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Notice

Subject: Subject

According to the current legal framework set out in Articles 138-Q and 138-R of the Legal Framework of Credit Institutions and Financial Companies, approved by Decree-Law No 298/92 of 31 December 1992, Banco de Portugal, in the exercise of its powers as national macro-prudential authority, shall be responsible for identifying the other systemically important institutions (O-SII). The Bank may also require those institutions to hold, on a consolidated, sub-consolidated or individual basis, as applicable, a capital buffer consisting of common equity tier 1 of up to 2% of the total risk exposure amount (O-SII buffer), in order to offset the higher risk that they represent for the Portuguese financial system due to their size, its business complexity and/or degree of interconnectedness with other institutions in the same sector, which may have contagion effects on the rest of the financial system and the non-financial sector.

The Legal Framework of Credit Institutions and Financial Companies also sets out that Banco de Portugal shall disclose information items relating to the imposition of O-SII buffer, in particular the designation of the banking groups identified and their respective buffer requirement.

Considering that the Legal Framework of Credit Institutions and Financial Companies already sets out rules applicable to the disclosure of other capital buffers, such as the countercyclical buffer, it is deemed appropriate to lay down by regulation which information items relating to the disclosure of the O-SII and the respective capital buffer should be disclosed.

Therefore, this Notice sets out the items to be disclosed by Banco de Portugal regarding the identification of O-SII, the buffer applicable to each of these institutions, and the reporting frequency of that disclosure, including a provision for exceptional situations that may warrant any amendment in that frequency.

Hence, in use of the powers conferred on it by Article 17 of its Organic Law, and Articles 138-Q, 138-R and 138-T of the Legal Framework of Credit Institutions and Financial Companies, Banco de Portugal determines the following:

Article 1

Objective and scope

1. The objective of this Notice is to regulate the disclosure of:

- a) The identification of O-SIIs;
- b) The common equity tier 1 buffer applicable to each identified O-SII.

2. This Notice shall apply to credit institutions and investment firms, in line with the scope and level of application of the prudential requirements set out in part 1 of Regulation (EU) No 575/2013.

Article 2

Contents and reporting frequency

As regards O-SIIs, Banco de Portugal determines and discloses on its website, on an annual basis, and up to 1 December each year, the following:

a) The denominations and scores associated with the evaluation methodology applied in the identification of the institutions designated as O-SIIs;

b) A summary of the evaluation methodology applied during the identification process and for determining the O-SII capital buffer requirement;

c) The capital buffer imposed to the different O-SIIs, on a consolidated, sub-consolidated or individual basis, as applicable;

d) The date after which the O-SII buffer applies;

e) The institutions that have ceased to be designated O-SIIs; and

f) Other information items related to the scope of this Notice, where it deems necessary.

Article 3

Disclosure in exceptional situations

1. Banco de Portugal may, where the circumstances warrant it, and outside the frequency set out in the foregoing article, namely in the case of acquisitions, mergers and corporate restructuring, amend a previous decision taken in the context of this Notice and disclose that new decision on its website, publishing the information set out in Article 2 (a) to (f), where applicable, together with the respective rationale.

2. In the situations provided for in the foregoing number, Banco de Portugal, in addition to the disclosure on its website, shall communicate its decision in writing to the institutions directly concerned.

Article 4

Entry into force

This Notice enters into force on the day following that of its publication.

14 December 2015. – The Governor, *Carlos da Silva Costa*.