**Notification template for measures to be taken under Article 458 of the Capital Requirements Regulation (CRR)**

**Template for notifying the European Central Bank (ECB), the European Systemic Risk Board (ESRB) and the European Commission of stricter national measures pursuant to Article 458(2) CRR and for requesting the ESRB to issue a recommendation to other Member States to reciprocate the measures pursuant to Article 458(8) CRR**

Please send/upload this template to:

* [macropru.notifications@ecb.europa.eu](mailto:macropru.notifications@ecb.europa.eu) when notifying the ECB (under Article 5 of the Single Supervisory Mechanism Regulation (SSMR)[[1]](#footnote-1));

* [notifications@esrb.europa.eu](mailto:notifications@esrb.europa.eu) when notifying the ESRB;
* [FISMA-E-3-NOTIFICATIONS@ec.europa.eu](mailto:FISMA-E-3-NOTIFICATIONS@ec.europa.eu) when notifying the European Commission.

The ESRB will forward this notification to the European Parliament, the European Council and the European Banking Authority (EBA) without delay. This notification will be made public by the ESRB after the relevant authorities have adopted and published the notified macroprudential measure[[2]](#footnote-2).

E-mailing/uploading this template to the above addresses constitutes official notification; no further official letter is required. To facilitate the work of the notified authorities, please submit the notification template in a format that allows the information to be read electronically.

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| 1. **Notifying national authority and scope of the notification** | |
| **1.1 Name of the notifying authority** | Please provide the name of the notifying authority. |
| **1.2 Country of the notifying authority** | Please insert the country of the notifying authority. |
| **1.3 Categorisation of the measure** | Please set out the notified measure and indicate to which of the rules of the CRR or the Capital Requirements Directive (CRD) listed below it relates. A measure may be taken in relation to the following (exhaustive) list of matters (see Article 458(2)(d) CRR), with the possibility of combination:   1. level of own funds laid down in Article 92 CRR; 2. requirements for large exposures laid down in Articles 392 and 395 to 403 CRR; 3. liquidity requirements laid down in Part Six CRR; 4. risk weights for targeting asset bubbles in the residential property and commercial immovable property sector; 5. public disclosure requirements laid down in Part Eight CRR; 6. level of the capital conservation buffer laid down in Article 129 CRD; 7. intra-financial sector exposures.   A detailed description of the measure should be provided under Section 2. |
| **1.4 Request to extend the period of application of an existing measure for up to two additional years**  **(Article 458(9) CRR)** | This box is for requests to extend the period of application of an existing measure for up to two additional years in accordance with Article 458(9) CRR.  Please explain the reasons for the extension, making reference to the initial application and if applicable to previous extension(s). |
| **1.5 Notification of a measure to which Article 458(10) CRR applies (‘notification only procedure’)** | This box is for a measure subject to the ‘notification only procedure’ as specified in Article 458(10) CRR (a measure for increasing certain risk weights by up to 25% and to tighten the large exposure limits provided for in Article 395 by up to 15% for up to two years).  Please note that the information specified in Article 458 CRR must also be provided in relation to such measure. |
| 1. **Description of the measure** | |
| **2.1 Draft national measure**  **(Article 458(2)(d) CRR)** | Detailed description of the measure.  Submission of the draft legal texts (e.g. laws and regulations) implementing the stricter national measure. |
| **2.2 Scope of the measure**  **(Article 458(2)(d) CRR)** | Which institutions or subsets of institutions will be covered by the measure? Provide the criteria for differentiation between institutions.  Specify how the measure is targeted, e.g. to certain sectors, risk profiles, business models, etc. |
| **2.3 Calibration of the measure** | Information on the chosen calibration level of the proposed measure (including formulas for calculation, where applicable). |
| **2.4 Suitability, effectiveness and proportionality of the measure**  **(Article 458(2)(e) CRR)** | Explanation of why the draft measure is deemed to be suitable, effective and proportionate to address the situation. For example, how will the effectiveness of the measure be assessed? Based on which indicators? What transmission mechanisms are anticipated? |
| **2.5 Other relevant information** | Please include other information you deem to be relevant, e.g. whether there has been consultation on the measure with other national authorities and the industry or there has been a public consultation. |
| 1. **Timing for the measure** | |
| **3.1 Timing for the decision on the measure** | When is the decision expected to be adopted?  For SSM countries when notifying the ECB: also provide the date on which the decision referred to in Article 5 of the SSMR will be taken.  Click here to enter a date. |
| **3.2 Timing for publication** | What is the (scheduled) date of publication of the measure?  Click here to enter a date. |
| **3.3 Disclosure** | Information about the strategy for communication of the notified measure to the market. If the measure is not intended to be made public, what is the reason for non-disclosure?  Do you also intend to publish the justification for the measure? Please provide a link to the public announcement, if any. |
| **3.4 Timing for application (Article 458(4) CRR)** | What is the intended date of application of the measure?  Click here to enter a date. |
| **3.5 Duration of the measure**  **(Article 458(4) CRR)** | What is the envisaged duration of the measure? What are the conditions for its deactivation before that duration expires? On what indicators would the decision to deactivate it be based? |
| **3.6 Review**  **(Article 458(9) CRR)** | E.g. how often will the appropriateness of the level of the measure be reviewed? |
| 1. **Reason for the activation of the stricter national measure** | |
| **4.1 Description of the macroprudential or systemic risk in the financial system**  **(Article 458(2)(a) CRR)** | Description of the macroprudential or systemic risk in the financial system that has the potential to cause serious negative consequences for the financial system and the real economy in the Member State concerned.  Please include:   * changes in the intensity of the risk; * whether the systemic risk is structural or cyclical; * sectors of the financial system where such systemic risk has been identified.   Please provide quantitative evidence supporting the description above. |
| **4.2 Analysis of the serious negative consequences or threat to financial stability**  **(Article 458(2)(b) CRR)** | Reasons why such changes in risk could pose a threat or have serious negative consequences for financial stability at national level or to the real economy. |
| **4.3 Indicators prompting the use of the measure** | Provide the indicators triggering activation of the measure. Please provide the data on which the decision is based, if possible (preferably an Excel file). |
| **4.4 Justification for the stricter national measure**  **(Article 458(2)(c) CRR)** | * Explanation of the expected (positive) effects of the measure on financial stability in terms of mitigation of the identified macroprudential or systemic risk. * Explanation of why measures under Articles 124 and 164 CRR and Articles 133 and 136 CRD would be less suitable and effective to deal with those risks than the draft national measures referred to in Article 458(2)(d) CRR. |
| 1. **Sufficiency, consistency and non-overlap of the policy response** | |
| **5.1 Sufficiency of the policy response** | For macroprudential policy to be ‘sufficient’, the policy responses must be deemed to significantly mitigate, or reduce the build-up of, risks over an appropriate time horizon with a limited unintended impact on the general economy.  Note that the ESRB will use this assessment of the macroprudential stance as relevant input in assessing the sufficiency of the macroprudential policy in the Member States.  Please provide any additional information that the ESRB should consider in assessing the sufficiency of the policy response. |
| **5.2 Consistency of application of the policy response** | For a macroprudential policy to be ‘consistent’, the policy instruments must be deemed to meet their respective objectives, as outlined in ESRB/2013/1[[3]](#footnote-3), and they must be implemented in accordance with the common principles set out in the relevant legal texts.  Note that the ESRB assessment of consistency will consider whether the same systemic risks are addressed in a similar way across and within the Member States over time.  Please provide any additional information that the ESRB should consider in assessing the consistency of the policy response. |
| **5.3 Non-overlap of the policy response** | For a policy instrument to be ‘non-overlapping’, it should aim to address a systemic risk that either differs from the risk addressed by other active tools in the same Member State, or be complementary to another tool in that Member State which addresses the same systemic risk.   * Are other policy instruments used to address the same systemic risk? * If yes, please explain the need for more than one instrument to address the same systemic risk and how the different instruments interact with each other. |
| 1. **Cross-border and cross-sector impact of the measure** | |
| **6.1 Assessment of cross-border effects and the likely impact on the Internal Market**  **(Article 458(2)(f) CRR and Recommendation ESRB/2015/2[[4]](#footnote-4))** | Assessment of the cross-border effects of implementation of the measure.   1. Assessment of the spillover channels operating via risk adjustment and regulatory arbitrage. The relevant indicators provided in Chapter 11 of the ESRB Handbook on Operationalising Macroprudential Policy in the Banking Sector[[5]](#footnote-5) and the [Framework to assess cross-border spillover effects of macroprudential policies](https://www.ecb.europa.eu/pub/pdf/other/ecb.200428_framework_to_assess_cross-border_spillovers_of_macroprudential_policies~72576c7b4e.en.pdf) of the ECB Task Force on cross-border spillover effects of macroprudential measures can be used. 2. Assessment of the:    * cross-border effects of implementation of the measure in your own jurisdiction (inward spillovers);    * cross-border effects on other Member States and on the Single Market of the measure (outward spillovers);    * overall impact on the Single Market of implementation of the measure. |
| **6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State** | Referring to your Member State's specific characteristics, what is the scope for "leakages and regulatory arbitrage" in your own jurisdiction (i.e. circumvention of the measure/leakages to other parts of the financial sector)?  Is there scope for "leakages and regulatory arbitrage" in other jurisdictions? |
| **6.3 Request for reciprocation by other Member States**  **(Article 458(8) CRR and Recommendation ESRB/2015/2)** | Do you intend to ask the ESRB to issue a recommendation to other Member States to reciprocate the measure in accordance with Article 458(8) CRR?  Choose an item.   * If yes, please provide in Section 6.4 the justification for that reciprocity. * If no, what are the reasons for not requesting reciprocation? |
| **6.4 Justification for the request for reciprocation by other Member States**  **(Article 458(8) CRR and Recommendation ESRB/2015/2)** | To request reciprocation, please provide the following:   * a concise description of the measure to be reciprocated; * the financial stability considerations underlying the reciprocity request, including the reasons why the reciprocity of the activated measure is deemed necessary for its effectiveness; * the proposed materiality threshold and justification for that level.   If the ESRB deems the request for reciprocation to be justified, the description provided will form the basis for translation into all EU official languages for the purposes of an update of Recommendation ESRB/2015/2. |
| 1. **Miscellaneous** | |
| **7.1 Contact person(s)/mailbox at notifying authority** | Contact person(s) (name, phone number and e-mail address) and mailbox for further inquiries. |
| **7.2 Any other relevant information** |  |
| **7.3 Date of the notification** | Please provide the date on which this notification was uploaded/sent.  Click or tap to enter a date. |

1. Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63). [↑](#footnote-ref-1)
2. On request by the notifying authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability. [↑](#footnote-ref-2)
3. Recommendation of the European Systemic Risk Board of 4 April 2013 on intermediate objectives and instruments of macro-prudential policy (ESRB/2013/1) (OJ C 170, 15.6.2013, p. 1). [↑](#footnote-ref-3)
4. Recommendation of the European Systemic Risk Board of 15 December 2015 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2015/3) (OJ C 97, 12.3.2016, p. 9). [↑](#footnote-ref-4)
5. Available on the ESRB’s website at www.esrb.europa.eu. [↑](#footnote-ref-5)