



DEPUTY PRIME MINISTER

ALEXANDER DE CROO

Minister of Finance and Development Cooperation

Mr. Francesco Mazzaferro
Head of ESRB Secretariat
Sonnemannstrasse 20
60314 Frankfurt am Main

GERMANY

Your letter of

Your ref

Brussels

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Our ref

KCFIN/2019.0/

Case handled by

Contact

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Belgian government - Views on ESRB recommendation 2019/4

Dear Mr Mazzaferro,

Vulnerabilities observed on the residential real estate market can be a source of systemic risk and they may affect the financial stability both directly and indirectly. The Belgian government recognizes the importance of taking the necessary macroprudential actions in a timely manner to prevent the build-up of such risks. Against this background, the Belgian government welcomes the ESRB analyses.

As regards the ESRB recommendation for further policy action, the government refers to the initiative of the National Bank of Belgium, consisting in publishing explicit supervisory expectations regarding prudent lending standards guiding financial institutions in their internal policies. Should these measures prove to be ineffective or insufficient, the government could consider, in collaboration with the National Bank of Belgium, additional measures addressing the observed vulnerabilities and concerns raised in the ESRB recommendation.

Yours sincerely,

Alexander De Croo

Strategy Unit of the Deputy Prime Minister and Minister of Finance and Development Cooperation

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