

Reciprocity of the macroprudential measure applied by the Finansinspektionen



The Board of Directors of the Banco de Portugal decided on 14 November 2023 to exempt Portuguese credit institutions from reciprocating the measure imposed by the Swedish macroprudential authority (Finansinspektionen) under Article 458(2) of Regulation (UE) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (usually referred to as “CRR”).

This decision, adopted under the *de minimis* principle¹, provided for in point 15 of Recommendation ESRB/2015/2 of the European Systemic Risk Board (ESRB) of 15 December 2015, as amended by Recommendation ESRB/2023/4 of 06 July 2023 and published in the *Official Journal of the European Union* on 31 August 2023, enters into force as of the date of its publication. The exemption will remain in force for as long as the measure applied by the Finansinspektionen is in place and the non-materiality of the exposures of each of the Portuguese credit institutions targeted by this measure is maintained.

The measure adopted by the Finansinspektionen imposes a credit institution-specific minimum level of 35% for the exposure-weighted average of the risk weights applied to the portfolio of corporate exposures secured by mortgages on immovable commercial properties (properties physically located in Sweden owned for commercial purposes to generate rental income) and a specific minimum level of 25% for corporate exposures secured by immovable residential properties (properties located in Sweden and owned for commercial purpose to generate rental income, where the number of residences in the property exceeds three). This measure will be applied to all credit institutions using the internal ratings-based approach (IRB approach) for calculating minimum capital requirements for exposures secured by commercial and/or residential properties located in Sweden, either directly or through branches operating in that Member State.

For further details, an analysis was published simultaneously with this decision, describing the Swedish macroprudential authority's rationale for imposing the measure, as well as the Banco de Portugal's analysis.

¹ Competent authorities may exempt institutions with non-material exposure to the identified macroprudential risk in the activating Member State.