

Information regarding the application and recognition of shorter transitional periods for the institution-specific countercyclical capital buffer

On 1 January 2016 the countercyclical capital buffer regime of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 ('CRD IV') entered into force. Article 160 of CRD IV stipulates transitional provisions for the institution-specific countercyclical capital buffer and requires that a Member State shall inform the relevant parties, including the Commission, the ESRB, EBA and the relevant supervisory colleges when it imposes or recognises a shorter transitional period.

We hereby inform you that no transitional period for the institution-specific countercyclical capital buffer is included in the Law of 25 April 2014 on the statute and the supervision of credit institutions, which transposes the CRD IV into Belgian law. Consequently, Belgium applies a shorter transitional period for the countercyclical capital buffer and recognises the shorter transitional periods of other jurisdictions. This implies that Belgian credit institutions are expected to hold capital to fully comply with the countercyclical buffer rate requirements set by the National Bank of Belgium and, up to the level recognised by the National Bank of Belgium in case of buffer rates in excess of 2.5%, by designated authorities of other jurisdictions.