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## **RECOGNITION OF SHORTER TRANSITIONAL PERIODS**

Under article 160(6) of CRDIV, Member States may recognise shorter transitional periods imposed by other Member States in respect of the capital conservation buffer and the countercyclical capital buffer. Where a Member State does so, it is to notify the European Commission, ESRB, EBA and relevant supervisory colleges.

This to notify you that the United Kingdom has decided to recognise all Member States' shorter transitional periods from 2016. We have put in place Regulations and Rules under which countercyclical capital buffer rates set by other Member States are recognised in the UK from 2016 (subject to provisions under CRDIV for discretionary recognition over 2.5%), with the Bank of England's Financial Policy Committee having discretion to recognise rates before 2016 (it had previously notified the ESRB that it intended to recognise the countercyclical capital buffer rates announced by Sweden and Norway, which would apply to UK banks from October 2015).

Details are contained in Regulations 13 and 14 of the Capital Requirements (Capital Buffers and Macroprudential Measures) Regulations 2014 and PRA rules 3.1 and 3.2 in the PRA Rules Instrument 'PRA 2014/9' (PRA rulebook CRR firms: – capital buffers instrument 2014)

[http://www.legislation.gov.uk/uksi/2014/894/pdfs/uksi\\_20140894\\_en.pdf](http://www.legislation.gov.uk/uksi/2014/894/pdfs/uksi_20140894_en.pdf)

<http://www.bankofengland.co.uk/pr/ Documents/publications/ps/2014/ps314.pdf>