



**LIETUVOS BANKAS
BANK OF LITHUANIA**

Mr Francesco Mazzaferro
Head of Secretariat
European Systemic Risk Board

13 August 2015

Notification regarding transitional provisions for the countercyclical capital buffer in Lithuania according to Article 160(6) of the Directive 2013/36/EU

In accordance with Article 160(6) of the Directive 2013/36/EU, the Bank of Lithuania would like to notify the European Systemic Risk Board about the transitional provisions for the countercyclical capital buffer in Lithuania.

The Bank of Lithuania decided not to impose any transitional provisions for the countercyclical capital buffer. Particularly, there are no transitional caps imposed on the institution-specific countercyclical capital buffer as proposed in Article 160 of the Directive 2013/36/EU. In addition, the Bank of Lithuania decided to recognise the buffer rates set by other Member States, which have imposed a shorter transitional period. The recognition of rates up to 2.5 per cent is automatic, while the recognition of rates higher than 2.5 per cent is voluntary.

The above mentioned decisions are stipulated in the Rules for Capital Buffers Formation, which was approved by the Board of the Bank of Lithuania on 9 April 2015 and entered into force on 30 June 2015.

Yours sincerely,

A handwritten signature in blue ink, consisting of a large, stylized loop that extends downwards and then curves back to the right.

Vitas Vasiliauskas

Chairman of the Board