OPINION OF THE EUROPEAN SYSTEMIC RISK BOARD

of 30 April 2014

regarding Belgian notification of a stricter measure based on Article 458 of the CRR

(ESRB/2014/1)

THE GENERAL BOARD OF THE EUROPEAN SYSTEMIC RISK BOARD,

Having regard to Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board[1], and in particular Article 3(2)(j) thereof,

Having regard to 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 and amending Regulation (EU) No 648/2012[2], and in particular Article 458(4) thereof,

Having regard to Decision ESRB/2014/2 of 27 January 2014 on a coordination framework regarding the notification of national macro-prudential policy measures by competent or designated authorities and the provision of opinions and the issuing of recommendations by the ESRB[3],

Whereas:

(1) Nationale Bank van België/Banque Nationale de Belgique (NBB) acting as competent authority for the purpose of Article 458 of Regulation (EU) No 575/2013 (hereinafter the ‘Capital Requirements Regulation (CRR)’) notified the European Systemic Risk Board (ESRB) on 1 April 2014 of its intention to maintain a stricter measure for credit institutions that make use of internal models, with regard to capital requirements applicable to exposures secured by mortgages on residential property located in Belgium.

(2) This measure was initially adopted by the NBB on 15 November 2013. The NBB decided to align it with the CRR, which applies as of 1 January 2014, and asked for approval under Article 458 thereof.

(3) The ESRB set up a team to assess the measure from a legal and economic standpoint, which has issued a report. The report was approved by the ESRB General Board and is annexed to this opinion,

1 OJ L 331, 15.12.2010, p. 1.

2 OJ L 176, 27.6.2013, p. 1.

3 OJ C 98, 4.4.2014, p. 3.

HAS ADOPTED THIS OPINION:

1. The stricter measure is justified, suitable, proportionate, effective and efficient. In particular:

(a) the changes in the intensity of macro-prudential or systemic risk are of such nature as to pose risk to financial stability at national level;

(b) Articles 124 and 164 of the CRR and Articles 101, 103, 104, 105, 133, and 136 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC[4] cannot adequately address the macro-prudential or systemic risk identified, taking into account the relative effectiveness of the measure;

(c) the draft national measure is more suitable to address the identified macro-prudential or systemic risk and does not entail disproportionate adverse effects on the whole or parts of the financial system in other Member States or in the Union as a whole, thus forming or creating an obstacle to the functioning of the internal market;

(d) the issue concerns only one Member State; and

(e) the risks have not already been addressed by other measures in the CRR or in Directive 2013/36/EU.

2. The stricter measure does not have a negative impact on the internal market that outweighs the financial stability benefits resulting from a reduction of the macro-prudential or systemic risk identified.

3. The attached report entitled ‘Assessment of the notification by Belgium in accordance with Article 458 of the CRR concerning a stricter national measure for residential mortgage lending’ is an integral part of this opinion.

Done at Frankfurt am Main, 30 April 2014.

The Chair of the ESRB

Mario DRAGHI

[4] OJ L 176, 27.6.2013, p. 338.