

**Notification on behalf of Denmark regarding the exemption of small and medium-sized investment firms from the requirements to maintain a countercyclical capital buffer pursuant to Article 130 of the CRD IV**

Pursuant to article 130, paragraph 2, a Member State may exempt small and medium-sized investment firms from the requirements set out in Article 130, paragraph 1, if such an exemption does not threaten the stability of the financial system of that Member State.

Member States which decide to apply such an exemption shall notify the Commission, the ESRB, EBA and the competent authorities of the Member States concerned accordingly.

In Denmark it has been decided to exempt small and medium-sized investment firms in Denmark from maintaining a countercyclical capital buffer pursuant to Article 130, paragraph 2.

Danish small and medium-sized investment firms are defined according to the criteria set out in the European Commission Recommendation, 2003/361/EC, 6 May 2003, defining micro, small and medium-sized enterprises. A small and medium-sized investment firm must meet the following criteria:

- The investment firm must employ fewer than 250 people and
- The investment firm's annual turnover does not exceed EUR 50 million or
- The investment firm's annual balance sheet does not exceed EUR 43 million

Today there are 7 small and medium-sized investment firms in Denmark and 1 investment firm that is not defined as a small and medium-sized firm pursuant to the definition above.

Investment firms are not allowed to receive deposits or lend out money. Furthermore, they have a limited range of permitted activities and could therefore be wound up without causing considerable damage. Due to

these characteristics combined with the limited size of the Danish small and medium-sized investment firms (also compared to those of other Member States), the exemption is not deemed to create a threat to the stability of the financial system in Denmark. Furthermore it is deemed more proportional to exempt the small and medium-sized investment firms from the requirement to maintain a countercyclical capital buffer.