

Attorneys**Partner**

- Lawrence Rimmel

Partner Lawrence Rimmel Speaks to US Banker About Emerging Market Woes

Partner Lawrence Rimmel, Chairman of Pryor Cashman's Banking Group, was interviewed by *US Banker* for its article "Unmet Capacity Underscores Emerging Market Woes."

The article discusses the rules treating trade finance under the international Basel II regulatory framework. The advanced model allows for adjustments based on a bank's historical perspective – and that historical perspective requires 10 years of data to back it up.

Rimmel told *US Banker* that this adversely affects potential borrowers and institutions in emerging markets. "If you are a more sophisticated financial institution and you have the intellectual and financial capital and data assets, you can do one of the more advanced treatments. This gives the advantage to larger, more sophisticated financial institutions over smaller ones. And it gives the advantage to financial institutions that work in developed markets as opposed to the ones in emerging markets."

On the client side, an unrated borrower will be very unlikely to get a credit higher than the sovereign rating of the country in which it operates. "If you deal with a smaller institution using the standard approach, you will be penalized. If you haven't done enough business, you won't have enough data to use one of the more favorable treatments. It increases the cost of doing business in emerging markets," Rimmel says.

To read the entire article, please [click here](#).