

Reciprocity of the macroprudential measure applied by the Finansinspektionen



19 June 2019

In compliance with the Recommendation of the European Systemic Risk Board (ESRB/2015/2) of 15 December 2015, amended by the Recommendation of the European Systemic Risk Board (ESRB/2019/1) of 15 January 2019, published in the Official Journal of the European Union on 20 March 2019, the Board of Directors of Banco de Portugal deliberated in 11 June 2019, to reciprocate the macroprudential measure imposed by the Swedish macroprudential authority under Article 458 (2)(d)(vi) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR).

Given that the measure imposed by the Swedish macroprudential authority is provided for in the CRR, reciprocity will be operationalized through the same measure, i.e. through the requirement of a credit institution-specific floor of 25 per cent for the exposures-weighted average of the risk weights applied to the portfolio of retail exposures of credit institutions (directly or through branches of Portuguese institutions) that have adopted the Internal Ratings-Based Approach to obligors residing in Sweden secured by immovable property.

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 Swedish macroprudential authority is in place, including any reviews based on Article 458 (9) of the CRR.

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