RECOMMENDATION OF THE EUROPEAN SYSTEMIC RISK BOARD

of 3 December 2024

amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures

(ESRB/2024/7)

THE GENERAL BOARD OF THE EUROPEAN SYSTEMIC RISK BOARD,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Agreement on the European Economic Area[1], and in particular Annex IX thereof,

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[2], and in particular Articles 3 and 16 to 18 thereof,

Having regard to 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, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC[3], and in particular Section I of Chapter 4 of Title VII thereof,

Having regard to Decision ESRB/2011/1 of the European Systemic Risk Board of 20 January 2011 adopting the Rules of Procedure of the European Systemic Risk Board[4], and in particular Articles 18 to 20 thereof,

Whereas:

(1) In order to ensure effective and consistent national macroprudential policy measures, it is important to complement the recognition required under Union law with voluntary reciprocity.

---

[1] OJ L 1, 3.1.1994, p. 3.
[2] OJ L 331, 15.12.2010, p. 1.
[3] OJ L 176, 27.6.2013, p. 338.
[4] OJ C 58, 24.2.2011, p. 4.

(2) The framework on voluntary reciprocity for macroprudential policy measures set out in Recommendation ESRB/2015/2 of the European Systemic Risk Board[5] aims to ensure that all exposure-based macroprudential policy measures activated in one Member State are reciprocated in other Member States.

(3) Decision of the European Economic Area (EEA) Joint Committee No 79/2019[6] incorporated Directive 2013/36/EU and Regulation (EU) No 575/2013 into the Agreement on the European Economic Area (EEA Agreement) with effect from 1 January 2020. Directive (EU) 2021/338 of the European Parliament and of the Council[7] and Regulation (EU) 2021/558 of the European Parliament and of the Council[8], which introduced significant amendments to Directive 2013/36/EU and Regulation (EU) No 575/2013, were incorporated into the EEA Agreement by Decision of the EEA Joint Committee No 213/2022[9] and Decision of the EEA Joint Committee No 145/2024[10], respectively. Directive (EU) 2021/338 and Regulation (EU) 2021/558 are now applicable in Norway.

(4) On 29 August 2024, Finansdepartementet (the Norwegian Ministry of Finance), acting as the designated authority for the purpose of Article 133(2) of Directive 2013/36/EU, notified the European Systemic Risk Board (ESRB) of its intention to reset the systemic risk buffer (SyRB) rate previously imposed, at the same rate of 4.5%, on all exposures located in Norway. The measure has applied since 31 December 2020, and it is currently recommended for reciprocation under Recommendation ESRB/2023/1[11]. On the same date, Finansdepartementet notified the ESRB of its intention to require certain institutions to maintain an 'other systemically important institutions' (O-SII) buffer of Common Equity Tier 1 capital, in accordance with Article 131 of Directive 2013/36/EU.

---

5 Recommendation ESRB/2015/2 of the European Systemic Risk Board of 15 December 2015 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (OJ C 97, 12.3.2016, p. 9).

6 Decision of the EEA Joint Committee No 79/2019 of 29 March 2019 amending Annex IX (Financial services) to the EEA Agreement [2019/2133] (OJ L 321, 12.12.2019, p. 170).

7 Directive (EU) 2021/338 of the European Parliament and of the Council of 16 February 2021 amending Directive 2014/65/EU as regards information requirements, product governance and position limits, and Directives 2013/36/EU and (EU) 2019/878 as regards their application to investment firms, to help the recovery from the COVID-19 crisis (OJ L 68, 26.2.2021, p. 14).

8 Regulation (EU) 2021/558 of the European Parliament and of the Council of 31 March 2021 amending Regulation (EU) No 575/2013 as regards adjustments to the securitisation framework to support the economic recovery in response to the COVID-19 crisis (OJ L 116, 6.4.2021, p. 25).

9 Decision of the EEA Joint Committee No 213/2022 of 8 July 2022 amending Annex IX (Financial services) to the EEA Agreement [2023/630] (OJ L 85, 23.3.2023, p. 23).

10 Decision of the EEA Joint Committee No 145/2024 of 12 June 2024 amending Annex IX (Financial services) to the EEA Agreement [2024/2433] (OJ L, 2024/2433, 3.10.2024, ELI: **http://data.europa.eu/eli/dec/2024/2433/oj**).

11 Recommendation of the European Systemic Risk Board of 6 March 2023 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2023/1) (OJ C 158, 4.5.2023, p.1).

(5) Subsequently, on 26 September 2024, Finansdepartementet submitted a request for the ESRB to recommend the reciprocation of the SyRB rate on a consolidated, sub-consolidated and individual basis, pursuant to Article 134(5) of Directive 2013/36/EU. The macroprudential policy measure itself remains unchanged.

(6) On 7 October 2024, the ESRB adopted Opinion ESRB/2024/6[12] of the European Systemic Risk Board, where it stated that it considers the cumulative SyRB and O-SII buffer rate as appropriate and effective to address the identified risks for each of the credit institutions which fall within the scope of these two measures.

(7) Recommendation ESRB/2015/2, as amended by Recommendation ESRB/2017/4 of the ESRB[13], recommends that the relevant authority activating a macroprudential policy measure should, when submitting a request for reciprocation to the ESRB, propose a maximum materiality threshold below which an individual financial service provider's exposure to the identified macroprudential risk in the jurisdiction where the macroprudential policy measure is applied by the activating authority can be considered non-material. The ESRB may recommend a different threshold if deemed necessary. The materiality threshold for reciprocating the SyRB is set at a risk-weighted exposure amount of NOK 5 billion, which corresponds to around 0,16 % of the total risk-weighted exposure amount of credit institutions reporting in Norway[14].

(8) The reciprocation of macroprudential capital requirements activated by authorities of other Member States, on a consolidated, sub-consolidated and individual basis, irrespective of whether the exposures concerned are held through subsidiaries or branches, or result from direct cross-border lending, limits leakages and regulatory arbitrage, tackles systemic risks and thus promotes the overall effectiveness of macroprudential policy by ensuring that increased risks are addressed not only in the Member State that has introduced the SyRB but also in other Member States where banking groups are exposed to those increased risks. Recognition should therefore also aim to ensure that banking groups exposed to those systemic risks are sufficiently resilient. Therefore, macroprudential capital requirements stemming from a decision to recognise other Member States' macroprudential measures should in general be applied on a consolidated, sub-consolidated and individual basis.

---

[12] Opinion of the European Systemic Risk Board of 7 October 2024 regarding the Norwegian notifications of the resetting of the systemic risk buffer pursuant to Article 133 and of the resetting of the O-SII buffer pursuant to Article 131 of Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions (ESRB/2024/6), available on the ESRB's website at www.esrb.europa.eu.

[13] Recommendation ESRB/2017/4 of the European Systemic Risk Board of 20 October 2017 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (OJ C 431, 15.12.2017, p. 1).

[14] Recommendation of the European Systemic Risk Board of 6 March 2023 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2023/1) (OJ C 158, 4.5.2023, p. 1).

(9) To recognise the Norwegian SyRB rate as requested by Finansdepartementet, the relevant competent and/or designated authorities of another Member State may set a SyRB rate in accordance with Articles 133(4) and 134(1) of Directive 2013/36/EU.

(10) This amendment to Recommendation ESRB/2015/2 does not affect the continuity of recommending the reciprocation of the national macroprudential measures activated by the Norwegian authorities on 31 December 2022, as set out in Recommendation ESRB/2023/1. The current amendments to Recommendation ESRB/2015/2, except for the reciprocation of the SyRB on a consolidated, sub-consolidated and individual basis, are of an editorial nature. Therefore, the standard three-month transition period following the publication of this Recommendation in the *Official Journal of the European Union* is only applicable to measures, or amendments thereto, that national authorities will adopt to reciprocate the SyRB on a consolidated, sub-consolidated and individual basis.

(11) Therefore, Recommendation ESRB/2015/2 should be amended accordingly,

HAS ADOPTED THIS RECOMMENDATION:

AMENDMENTS

The Annex to Recommendation ESRB/2015/2 is amended in accordance with the Annex to this Recommendation.

Done at Frankfurt am Main, 3 December 2024

The Head of the ESRB Secretariat, on behalf of the General Board of the ESRB

Francesco MAZZAFERRO

ANNEX

The Annex to Recommendation ESRB/2015/2 is amended as follows:

1. under Norway, paragraph 2 of the section headed 'I. Description of the measures' is replaced by the following:

   '2. The systemic risk buffer rate is set at 4.5 % and applies to the domestic exposures of all credit institutions authorised in Norway, on a consolidated, sub-consolidated and individual basis.'

2. under Norway, the section headed 'II. Reciprocation' is replaced by the following:

   'II. <u>Reciprocation</u>

   '5a. Relevant authorities are recommended to reciprocate the Norwegian measures for exposures located in Norway in accordance with Article 134(1) of Directive 2013/36/EU and with Article 458(5) of Regulation (EU) No 575/2013, respectively. As reciprocating the systemic risk buffer on a consolidated, sub-consolidated and individual basis as referred to in Recommendation ESRB/2024/7 of the ESRB (*) might require a relevant authority to adopt a new national reciprocating measure or amend existing national measures reciprocating the Norwegian systemic risk buffer measure, the standard three-month transition period following the publication of Recommendation ESRB/2024/7 in the *Official Journal of the European Union* for the implementation of reciprocating measures applies.

   5b. Following the request by Finansdepartementet, it is recommended that relevant authorities reciprocate the Norwegian systemic risk buffer measure by applying it on a consolidated, sub-consolidated and individual basis, irrespective of whether the exposures concerned are held through subsidiaries or branches, or result from direct cross-border lending.

   6. If the same macroprudential policy measures are not available in their jurisdiction, in accordance with sub-recommendation C(2), the relevant authorities are recommended to apply, following consultation with the ESRB, macroprudential policy measures available in their jurisdiction that have the most equivalent effect to the above measures recommended for reciprocation. The relevant authorities are recommended to adopt the equivalent measures for the reciprocation of the systemic risk buffer rate within three months following the publication of Recommendation ESRB/2024/7 in the *Official Journal of the European Union*.

(*) Not yet published in the Official Journal.'

3. under Norway, paragraph 8, point (a), of the section headed 'III. Materiality threshold' is replaced by the following:

   '(a) for the systemic risk buffer, the materiality threshold is set at a risk-weighted exposure amount of NOK 5 billion, which corresponds to around 0,16 % of total risk-weighted exposures of credit institutions reporting in Norway. All exposures held through subsidiaries or branches, or which result from direct cross-border lending, should be included in the calculation of exposures assessed against the materiality threshold.'