

**The Prince and the Pauper?
Discerning and Revealing the Real
Impacts of Basel III and the Dodd
Frank Act**

Once upon a time, two legislative frameworks were enacted and came into existence – both having been drafted and conceived owing to the overarching need to address various flaws and problems which were brought to light in the aftermath of the 2007 Financial Crisis.

These frameworks, highly admired upon their conception (and still admired), are known as the Basel III framework and the Dodd Frank Act (hereinafter referred to as „Basel III“ and „Dodd Frank“).

Despite the complexities surrounding these „brother“ legislative frameworks, they are similar in several respects. For example, both had been „borne“ out of the need to address issues and urgencies arising from a devastating global financial crisis.

However, the desired harmonious results which should have been hoped for and generated, as well as potential „similarities“ became alienated owing to geographical considerations as well as differences in opinions which were shared by these frameworks – for example, their application and approach to credit ratings.

As the intended harmonious results and effects which both these brother legislations should have been intended to generate began to wane, it became much easier to confuse the real identities of these legislative frameworks.

Over the years, one legislation grew to become more loved, respected and accepted than the other. However, unknown to many, this legislation was actually the „pauper“ disguised as the „prince“.

It was not easy at all to discern who the „real“ prince was till the lapse of many years – after and during which many other more challenges and crucial issues came to light – one of those more challenging issues including the implementation and design of effective resolution frameworks and „living wills“ for banks.

Only after such a lapse of time did it become possible to ascertain the true nature, character, and more importantly, impact of these frameworks.

Hopefully these frameworks will not generate more problems than those they are intended to rectify. If a happy ending occurs, it may even be possible to unite and harmonise (with greater efficiency), these brothers in the form of a new „Basel Frank“ legislation whilst also addressing other crucial issues like resolution regimes.