Introduction

Financial regulation, transparency, and compliance continue to be major aspects in the analysis of a financial center’s reputation and attractiveness. Influential factors in this regard include a country’s general political and regulatory environment, its governance structure and efficiency, the scope and quality of the services provided by its financial institutions, the safety of its banks and how strictly they are regulated, and its exposure to corruption, money laundering, and terrorist financing.

Financial regulation always comes with costs and benefits. On the one side, in terms of costs, financial institutions will typically have to expand their risk management and compliance departments. Client relationships have to be reassessed and redefined, product offerings have to be reviewed, and transactions have to pass compliance tests. On the other side, stricter financial regulation and enforcement typically benefit individual financial institutions and the financial center alike through reputation improvements, lower funding costs, or less ambiguity within the financial services industry and individual institutions.

Against this background, in 2020 SFI introduced and published a new and simple “Global Financial Regulation, Transparency, and Compliance Index (GFRTCI)”, which has been very well received within the financial community. The GFRTCI scores and ranks various countries in terms of adoption of, compliance with, and enforcement of a set of global financial regulatory, transparency, and compliance standards. The index is constructed as a “meta-index”, based on public data from established existing rankings, indices, and research studies. It can help to identify and understand the strengths and weaknesses of different countries and therefore support the ongoing discussion of the regulatory environment.

This 2022 GFRTCI is based on the same framework, index components, and component weights as the previous two versions (2020 and 2021) and therefore documents the changes that have happened since then. Besides various small adjustments in the scores of most index components, the 2022 GFRTCI shows one significant change: After having been behind schedule for quite some time, the EU has recently made further progress with respect to the implementation of the Basel III framework and is now fully compliant with the current Basel standards. This improvement of EU member countries has affected the final index ranking. Besides Switzerland, all other countries in the top ten are members of the EU.
Why a GFRTCII?

Over the last decades financial regulation has become broader, increasingly complex, and more global. On one side are the Basel II, Basel III, and subsequent frameworks, sometimes accompanied by additional national “finishes” (in Switzerland for example the so-called “Swiss Finish”). On the other side, various standards with respect to issues including transparency, corruption, money laundering, and data exchange have been suggested, requested, or introduced.

These rules and standards are usually created (or suggested) by supranational organizations, NGOs, or think tanks, representing various different stakeholders. Individual countries can then adopt them into their national laws. Subject to signed international treaties, individual countries still have some freedom as to if, when, and how they want to implement these rules and standards, and to what extent they want to enforce them.

Various studies regularly document specific components under the umbrella of “Bank Regulation”, “Financial Transparency”, and “Financial Compliance”. For example: The Basel Committee on Banking Supervision (BCBS) supervises the implementation of the Basel standards on a regular basis. The Organisation for Economic Cooperation and Development (OECD) publishes an EOI (Exchange of Information on Request) rating. Transparency International calculates a “Corruption Perception Index”. The Basel Institute on Governance assesses the risk of money laundering and terrorist financing with its Basel AML index.

On an index-level the semiannually published “Global Financial Centres Index” (GFCI) evaluates different financial centers. It is based on instrumental factors and responses to an online questionnaire. The focus is on individual cities (“Financial Centres”) and their relative competitiveness, rather than on countries and their regulatory environment.

The GFRTC index aggregates several well-known and accepted ratings and indices into a simple, understandable, holistic, and transparent metric, which then allows to rank countries according to their overall standing in terms of financial regulation, transparency, and compliance. The index is based on publicly available and established data, classifications, and rankings. The institutions behind these rankings are credible and publish their findings on a regular basis (annual or semiannual).

The index also helps to understand the sources of the index score and can therefore give guidance to policymakers in terms of improving on deficiencies in specific areas.

It is planned to continue to update the index on an annual basis.
Countries Included in the GFRTCI

In this third edition the framework underlying the GFRTCI remains the same as in 2020 and 2021. It analyzes and ranks countries which are members of the OECD, and at the same time are also members of the Basel Committee on Banking Supervision (BCBS), the primary global standard setter for the prudential regulation of banks.

Some EU countries are direct members of the BCBS (Belgium, France, Germany, Italy, Luxembourg, Netherlands, Spain, and Sweden); the other EU countries are represented by the European Union’s membership.

The 31 joint member countries are listed below:

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<tr>
<th>OECD-Only Members</th>
<th>OECD and BCBS Members</th>
<th>BCBS-Only Members</th>
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GFRTCI Components

The 31 joint members of the OECD as well as the BCBS are assessed by the following seven ratings and indices: Three components which measure the degree of implementation of various regulations, and four components which quantify the political environment and the enforcement of regulations in general. The cut-off date for the data collection was December 31st, 2021.

### A. Degree of Regulation Implementation

The following three components measure the degree of implementation of banking regulation, analyze the standards with respect to the exchange of information on request, and assess the risk of money laundering and terrorist financing. They define the first part of the GFRTCI:

#### Table 1: BCBS Implementation (October 2021 Report)

| Basel Standards | Deadline | AR | AU | BR | CA | CN | HK | IN | ID | JP | KR | MX | RU | SA | SG | ZA | CH | TR | UK | US | EU |
|----------------|----------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Countercyclical capital buffer | Jan 2016 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Marginal requirements for non-centrally cleared derivatives | Sep 2016 | 1 | 4 | 4 | 4 | 1 | 4 | 2 | 2 | 4 | 3 | 2 | 2 | 4 | 4 | 4 | 4 | 4 | 1 | 4 | 4 | 4 |
| Capital requirements for CCPs | Jan 2017 | 4 | 4 | 4 | 4 | 1 | 4 | 3 | 2 | 4 | 4 | 1 | 2 | 4 | 4 | 4 | 4 | 2 | 3 | 3 | 4 |
| Capital requirements for equity investments in funds | Jan 2017 | 4 | 4 | 4 | 4 | 1 | 2 | na | na | 4 | 4 | * | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 1 | 4 |
| SA-CCR | Jan 2017 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 2 | 3 | 3 | 4 |
| Securitisation framework | Jan 2018 | 4 | 4 | 4 | 4 | 1 | 4 | 4 | 4 | 4 | 4 | 4 | 1 | 4 | 4 | 2 | 4 | 1 | 4 | 1 | 4 |
| TLAC holdings | Jan 2019 | na | 4 | 4 | 4 | 2 | 4 | 1 | na | 4 | 1 | 4 | 4 | 4 | 2 | 4 | 1 | 4 | 4 | 4 |
| G-SIB requirements | Jan 2016 | na | 4 | 4 | 4 | 4 | 4 | na | na | na | na | na | na | 4 | na | 4 | na | * | 4 | 4 |
| D-SIB requirements | Jan 2016 | 4 | 4 | 4 | 4 | * | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | na | 4 |
| Interest rate risk in the banking book (IRRBB) | 2018 | 4 | 2 | 4 | 4 | 4 | 4 | 2 | 4 | 4 | 4 | * | 2 | 4 | 4 | 2 | 4 | 1 | 3 | 4 | 4 |
| Monitoring tools for intraday liquidity management | Jan 2015 | 4 | 4 | 4 | 3 | 1 | 4 | 4 | 4 | 1 | 1 | na | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Net Stable Funding Ratio (NSFR) | Jan 2018 | 4 | 4 | 4 | 4 | 4 | 3 | 4 | 3 | 4 | 3 | 4 | 4 | 4 | 4 | 4 | 2 | 3 | 4 | 4 |
| Supervisory framework for measuring and controlling large exposures | Jan 2019 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 2 | 2 | 4 | 4 | 2 | 4 | 2 | 4 | 2 | 3 | 4 | 4 |
| Revised pillar 3 requirements (published 2015) | Dec 2016 | 4 | 1 | 4 | 4 | 1 | 4 | 1 | * | 4 | 4 | * | 4 | 4 | 4 | 4 | 4 | * | 1 | 4 |
| CCyB, Liquidity, Remuneration, Leverage ratio (revised) | Dec 2017 | 4 | 1 | 4 | * | * | 4 | 1 | * | 4 | 4 | * | 4 | 4 | 4 | 4 | 4 | * | 4 | 4 |
| Key metrics, IRRBB, NSFR | Jan 2018 | 4 | * | 4 | * | 4 | * | * | * | 4 | * | 4 | * | 4 | * | 4 | * | 3 | * | 4 |
| Composition of capital, RWA overview, Prudential valuation adjustments, G-SIB indicators | Dec 2018 | 4 | 1 | 4 | * | 1 | 4 | * | * | * | 4 | 1 | 4 | 4 | 4 | * | 4 | 1 | 4 | 4 |
| TLAC | Jan 2019 | na | na | 1 | 4 | 1 | 4 | na | na | 4 | 3 | 4 | na | 4 | na | 4 | na | 4 |

The BCBS assigns number codes to each of the 19 standards as follows: 1 = draft regulation not published; 2 = draft regulation published; 3 = final rule published (not yet implemented by banks); and 4 = final rule in force (published and implemented by banks). Table 1 shows the BCBS implementation status (per the October 2021 report). [https://www.bis.org/bcbs/publ/d525.htm](https://www.bis.org/bcbs/publ/d525.htm)
• **Exchange of Information on Request (EOIR) Rating:** This peer-review based rating, published by the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes, assesses the standard of exchange of information on request and rates the jurisdictions’ compliance with the international standard of transparency and exchange of information on request. Four ratings can be allocated to a jurisdiction: Compliant (4), largely compliant (3), partially compliant (2), and non-compliant (1). Data as of November 2021; rating is continuously updated. 
http://www.oecd.org/tax/transparency/exchange-of-information-on-request/ratings/

• **Basel Anti-Money-Laundering Index (BA AML):** assesses the risk of money laundering and terrorist financing. It provides an overall risk score based on 15 indicators of countries’ adherence to anti-money laundering and anti-terrorism financing regulations, levels of corruption, financial standards, political disclosure, and the rule of law. The Index ranges from approximately 2-9, where a lower score stands for a lower risk. Data as of July 2021.  
https://index.baselgovernance.org

B. Political Environment and Enforcement of Regulations in General

The following four components measure aspects of the political environment and the enforcement of regulations in a broad context. These four components define the second part of the GFRTCI:

• **The Economist Intelligence Unit’s Democracy Index (EIU DI):** This index rates countries by 60 indicators across five broad categories: Electoral process and pluralism, the functioning of government, political participation, democratic political culture, and civil liberties. The index ranges from 0-10, where 0-4 stand for authoritarian regimes, 4-6 for hybrid regimes, 6-8 for flawed democracies, and 8-10 for full democracies. Data as of 2020.  
https://www.eiu.com/topic/democracy-index

• **Corruption Perception Index (CPI):** This index, published by Transparency International, ranks countries by their perceived levels of public sector corruption according to experts and businesspeople. On a scale from 0 to 100 an index of 0 is highly corrupt and an index of 100 is very clean. Data as of 2020.  

• **Heritage Foundation Business Freedom Index (HF BF):** This index is a sub-index of the Heritage Foundation’s Economic Freedom Index. The Heritage Foundation defines Business Freedom as "an overall indicator of the efficiency of government regulation of business." Scores are based on a 0-100 scale. 0 = no business freedom, 100 = total business freedom. Data as of 2021.  
https://www.heritage.org/index/

• **Heritage Foundation Judicial Effectiveness Index (HF JE):** This index is a sub-index of the Heritage Foundation’s Economic Freedom Index. The Heritage Foundation defines Judicial Effectiveness as "an essential component of the rule of law which requires efficient and fair judicial systems to ensure that laws are fully respected, with appropriate legal actions taken against violations." Scores are based on a 0-100 scale. 0 = no judicial effectiveness, 100 = total judicial effectiveness. Data as of 2021.  
https://www.heritage.org/index/
In a first step the scales of the seven different GFRTCI components are adjusted to a scale of 0 … 100. The original scale and the adjustments are as follows:

- **Basel Committee on Banking Supervision (BCBS) progress report:**
  - The BCBS quantifies each of the 19 standards as either 1, 2, 3, or 4
  - The scores have been added for all the 19 standards, which results in a raw score between 19 … 76
  - The raw score has been normalized to a scale from 0 … 100

- **Exchange of Information on Request (EOIR) Rating:**
  - The EOIR quantifies each country as either 1, 2, 3, or 4
  - The EOIR score has been normalized to a scale from 0 … 100

- **Basel AML Index (BA AML):**
  - The AML quantifies each country on a scale between 2 … 9
  - The normalized score has then been reversed (100-x) to make sure that a higher score stands for a lower risk

- **EIU’s Democracy Index (EIU DI):**
  - The EIU DI quantifies each country on a scale between 0 … 10
  - The EIU DI score has been normalized to a scale from 0 … 100

- **Corruption Perception Index (CPI):**
  - The CPI quantifies each country on a scale between 0 … 100
  - No adjustment needed for the CPI score

- **Heritage Foundation Business Freedom Index (HF BF):**
  - The HF BF quantifies each country on a scale between 0 … 100
  - No adjustment needed for the HF BF score

- **Heritage Foundation Judicial Effectiveness (HF JE):**
  - The HF JE quantifies each country on a scale between 0 … 100
  - No adjustment needed for the HF JE score

### Table 2: Shows the 2022 raw data for the seven components, plus averages and standard deviations for 2020 – 2022.

<table>
<thead>
<tr>
<th>List of Countries</th>
<th>BCBS</th>
<th>EOIR</th>
<th>BA AML</th>
<th>EIU DI</th>
<th>CPI</th>
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</table>

| Average 2022   | 71   | 3.3  | 4.19  | 7.93  | 66.5 | 75.2  | 67.9  |
| Std Dev 2022   | 9.83 | 0.51 | 0.70  | 1.06  | 147.4 | 9.41  | 12.98 |

| Average 2021   | 69   | 3.3  | 4.19  | 7.95  | 66.5 | 75.3  | 64.5  |
| Std Dev 2021   | 8.34 | 0.51 | 0.71  | 1.12  | 14.95 | 9.31  | 14.79 |

| Average 2020   | 46   | 3.4  | 4.41  | 7.98  | 66.9 | 77.6  | 63.5  |
| Std Dev 2020   | 7.82 | 0.49 | 0.68  | 1.08  | 15.16 | 8.81  | 15.22 |
GFRTCI Calculation

One of the central aspects of an index are the weights which go into the calculation. Two different approaches have been used. First, the index has been calculated based on assumed weights. Second, in a sensitivity analysis the seven index components have been assigned weights in 5% increments from 0%, 5%, 10%, ..., 95%, 100%, with the restriction that the sum of the weights adds up to 100%. For all possible scenarios all country scores have been calculated and a country ranking has been established. By counting the frequency of how often a specific country was ranked as #1, the sensitivity analysis allowed to establish a list of the top scoring countries based on a wide range of component weights.

A. Weights, Scores, and Ranks

For subindex A (degree of regulation implementation), the component weights have been set as follows: BCBS = 60%; EOR = 20%; BA AML = 20%. The BCBS component is given a higher weight based on the high number of subcomponents included in the BCBS progress reports (7 categories and 19 standards).

For subindex B (political environment and enforcement of regulations in general) the four index components have been equally weighted with 25% each.

For the final index calculation, the two subindices A and B have been combined by calculating an arithmetic average.

Table 3 shows the final index calculation as well as the final rankings.

Table 3: Country Rankings Based on Subindex A, Subindex B, and Combined GFRTCI

<table>
<thead>
<tr>
<th>Rank / Country</th>
<th>Subindex A</th>
<th>Subindex B</th>
<th>Total GFRTCI</th>
<th>Rank</th>
<th>Change 2021 to 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Finland</td>
<td>97.1</td>
<td>86.3</td>
<td>91.7</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>2 Sweden</td>
<td>96.2</td>
<td>85.0</td>
<td>90.6</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>3 Denmark</td>
<td>89.2</td>
<td>88.8</td>
<td>89.0</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>4 Estonia</td>
<td>99.0</td>
<td>78.7</td>
<td>87.9</td>
<td>5</td>
<td>+1</td>
</tr>
<tr>
<td>5 Ireland</td>
<td>93.0</td>
<td>79.1</td>
<td>86.1</td>
<td>7</td>
<td>+2</td>
</tr>
<tr>
<td>6 France</td>
<td>94.4</td>
<td>74.6</td>
<td>84.5</td>
<td>8</td>
<td>+2</td>
</tr>
<tr>
<td>7 Switzerland</td>
<td>85.1</td>
<td>82.3</td>
<td>83.7</td>
<td>4</td>
<td>-3</td>
</tr>
<tr>
<td>8 Netherlands</td>
<td>86.0</td>
<td>81.2</td>
<td>83.6</td>
<td>10</td>
<td>+2</td>
</tr>
<tr>
<td>9 Germany</td>
<td>88.4</td>
<td>79.7</td>
<td>85.1</td>
<td>11</td>
<td>+2</td>
</tr>
<tr>
<td>10 Austria</td>
<td>86.4</td>
<td>78.4</td>
<td>84.2</td>
<td>12</td>
<td>+2</td>
</tr>
<tr>
<td>11 Lithuania</td>
<td>95.8</td>
<td>68.3</td>
<td>82.1</td>
<td>13</td>
<td>+2</td>
</tr>
<tr>
<td>12 Slovenia</td>
<td>98.3</td>
<td>67.6</td>
<td>84.0</td>
<td>16</td>
<td>+4</td>
</tr>
<tr>
<td>13 Belgium</td>
<td>87.8</td>
<td>74.5</td>
<td>81.6</td>
<td>17</td>
<td>+4</td>
</tr>
<tr>
<td>14 Luxembourg</td>
<td>85.4</td>
<td>77.6</td>
<td>83.1</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>15 United Kingdom</td>
<td>77.0</td>
<td>83.5</td>
<td>80.2</td>
<td>6</td>
<td>-9</td>
</tr>
<tr>
<td>16 Canada</td>
<td>78.6</td>
<td>81.0</td>
<td>79.8</td>
<td>9</td>
<td>-7</td>
</tr>
<tr>
<td>17 Portugal</td>
<td>88.1</td>
<td>71.1</td>
<td>79.6</td>
<td>8</td>
<td>18 +1</td>
</tr>
<tr>
<td>18 Italy</td>
<td>92.7</td>
<td>65.2</td>
<td>79.0</td>
<td>21</td>
<td>+3</td>
</tr>
<tr>
<td>19 Spain</td>
<td>88.8</td>
<td>68.7</td>
<td>78.8</td>
<td>22</td>
<td>+3</td>
</tr>
<tr>
<td>20 Japan</td>
<td>77.5</td>
<td>79.2</td>
<td>78.3</td>
<td>15</td>
<td>-5</td>
</tr>
<tr>
<td>21 Greece</td>
<td>88.6</td>
<td>63.3</td>
<td>76.0</td>
<td>26</td>
<td>+5</td>
</tr>
<tr>
<td>22 Latvia</td>
<td>86.0</td>
<td>65.9</td>
<td>75.7</td>
<td>24</td>
<td>+2</td>
</tr>
<tr>
<td>23 Australia</td>
<td>65.2</td>
<td>86.0</td>
<td>75.6</td>
<td>19</td>
<td>-4</td>
</tr>
<tr>
<td>24 Czech Republic</td>
<td>86.8</td>
<td>64.1</td>
<td>75.5</td>
<td>25</td>
<td>+1</td>
</tr>
<tr>
<td>25 Poland</td>
<td>86.6</td>
<td>58.8</td>
<td>72.7</td>
<td>27</td>
<td>+2</td>
</tr>
<tr>
<td>26 Korea (South)</td>
<td>71.1</td>
<td>73.5</td>
<td>72.8</td>
<td>22</td>
<td>-6</td>
</tr>
<tr>
<td>27 United States</td>
<td>69.1</td>
<td>75.3</td>
<td>72.2</td>
<td>23</td>
<td>-4</td>
</tr>
<tr>
<td>28 Slovak Republic</td>
<td>86.8</td>
<td>54.7</td>
<td>70.7</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>29 Hungary</td>
<td>84.6</td>
<td>55.5</td>
<td>70.1</td>
<td>29</td>
<td>0</td>
</tr>
<tr>
<td>30 Mexico</td>
<td>54.3</td>
<td>48.3</td>
<td>51.3</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>31 Turkey</td>
<td>39.3</td>
<td>53.0</td>
<td>46.2</td>
<td>31</td>
<td>0</td>
</tr>
</tbody>
</table>
B: Sensitivity Analysis

In order to see how systematically assigned weights for the seven index components would influence the final ranking, a statistical sensitivity analysis has been performed. Each of the seven index components has been assigned weights of 0%, 5%, 10%, ..., 95%, 100%, with the restriction that the sum of all weights adds up to 100%. Then a sensitivity analysis has been performed with respect to which country would be ranked first in each of the scenarios. Only four countries were ranked first in at least 1% of the scenarios. The four countries and the corresponding statistical distribution for rank 1 are as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>% Country Was Ranked #1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>65.7%</td>
</tr>
<tr>
<td>Denmark</td>
<td>20.7%</td>
</tr>
<tr>
<td>Estonia</td>
<td>10.6%</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Overall, 202,107 scenarios have been calculated.
Interpretation and Comments

The main findings of the 2022 GFRTCI calculations are as follows:

• Only three out of the 31 countries are among the top ten ranked by subindex A (focusing on implementation) and subindex B (focusing on enforcement). The three countries are Finland, Sweden, and Denmark.

• Switzerland ranks 22nd for subindex A (1st in 2020 and 7th in 2021). The reason for Switzerland’s relative lower rank is due to the improvement of the BCBS scores for the EU member states. The EU has finally caught up with the implementation of BCBS rules, well past the deadline. Consequently, the average score for subindex A has increased significantly from 2021 to 2022 and brought the country scores closer together. Especially the scores for the countries in the “midfield” (within ranks 9-23) are all very close.

• Switzerland is ranked 6th for subindex B (unchanged from 2021). The reason is that Switzerland slightly lags behind Denmark, Finland, Australia, Sweden, or the UK with respect to HF BF and HF JE rankings.

• Switzerland ranks 7th in the final index calculation (1st in 2020 and 4th in 2021), slightly behind Finland, Sweden, Denmark, Estonia, Ireland, and France.

Comparison between the 2021 and 2022 GFRTCI

• Based on the raw data as shown in table 2 there have been only minor changes in six out of the seven index components: EOIR, BA AML, EIU DI, CPI, HF BF, and HF JE. The corresponding averages remain overall unchanged.

• Significant changes occurred within the BCBS index component. The EU has made further progress in terms of implementation of the Basel III framework which is reflected by a significantly higher average of the BCBS index component, as well as a significantly higher average of subindex A. This improvement of EU member countries impacted the final index ranking.

• Eight countries have been ranked among the top ten in 2021 as well as in 2022: Finland, Sweden, Denmark, Estonia, Ireland, France, Switzerland, and the Netherlands.

• The UK suffered the largest decline in the rankings, from 6th in 2021 to 15th in 2022. Brexit has negatively affected the BCBS implementation as well as the HF JE score, which resulted in a slightly reduced GFRTCI score (whereas especially the EU countries showed significant improvements in the BCBS implementation and therefore also the GFRTCI overall score).

• The figure on the previous page shows the GFRTCI values for the top ten ranked countries in 2022 and the changes compared to the 2021 and 2020 index values.

• The huge majority of observed countries, and most noteworthy the EU members, show improved index scores. The changes in the overall ranking are predominantly due to these improvements.

It appears that most countries continue to take significant steps towards the implementation and enforcement of financial regulation, transparency, and compliance. The EU, in particular, has caught up with the implementation of banking standards and is finally compliant with the current BCBS guidelines (which technically had an implementation deadline of January 2019 or earlier).

Given the significance and importance of the banking sector for most countries, these are important developments, and they are rightly reflected in publicly available indices and rankings.
Swiss Finance Institute

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