Global Adoption of Basel Standards 2004-2015: A Dataset

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This dataset contains time-series data on the extent of countries' adoption of the Basel banking standards, disaggregated by individual components that make up the standards. The majority of the data has been coded from the Financial Stability Institute's surveys of adoption of Basel standards in countries outside of the Basel Committee on Banking Standards.[1] The surveys were conducted annually 2012-2015, with responding countries indicating the year they initially introduced individual rules as part of the Basel banking standards. This allows us to backdate the date a rule was initially adopted, creating a time-series of adoption from 2004 to 2015. The survey asks countries to indicate their level of adoption on a 1-4 scale, where 1 = Draft regulation not published, 2 = Draft regulation published, 3 = Final rule published, 4 = Final rule in force. We code countries as having adopted the standard if they respond with a 3 or a 4, i.e, they have a final rule published or in force. We thus set indicators of countries' adoption of the Basel components equal to 1 (adoption) if the FSI survey response is a 3 or 4, and equal to 0 (no adoption) if the FSI survey response is a 1 or 2. Additional data on Basel adoption among countries that are members of the Basel Committee was collected from the websites of central banks and supervisory authorities.

The dataset contains information on countries' adoption across three sets of Basel standards:
Basel II: In 2004, the Basel Committee introduced Basel II, a new standard for banking regulation, made up of ten subcomponents. The ten binary variables starting with "`bii`" capture whether a country has adopted a given subcomponent of Basel II in a given year. The rules are categorized in three "pillars": Pillar 1 on capital requirements, pillar 2 on supervision, and pillar 3 on market discipline. The first eight of the ten subcomponents are in pillar 1, concerning different ways of measuring risk in order to assess capital requirements.
Basel II.5: In 2009, in response to the global financial crisis, the Basel Committee released a series of updates to the rules contained in Basel II. This intermediate set of rules was referred to as Basel II.5, since they simply revised the existing rules. The four binary variables starting with "`bii_v`" capture whether a country has adopted a given subcomponent of Basel II.5 in a given year.
Basel III: In 2011, the Basel Committee introduced a new set of banking standard to update banking regulations in the wake of the Global Financial Crisis. This standard, Basel III, contained new rules intended to address some of the vulnerabilities that had led to the Global Financial Crisis, including a counter-cyclical capital buffer and rules for "too big to fail" systemically important banks. The eight binary variables starting with "`biii`" capture whether a country has adopted a given subcomponent of Basel III in a given year. The subcomponents of Basel III were introduced over time, with some implemented from 2011 onwards, and others not introduced until 2013 or 2014. The time-series data reflects this.

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[1] Accessible here: `https://www.bis.org/fsi/fsipapers.htm?m=1%7C17%7C161`

Variable name	Description
year	Year
country	Country name
iso	Numeric country identifier based on three-digit iso codes. Additional identifiers added for Kosovo (1001), Taiwan (1002) and two economic areas that have joint banking supervision: East Caribbean Currency Union (2001) and West African Monetary Union (2002)
lettercode	Three letter country identifier based on iso codes.
ccode	COW country identifier
net_bcbs	Binary variable: Membership of the Basel Committee on Banking Supervision (1=member, 0=non-member)
eu	Binary variable: Membership of the European Union (1=member, 0=non-member)
Basel II	
bii_sa	Binary variable: Adoption of Basel II standardized approach to credit risk
bii_firb	Binary variable: Adoption of Basel II foundation internal ratings based approach to credit risk
bii_airb	Binary variable:Adoption of Basel II advanced internal ratings based approach to credit risk
bii_bia	Binary variable: Adoption of Basel II basic indicator approach to operational risk
bii_tsa	Binary variable: Adoption of Basel II standardized/alternative standardized approach to operational risk
bii_ama	Binary variable: Adoption of Basel II advanced measurement approach to operational risk
bii_smm	Binary variable: Adoption of Basel II standardized measurement method for market risk
bii_im	Binary variable: Adoption of Basel II internal models approach to market risk
bii_pillarii	Binary variable: Adoption of Basel II Pillar 2 on supervision
bii_pillariii	Binary variable: Adoption of Basel II Pillar 3 on market discipline
Basel II.5	
bii_v_rpillari	Binary variable: Adoption of Basel II.5 revisions to Pillar 1 on credit requirements

Variable name	Description
bii_v_spillarii	Binary variable: Adoption of Basel II.5 revisions to Pillar 2 on supervision
bii_v_rpillariii	Binary variable: Adoption of Basel II.5 revisions to Pillar 3 on market discipline
bii_v_mrisk	Binary variable: Adoption of Basel II.5 revisions on market risk

Basel III	
biii_defcap	Binary variable: Adoption of Basel III definition of capital (introduced 2011)
biii_riskcov	Binary variable: Adoption of Basel III risk coverage requirements (introduced 2011)
biii_conserv	Binary variable: Adoption of Basel III capital conservation buffer (introduced 2011)
biii_ccycl	Binary variable: Adoption of Basel III counter-cyclical capital buffer (introduced 2011)
biii_liquidity	Binary variable: Adoption of Basel III liquidity standard (introduced 2013)
biii_dsib	Binary variable: Adoption of Basel III domestic systemically important bank standard (introduced 2013)
biii_gsib	Binary variable: Adoption of Basel III global systemically important bank standard (introduced 2013)
biii_lr	Binary variable: Adoption of Basel III leverage ratio (introduced 2014)

Indices	
bii_index	Index (ranging 0-10) summing the number of Basel II components in place in a country in a given year
bii_harm	Ratio that measures the extent of harmonization with the Basel II standard, i.e. how many of the ten components are in place in a country in a given year
bii_adopt	Binary variable: One or more Basel II components adopted
biii_harm	Ratio that measures the extent of harmonization with the Basel III standard, i.e. how many of the components currently in force are in place in a country in a given year
biii_adopt	Binary variable: One or more Basel III components adopted