OPINION OF THE EUROPEAN SYSTEMIC RISK BOARD

of 18 February 2016

regarding Belgian notification of an extension of the period of application of a stricter measure based on Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions

(ESRB/2016/1)

THE GENERAL BOARD OF THE EUROPEAN SYSTEMIC RISK BOARD,

Having regard to Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board[1], and in particular Article 3(2)(j) thereof,

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012[2], and in particular Article 458(4) and (9) thereof,

Having regard to Decision ESRB/2015/4 of the European Systemic Risk Board of 16 December 2015 on a coordination framework for the notification of national macroprudential policy measures by relevant authorities, the issuing of opinions and recommendations by the ESRB, and repealing Decision ESRB/2014/2[3],

Whereas:

(1) Following earlier consultation with the European Systemic Risk Board (ESRB), the Nationale Bank van België/Banque nationale de Belgique (NBB), acting as competent authority for the purpose of Article 458 of Regulation (EU) No 575/2013, notified the ESRB on 21 January 2016 of its intention to extend for one additional year, in accordance with Article 458(9) of that Regulation, the period of application of its existing stricter measure for credit institutions that make use of internal models, with regard to capital requirements applicable to exposures secured by mortgages on residential property located in Belgium.

1 OJ L 331, 15.12.2010, p. 1.

2 OJ L 176, 27.6.2013, p. 1.

3 The English version is available on the ESRB website at www.esrb.europa.eu.

(2) The existing measure was adopted by the NBB on 15 November 2013. The NBB decided to align it with Regulation (EU) No 575/2013, applicable from 1 January 2014, and sought approval under Article 458 thereof.

(3) Pursuant to Article 458(4) of Regulation (EU) No 575/2013, the ESRB adopted Opinion ESRB/2014/1, which deemed the measure justified, suitable, proportionate, effective and efficient and, in particular, in compliance with the conditions laid out in Article 458(2) and Article 458(4)(a) to (e) of that Regulation. The ESRB also assessed the stricter measure as not having a negative impact on the internal market that outweighed the financial stability benefits resulting from a reduction of the macroprudential or systemic risk identified.

(4) Taking account of the opinions provided by the ESRB and the European Banking Authority, the Commission decided on 28 May 2014 not to propose to the Council an implementing act to reject the draft Belgian measure under the procedure provided for in Article 458(4) of Regulation (EU) No 575/2013. This approval of the existing measure is valid until 28 May 2016.

(5) To assess the extension of the period of application notified by the Belgian authority, the ESRB's assessment team referred to in Decision ESRB/2015/4 issued an assessment note, which is annexed hereto,

HAS ADOPTED THIS OPINION:

1. The extension of the period of application of the stricter measure for one additional year is justified, suitable, proportionate, effective and efficient. In particular:
   (a) the changes in the intensity of macroprudential or systemic risk are of such nature as to pose risk to financial stability at national level;
   (b) Articles 124 and 164 of Regulation (EU) No 575/2013 and Articles 101, 103, 104, 105, 133, and 136 of Directive 2013/36/EU of the European Parliament and of the Council[4] cannot adequately address the macroprudential or systemic risk identified, taking into account the relative effectiveness of the measure;
   (c) the draft national measure is more suitable to address the identified macroprudential or systemic risk and does not entail disproportionate adverse effects on the whole or parts of the financial system in other Member States or in the Union as a whole, thus forming or creating an obstacle to the functioning of the internal market;
   (d) the issue concerns only one Member State; and
   (e) the risks have not already been addressed by other measures in Regulation (EU) No 575/2013 or Directive 2013/36/EU.
2. The stricter measure does not have a negative impact on the internal market that outweighs the financial stability benefits resulting in a reduction of the macroprudential or systemic risk identified.

[4] Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

3. The attached assessment note entitled ‘Assessment of the notification by Belgium in accordance with Article 458(9) of Regulation (EU) No 575/2013 concerning the extension of a stricter national measure for residential mortgage lending’ is an integral part of this opinion.

Done at Frankfurt am Main, 18 February 2016.

The Chair of the ESRB

Mario DRAGHI