

## Notification template for Article 130 CRD

Template for notifying the EBA on the intended exemption of small and medium-sized investment firms from the requirement to maintain an institution-specific countercyclical capital buffer

<b>1. Notifying national authority (If several designated authorities, please mention all of them)</b>	
<b>1.1 Name of the notifying authority</b>	Finansinspektionen
<b>2. Definition and Motivation for the exemption of small and medium-sized investment firms</b>	
<b>2.1. Definition</b>	<p>Small and medium sized investment firms is defined as undertakings employing fewer than 250 people and whose balance sheet total does not exceed EUR 43 million annually, calculated according to Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.</p>
<b>2.2. Motivation</b>	<p>The countercyclical capital buffer should be built up when aggregate growth in credit and other asset classes with a significant impact on the risk profile of such credit institutions and investment firms are judged to be associated with a build-up of system-wide risk, and drawn down during stressed periods.</p> <p>FSA estimates that the small and medium-sized investment firms exempted cannot give rise to rapid credit growth in the Swedish economy. Thus, these small and medium-sized enterprises, would not contribute to the build-up of system-wide risk caused by rapid credit growth.</p> <p>To exempt these companies from the requirement to hold a counter-cyclical capital buffer does not threaten the stability of the Swedish financial system.</p> <p>The contribution of the small and medium-sized investment firms exempted, to the total amount of CET1 in the financial sector due to a 1 % institution specific countercyclical buffer, which is the level decided by the Swedish FSA on 8 September 2014, would be very small. Based on the 1 % buffer requirement the CET1 that the exempted firms would have had to keep in total would be 10 meur, to be compared to that the countercyclical buffer requirement amounts to almost 1 200 meur in total for the institutions that the buffer does apply to. I.e. the exempted firms' share of the capital that the countercyclical buffer requirement lock would be less than 1 per cent. With regard to the total amount of CET1 due to a 1 % countercyclical buffer requirement in the Swedish financial system, the exemption is no threat to the system.</p>

3. Miscellaneous	
3.1. Contact person(s) at notifying authority	Katja Moll Forsström katja.mollforsstrom@fi.se +46 8 787 00 00
3.2. Any other relevant information	

FINANSINSPEKTIONEN



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