

Template for notifying national macroprudential measures not covered by CRR/CRD

Please send this template to

- notifications@esrb.europa.eu when notifying the ESRB;
- macropru.notifications@ecb.europa.eu when notifying the ECB.

Emailing this template to the above-mentioned addresses constitutes an official notification, no further official letter is required. In order to facilitate the work of the notified authorities, please send the notification template in a format that allows electronically copying the information.

1. Notifying national authority and scope of the notification		
1.1	Name of the notifying authority.	Národná banka Slovenska
1.2	Name of the macroprudential measure that is notified.	Tightening the limit on debt service to income ratio (DSTI) for both housing loans and consumer loans
2. Description of the measure		
2.1	Description of the measure.	<p>The DSTI limit is tightened from 80 % to 60 %.</p> <p>Exemptions:</p> <ul style="list-style-type: none"> - 5 % of new loans can be granted with DSTI up to 70 % (applicable to any new loans) - 5 % of new consumer loans with maturity not exceeding 5 years can be granted with DSTI up to 70 % (applicable only to new consumer loans with maturity not exceeding 5 years)
2.2	Legal basis and process of implementation of the measure.	<p>All measures are adopted in the form of amendment of binding NBS Decree No 10/2016, laying down the details of its assessment of the consumer's ability to repay a housing loan as amended by the Decree No 7/2018 and in the form of NBS Decree No 10/2017, laying down the details of its assessment of the consumer's ability to repay a consumer loan as amended by the Decree No 6/2018.</p> <p>The decree has been adopted in accordance with Article 8 (16) of the Act No 90/2016 Coll. on housing loans as amended and in accordance with Article 7 (41) of the Act</p>

		No 129/2010 Coll. on consumer credits and other credits and loans for consumers and on amendments and supplements to certain laws as amended.
2.3	Coverage	<p>Exposures: All new housing loans in accordance with Act on housing loans and all new consumer loans in accordance with Act on consumer loans, except refinancing loans without a significant top-up (i.e. top-up less than both 5 % and 2000 €).</p> <p>Institutions: All institutions providing housing loans or consumer loans (banks as well as non-banks)</p>
2.4	Any other relevant information.	The measures are further underpinned by existing qualitative requirements included in both Decrees, notably in the area of verification of existing loans in credit registers and rules on income declaration and income verification.
3. Timing		
3.1	Timing of the decision	17 December 2019
3.2	Timing of the publication	19 December 2019
3.3	Disclosure	Public consultation was held between 20 November 2019 and 28 November 2019. The measures were discussed with the main stakeholders. A detailed reasoning has been published in the Financial Stability Report – November 2019.
3.4	Timing of the application	1 January 2020 (phase-in arrangements are described in Q 2.1)
3.5	End date (if applicable)	Not applicable.

4. Reason for the activation of the measure		
4.1	Description of the macroprudential risk to be addressed.	Describe the macroprudential risk in the financial system to be addressed by the proposed macroprudential measure.
4.2	Description of the indicators on the basis of which the measure is activated.	Describe the indicators on the basis of which the measure is activated. If possible provide the data the decision is based on (preferably an Excel-file).
4.3	Effects of the measure.	Provide your assessment of the effects of the measure on the domestic banking system, other parts of the financial system, the real economy and financial stability in your country.
5. Cross-border and cross-sector impact of the measure		
5.1	Assessment of cross-border effects and the likely impact on the internal market (Article 133(11)(d) of the CRD IV and Recommendation ESRB/2015/2)	<p>Assessment of the cross-border effects of the implementation of the draft measure.</p> <p>a. 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 Sector¹ can be used.</p> <p>b. Assessment of:</p> <ul style="list-style-type: none"> o cross-border effects (leakages and regulatory arbitrage) of the implementation of macroprudential measures in their jurisdiction (inward spillovers); and o cross-border effects on other Member States and on the Single Market of proposed

¹ Available on the ESRB's website at www.esrb.europa.eu.

		macroprudential measures (outward spillovers).
5.2	Assessment of leakages and regulatory arbitrage within the notifying Member State	Referring to your country'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)?
5.3	Request for reciprocity	Reciprocity: Not requested (see the explanation described in Q 5.1)
6. Miscellaneous		
6.1	Contact person(s) at notifying authority.	Marek Ličák Director of the Macroprudential Policy Department +421 2 5787 2863 marek.licak@nbs.sk
6.2	Any other relevant information.	