

Capital Conservation Buffer

Notice Banco de Portugal No 1/2015, published by the Bank in use of the powers conferred on it by Article 23 (6) of Decree-Law No 157/2014 of 24 October, brought forward the implementation of the capital conservation buffer laid down in Article 138-D of the Legal Framework of Credit Institutions and Financial Companies approved by Decree-Law No 298/92 of 31 December, requiring the application of that capital buffer as of 1 January 2016.

Whereas, on the one hand, in the current context of the single supervisory mechanism, capital decisions relating to credit institutions are taken and adopted for the euro area as a whole and, on the other hand, possible capital transactions arising from those decisions must be carried out chiefly with recourse to the market, it is extremely important to ensure that national credit institutions operate under the same conditions as most institutions in the euro area.

Against this background, and considering recent developments in terms of the assumptions under which the aforementioned capital decisions are adopted, Banco de Portugal considers that bringing forward the implementation of the capital conservation buffer pursuant to Notice of Banco de Portugal No 1/2015 may jeopardise compliance with those conditions. Therefore, the present Notice revokes the former Notice, implying that the entities within the scope of application of Notice No 1/2015 shall be subject to the transitional system established in Article 23 (1) to (4) of Decree-Law No 157/2014 of 24 October.

Therefore, Banco de Portugal, in use of the powers conferred on it by Article 17 of its Organic Law, approved by Law No 5/98 of 31 January, in its current wording, and Article 23 of Decree-Law No 157/2014 of 24 October, decides to approve the following Notice:

Article 1

Objective

The objective of this Notice is to revoke Notice of Banco de Portugal No 1/2015.

Article 2

Repealing decision

Notice of Banco de Portugal No 1/2015, published in the Official Gazette No 182, series II, of 17 September 2015, regulating the implementation of the capital conservation buffer laid down in Article 138-D of the Legal Framework of Credit Institutions and Financial Companies, approved by Decree-Law No 298/92 of 31 December, is hereby revoked.

Article 3

Entry into force

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