BASEL – II TERMINOLOGY TRANSLATION GUIDELINES

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The purpose of recommendations is to strengthen reliability and stability of the international banking system on the basis of transition to qualitatively new level of risk-management of banking activity [1].

Risk-management of banking activity is a part of professional bank management work. In any professional work there are terms which behind frameworks of professional (sometimes highly tailored) communities are not clear.

Talking about terminology we should pay our attention to the following ideas:

• creation of the general understanding of Basel-II recommendations by all participants interested in its introduction. We mean an adequate translation of the document on the basis of development of risk-management professional terminology and practice of the developed financial market;

• regulation of application (use) of new financial terminology, i.e. creation/actualization legislative (in case of need) and/or the standard base opening the relations and/or actions and/or requirements and obligations, arising according to the concepts defined by these financial terms.

Let us draw some examples of terms of the Basel-II which do not have definitive translation and are not reflected in standard documents:

1. Exposure At Default (EAD)
2. Expected Loss (EL = PD x LGD x EAD)
3. Risk Weighted Assets (RWA)
4. Advanced Measurement Approaches (AMA) for operational risk
5. Rating system
6. Regulatory Capital and Economic Risk Capital
7. Credit conversion factors (CCF)
8. Volatility and Value at Risk (VAR) [3].

Translation problem solving depends on the given document orientation (i.e. who is a “user”):

• for experts in risk-management - an adequate translation of the document from the professional English language into the professional Russian language;

• for more wide circle of users (even bankers) - an adequate translation of the document using an explanatory dictionary (translation is not the explanatory dictionary);

• for a public statement of the basic recommendations - adequate translation of the sense and value of these recommendations for the given circle of users.

The experts of Association of the regional bank “Russia” offered the following approach to the translation problem of the loan foreign terms:

• to follow the standard (rule, algorithm) - on the basis of priority: Russian transcription of terms either a transliteration, or direct translation;

• adequate economic (special) interpretation of terms (the correlation of the financial term with an economic reality plus clear division of concepts, consistency of terms) in the form of the explanatory dictionary;

• legislative or standard registration (regulation) of terms according to their economic essence [5].

Advantages and disadvantages of the offered approach:

• standard algorithm of the translation from English into Russian of terms which are absent now in Russian;

• univocality (adequacy, i.e. accurate conformity of an economic reality is reached) understanding (the elimination of polysem, antipathy, exclusion of translation mistakes, i.e. wrong translation of the sense of terms into Russian);

• easiness of back translation (from Russian into English in the conditions of internationalisation of the financial markets).

But here we should speak about difficulties of understanding (mastering professional terminology and new level of knowledge, its accompanied use, always cause some difficulties).
Taking the offered approach into account let us consider the term “Value at Risk (VAR)”:
1. Перевод (не устоял) - «значение риска», «сумма [стоимость] под риском», «рисковая сумма [стоимость]».
3. Экономическая интерпретация - четкость отсутствует. Между тем, определение «значение риска» - показатель меры риска, получаемый с помощью методологии Value-at-Risk. Здесь имеется в виду как один из методов оценки риска. Его величина указывает на максимальный убыток, который может возникнуть на протяжении известного периода времени при определенной вероятности. Математически: альфа-квантиль функции распределения изменения стоимости портфеля в негативную сторону; определения «сумма [стоимость] под риском», «рисковая сумма [стоимость]» - максимально возможная сумма потерь инвестора, оцененная за некоторый промежуток и с определенной вероятностью (напр., если оцененная рисковая сумма составляет 100 млн. за 10 дней с вероятностью (доверительным интервалом) 95%, это значит, что вероятность превышения убытков за 10 дней суммы в 100 млн. составляет лишь 5%).
4. Нормативное оформление - не отрегулировано [5].
To conclude we would like to stress that when loaning foreign terms it is necessary to standardize as much as possible the procedure of their translation for the purpose of monosemantic understanding and simplification of professional dialogue, especially international.

**Literature references**


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**HIGHER EDUCATION SYSTEMS IN THE FRAME OF THE BOLOGNA PROCESS**

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The aim of the Bologna process is to unify higher education systems in Europe through the introduction of a two-cycle study system consisting of bachelor and master's degrees which provide qualifications comparable across Europe, the introduction and enhancement of quality assurance of higher education and an increase in mobility of students and teaching staff. It means that we can make better use of the knowledge potential available. The Bologna Declaration of June 1999 has put in motion a series of reforms needed to make European higher education more compatible and comparable, more competitive and more attractive for the Europeans and for students and scholars from other continents. Reform was needed then and reform is still needed today if Europe is to match the performance of the best performing systems in the world, notably the United States and Asia. 46 countries are involved in the Bologna process. According to the Bologna Declaration, the following objectives have to be attained in order to establish the European area of higher education and to promote the European system of higher education world-wide:

- Adoption of a system of easily readable and comparable degrees, also through the implementation of the Diploma Supplement.
- Adoption of a system essentially based on two main cycles, undergraduate and graduate: access to the second cycle shall require successful completion of the first cycle studies, lasting a minimum of three years. The degree awarded after the first cycle shall also be relevant to the European labour market as an appropriate level of qualification. The second cycle should lead to the master and/or doctorate degree.
- Establishment of a system of credits - such as in the ECTS system - as a proper means of promoting the most widespread student mobility. Credits could also be acquired in non-higher education contexts, including lifelong learning, provided they are recognized by the receiving universities concerned.