

# Reciprocity for the macro-prudential measure imposed by the Finanssivalvonta (Finland)



BANCO DE PORTUGAL  
EUROSYSTEM

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By deliberation of the Board of Directors adopted in 27 March 2018, Banco de Portugal, in the exercise of its competences as the national macroprudential authority and in compliance with the Recommendation of the European Systemic Risk Board (ESRB/2015/29) of 15 December 2015 as amended by Recommendation of the European Systemic Risk Board (ESRB/2018/1) of 8 January 2018, has decided to reciprocate the macroprudential measure imposed by the Finanssivalvonta under Article 458 of Regulation No 575/2013 on prudential requirements for credit institutions and investment firms (CRR).

Given that the measure imposed by the Finnish macroprudential authority is provided for in the CRR, reciprocity will be operationalised through the same measure, i.e. through the imposition of a minimum weight floor of 15% for the average risk weight on residential mortgage loans secured by a mortgage on housing units in Finland. This floor will be applied to credit institutions using the internal ratings based approach (IRB) for estimating said weight, authorised in Finland both directly or through Finnish located branches of Portuguese banks.

This decision enters into force as of the date of its publication and will remain in force for as long as the measure applied by the Finanssivalvonta is in place, including any reviews based on Article 458 (2) of the CRR.

For further details, the document published simultaneously with this decision, describes Finanssivalvonta's rationale for imposing the measure, as well as Banco de Portugal's analysis.