original English text of that standard becomes an aid to interpretation even though it is not itself Swiss law. Lawyers who advise banks on capital and liquidity questions therefore work with three or four language versions at once: the Basel standard in English and the Swiss ordinance in German, French and sometimes Italian.⁴

1 Notes

1. Charles Goodhart, *The Basel Committee on Banking Supervision: A History of the Early Years 1974–1997*, Cambridge 2011. On the successive standards, see Part F, chapter III of this book. To be verified. ↩
2. On the nature of the Basel standards as soft law, see Chris Brummer, *Soft Law and the Global Financial System*, 2nd edn., Cambridge 2015, and Part F, chapter III of this book. To be verified. ↩
3. Capital Adequacy Ordinance (ERV, SR 952.03) and Liquidity Ordinance (LiqV, SR 952.06), as amended for the final Basel III standards with effect from 1 January 2025, and the related FINMA ordinances. See Part F, chapter III and Part E of this book. Status to be verified. ↩

4. On the interpretation of multilingual federal legislation, see Art. 14 para. 1 of the Publications Act (PublG, SR 170.512) and the case law of the Federal Supreme Court on the equal authority of the three official language versions. On the use of international standards as aids to interpretation, see the literature on Swiss financial market law. To be verified. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/basel-the-basel-committee-and-the-language-of-global-standards