

Template for notifying national macroprudential measures not covered by CRR/CRD

Please send this template to

- notifications@esrb.europa.eu when notifying the ESRB;
- macropru.notifications@ecb.europa.eu when notifying the ECB.

Emailing this template to the above-mentioned addresses constitutes an official notification, no further official letter is required. In order to facilitate the work of the notified authorities, please send the notification template in a format that allows electronically copying the information.

1. Notifying national authority and scope of the notification		
1.1	Name of the notifying authority.	Austrian Federal Ministry of Finance
1.2	Name of the macroprudential measure that is notified.	Amendments to the Austrian Banking Act (BWG) to create a legal basis regarding macro-prudential measures to limit systemic risks in real estate financing.
2. Description of the measure		
2.1	Description of the measure.	<p>The Austrian Financial Market Authority (FMA) is enabled to impose the following macro-prudential measures if increased systemic risks arising from real estate financing are identified:</p> <ul style="list-style-type: none"> - upper limits for the ratio of the housing loan to the market value of the property serving as security for the loan (loan-to-value ratio LTV); - upper limits for the ratio of the total of a borrower's repayment obligations and the income or another suitable financial indicator in the case of legal entities, within a particular period (debt-to income ratio DTI); - upper limits for the ratio of the total installments becoming due in a particular period to income in the case of natural persons or the cash-flow or another suitable financial indicator in the case of legal entities, within a particular period (debt service-to-income ratio DSTI), in the case of interest-only loans, for calculation purposes a regular repayment is to be assumed, distributed equally over the term of the loan; - requirements on the maximum term of financing (term

		<p>restriction), subject to the provision that the term restriction must be not less than fifteen years;</p> <ul style="list-style-type: none"> - period within which a specified proportion of the entire loan disbursed must be repaid (amortisation requirement) and - provisions for the purposes of the national application of measures from other member states or third countries that serve to limit systemic risks arising from financing and are comparable to the national measures.
2.2	Legal basis and process of implementation of the measure.	<p>The national legal basis is Art. 22b Austrian Banking Act (BWG). On this basis, the FMA may take macro-prudential measures by way of a Regulation. The application of the macro-prudential measures requires a recommendation issued by the Austrian Financial Market Stability Board (FMSB) and furthermore an expert opinion from the Oesterreichische Nationalbank (OeNB) on the existence of the necessary evidence and conditions.</p>
2.3	Coverage	<p>The FMA will have the power to issue a Regulation, setting limits for all or a subset of the group. Depending on the circumstances threatening financial stability, the FMA could activate one, all or a combination of the different measures described above.</p> <p>Exemptions apply to renewals of financing up to the amount of borrower's outstanding credit obligations; financing which will be assigned to an exposure class according to Art. 112 lit. a to e of the Regulation (EU) Nr. 575/2013 or borrower's which are recognised as non-profit building associations under the Limited Profit Housing Act (Wohnungsgemeinnützigkeitgesetz).</p> <p>The FMA has to take into account the principle of proportionality, e.g. material and geographical scope to certain types of property use, location or the purpose of the financing; different upper limits according to the type and amount of financing; determine a proportion of new business relating to financing of property that is excluded and exclude financing to a specified minimum amount</p>

		(lower limit threshold).
2.4	Any other relevant information.	<p>The FMA determines specific calculation methods, in particular with the components of the ratios, business exception, lower limit threshold and components of the financing.</p> <p>The Regulation may apply for up to three years. Prior to the expiry of the measures, the FMA must evaluate them. If the conditions for the application of the measures still exist, it may extend the Regulation by two years.</p>
3. Timing		
3.1	Timing of the decision	The legal act was published on September 15, 2017 in Publication OJ (BGBl. I Nr. 136/2017). Before that publication was a public consultation including the ECB from April 21 to May 19, 2017. Furthermore any Regulation issued by the FMA is also required to be published in OJ.
3.2	Timing of the publication	The FMA has not issued a Regulation on macro-prudential measures yet.
3.3	Disclosure	The opinion of the ECB was published on June 7 2017 on the ECBs website. Further information of the measures is published on the website of the Austrian Financial Market Authority (FMA) and Financial Market Stability Board (FMSB).
3.4	Timing of the application	The FMA has not issued a Regulation on macro-prudential measures yet.
3.5	End date (if applicable)	The FMA has not issued a Regulation on macro-prudential measures yet.
4. Reason for the activation of the measure		

4.1	Description of the macroprudential risk to be addressed.	
4.2	Description of the indicators on the basis of which the measure is activated.	
4.3	Effects of the measure.	
5. Cross-border and cross-sector impact of the measure		
5.1	Assessment of cross-border effects and the likely impact on the internal market (Article 133(11)(d) of the CRD IV and Recommendation ESRB/2015/2)	
5.2	Assessment of leakages and regulatory arbitrage within the notifying Member State	Potential for regulatory arbitrage and leakages is rather small or does not exist at all. The Austrian Financial Market Authority will monitor the developments closely.
5.3	Request for reciprocity	No.

6. Miscellaneous		
6.1	Contact person(s) at notifying authority.	<p>Alfred Lejsek, Chair Financial Market Stability Board and Head of Group Financial Markets Austrian Federal Ministry of Finance, tel: +43 1 514 33 503 100 e-mail: alfred.lejsek@bmf.gv.at</p> <p>Beate Schaffer, Head of Section tel: +43 1 514 33 503 120 e-mail: beate.schaffer@bmf.gv.at</p> <p>Melitta Schuetz tel: +43 1 514 33 503 132 e-mail: melitta.schuetz@bmf.gv.at</p> <p>Timo Froemmel tel: +43 1 514 33 503 121 e-mail: timo.froemmel@bmf.gv.at</p>
6.2	Any other relevant information.	No.