

Voluntary reciprocity of macroprudential measures: overview of ten years of experience

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In late 2015 the European Systemic Risk Board (ESRB) adopted a voluntary reciprocity framework for macroprudential policy measures. This commentary, which is based on feedback from the ESRB's member institutions, assesses how the framework has functioned over the past ten years, outlines the key challenges and provides suggestions for improvement. ESRB member institutions generally perceive the framework as enhancing the effectiveness and consistency of macroprudential measures. However, there are still significant challenges relating to issues such as data availability, procedural and administrative requirements, and heterogeneity in the application of the framework. This commentary presents both legislative and non-legislative proposals for improvements, which aim to address these challenges and achieve greater simplification, harmonisation and efficiency. It also outlines what actions have already been implemented to tackle some of the challenges.

Keywords: European Systemic Risk Board, ESRB, macroprudential policy, macroprudential measures, reciprocity, reciprocation, recommendations.

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1 Introduction

Macroprudential measures adopted in a European Union (EU) Member State often apply only to the exposures of the financial institutions authorised in that Member State. If the measures are not reciprocated by other Member States, their effectiveness may be weakened by regulatory arbitrage and distortions of the level playing field, since financial institutions in these other countries are able to offer competing products and services without being subject to the same measures. The European Systemic Risk Board (ESRB) may recommend that the national authorities of other Member States reciprocate macroprudential measures where this is not mandated by legislation. The ESRB set out a dedicated framework for this purpose in 2015.

Over a decade has passed since the adoption of Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential measures.¹ This commentary presents an overview of the legal framework on voluntary reciprocity and its application and reflects on the experience that has been gained over the past ten years, from the perspective of both the ESRB and national authorities. This assessment of the reciprocity framework is timely in light of the ongoing discussions on simplifying the prudential and regulatory frameworks for financial institutions.² The commentary also explores the way forward, considering possible ways of streamlining the current framework, which should go hand in hand with efforts to simplify the underlying macroprudential toolkit.

2 The regulatory framework for voluntary reciprocity and its objectives

The current legal framework of EU macroprudential policy, which comprises the Capital Requirements Regulation (CRR)³ and Capital Requirements Directive (CRD)⁴, provides for mandatory and automatic reciprocity of certain macroprudential measures. Specifically, where a relevant authority in a given Member State adopts countercyclical capital buffer (CCyB) rates, reciprocation by relevant authorities in other Member States is automatic and mandatory up to a 2.5% threshold.⁵ Similarly, where a relevant authority adopts macroprudential measures pursuant to Articles 124 and 164 of the CRR that impact the risk weights applied to real estate exposures, reciprocation by other relevant authorities is mandatory.

However, it is also important for macroprudential measures that are not subject to the mandatory regime to be reciprocated on a voluntary basis, to ensure the consistency and

¹ 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).

² See, for example, "[Simplification of the European prudential regulatory, supervisory and reporting framework](#)", ECB, December 2025.

³ 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 (OJ L 176 27.6.2013, p. 1).

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).

⁵ See Article 130 and Articles 135-140 of the CRD. Recommendation A, Principle 6 of Recommendation ESRB/2014/1 of the European Systemic Risk Board of 18 June 2014 on guidance for setting countercyclical buffer rates (OJ C 293, 2.9.2014, p. 1) encourages the voluntary reciprocation of CCyB rates above 2.5% set by other EU Member States. However, in practice, no authority has ever set a CCyB rate above 2.5%.

effectiveness of macroprudential policy. This is particularly crucial given the increasing interconnectedness and intensity of cross-border banking activities. To address these challenges, EU legislation provides for the recognition⁶ of macroprudential measures by national authorities other than the one that activated the measure, allowing them to be applied to institutions authorised in other Member States, for exposures located in the Member State that initially adopted the measure. It applies to measures under Article 458 of the CRR (stricter national measures) or Articles 133 and 134 of the CRD (systemic risk buffer). Authorities may also reciprocate macroprudential measures that are not enshrined in the EU legal framework, such as borrower-based measures, if the relevant policy instrument is available in their national framework.

The ESRB further developed the voluntary reciprocity framework in 2015, when it adopted Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures. In this recommendation, reciprocity is defined as “an arrangement, whereby the relevant authority in one jurisdiction applies the same, or equivalent, macroprudential policy measure, as is set by the relevant activating authority in another jurisdiction, to any financial institutions under its jurisdiction, when they are exposed to the same risk in the latter jurisdiction”.⁷

The framework specified in Recommendation ESRB/2015/2 consists of four elements. Recommendation A states that the relevant authorities should assess the cross-border effects of their own macroprudential policy measures; Recommendation B relates to the relevant authorities notifying the ESRB and submitting a request for reciprocation with regard to their own macroprudential policy measures; Recommendation C covers the relevant authorities’ reciprocation of the macroprudential policy measures adopted by other relevant authorities; and Recommendation D focuses on the relevant authorities notifying the ESRB of their reciprocation of the macroprudential policy measures adopted by other relevant authorities.

Specifically, an authority from a Member State⁸ (the activating authority) can request that the relevant authorities in other Member States (the reciprocating relevant authorities) reciprocate a macroprudential policy measure that it has adopted. The activating authority may ask the ESRB to issue a recommendation to other Member States that this measure be reciprocated. The relevant activating authority should send a notification to the ESRB that includes an assessment of the cross-border effects and the necessity of reciprocation by other relevant authorities.

In 2017 the voluntary reciprocity framework was supplemented with materiality thresholds under Recommendation ESRB/2017/4.⁹ These thresholds provide guidance on applying the *de minimis* principle, which allows relevant authorities to exempt certain financial institutions under their

⁶ Both the CRR and the CRD use the term “recognition” to describe reciprocity.

⁷ Recommendation ESRB/2015/2, Section 2, 1(f).

⁸ Although this commentary refers to Member States, under Annex IX of the Agreement on the European Economic Area the authorities concerned by the voluntary reciprocity framework are the relevant authorities of EU Member States and the relevant authorities of the European Free Trade Association States Iceland, Liechtenstein and Norway.

⁹ 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).

jurisdiction from applying a particular reciprocating measure where they have non-material exposures to the identified macroprudential risk. This principle means that only financial institutions with material exposures to the identified macroprudential risk are affected by any reciprocating measures that the relevant authority decides to adopt.

The ESRB framework for voluntary reciprocity also includes Decision ESRB/2015/4.¹⁰ Article 5 of this Decision sets out the procedure that the ESRB must follow when dealing with requests to recommend reciprocity.¹¹ The ESRB conducts an assessment of the need for adopting a recommendation on reciprocity and summarises it in an assessment note. Where necessary, the General Board amends Recommendation ESRB/2015/2 by adding the macroprudential measure to the list of measures that are recommended for reciprocity by other Member States.

3 ESRB recommendations on reciprocity

From 2015 up to the end of 2025, the ESRB adopted recommendations on reciprocity regarding 28 macroprudential measures.¹² These ESRB recommendations, which all amend Recommendation ESRB/2015/2, are described in the Annex and presented in Chart 1 below.¹³ All the recommendations were triggered by requests from the activating authorities.

¹⁰ 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 (OJ C 97, 12.3.2016, p. 28).

¹¹ The Decision refers to the Assessment Team on Macroprudential Policy Measures (ATMM). The ATMM is a permanent team chaired by the Head of the ESRB Secretariat. It is responsible for assessing the potential adverse cross-border spillover effects of specific macroprudential policy measures and evaluating whether reciprocity should be recommended in accordance with the framework set out in Recommendation ESRB/2015/2, if a request for reciprocity has been received from the relevant activating authority.

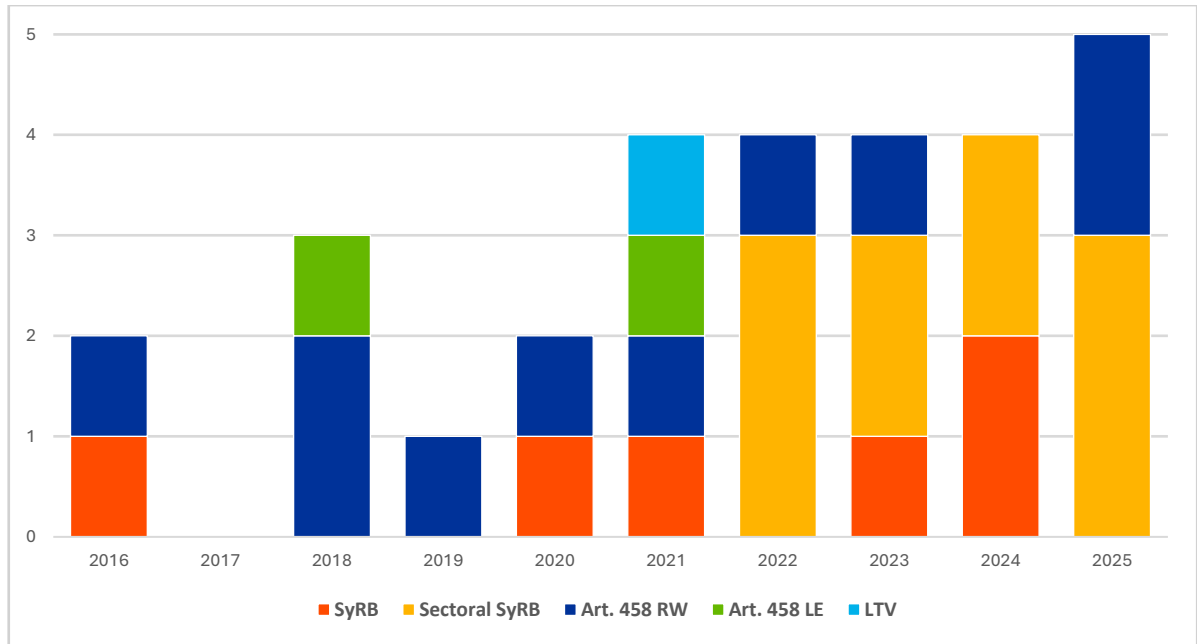
¹² If a measure is merely extended without any changes, there is no need to amend Recommendation ESRB/2015/2 since the previous amendment remains valid. As such, some requests for reciprocity do not lead to new recommendations.

¹³ These recommendations on reciprocity were adopted at the request of 14 countries, namely Belgium (5), Norway (4), Sweden (3), Germany (2), Estonia (2), Finland (2), France (2), Denmark (1), Luxembourg (1), Netherlands (1), Lithuania (1), Italy (1), Portugal (1) and Austria (1).

Chart 1

Recommendations on reciprocation of macroprudential measures, by year of issuance¹⁴

(number of recommendations)



Source: ESRB.

Notes: Multiple recommendations can cover the same measure if an existing measure has been modified or discontinued, necessitating an amendment to the recommendation. Recommendation ESRB/2021/3¹⁵ covers two measures (systemic risk buffer and Article 458 of the CRR risk weights) and is therefore reflected in both categories.

Once the ESRB has recommended reciprocation of a new measure and it has been included in the Annex to Recommendation ESRB/2015/2, the relevant national authorities need to decide on how to proceed. Relevant national authorities have two options: (i) they may decide to reciprocate the measure, and thus to comply with the ESRB recommendation, in which case they should generally adopt the reciprocating measure within three months¹⁶ and notify the ESRB within one month of doing

¹⁴ Chart key:

Red: Systemic risk buffer (SyRB)
Yellow: Sectoral systemic risk buffer (Sectoral SyRB)
Dark blue: Article 458 CRR, risk weight (Art. 458 RW)
Green: Article 458 CRR, large exposures (Art. 458 LE)
Light blue: Loan-to-value limit (LTV)

¹⁵ Recommendation ESRB/2021/3 of the European Systemic Risk Board of 30 April 2021 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (OJ C 222, 11.6.2021, p. 1).

¹⁶ This three-month period applies unless another specific deadline is recommended for reciprocation of a macroprudential policy measure.

so; or (ii) they may decide that reciprocation is not necessary, in which case they should provide a clear explanation of the reasoning behind this decision.¹⁷

Every two years, the ESRB assesses compliance with the voluntary reciprocity framework, including the reciprocating measures adopted by relevant authorities and/or the justifications provided for inaction. The ESRB acts in accordance with Article 17 of the ESRB Regulation¹⁸ and follows the procedure described in the ESRB handbook on the assessment of compliance with ESRB recommendations.¹⁹ Once approved by the ESRB General Board, the compliance report is transmitted to the relevant authorities and published on the ESRB's website.

Compliance assessments conducted to date reveal a high degree of compliance by the relevant authorities, which has increased over time. During the first two years of application of Recommendation ESRB/2015/2, nearly half of relevant authorities (13 out of 28 Member States) fully complied by reciprocating recommended measures. Most non-reciprocating authorities provided sufficient justification, with only one case deemed to have been “insufficiently explained”.²⁰ Between 1 July 2017 and 30 June 2021 compliance with ESRB recommendations was high: 26 out of 30 countries were “fully compliant” and four were “largely compliant”.²¹ Between 1 July 2021 and 30 June 2023 all 30 countries were graded “fully compliant”, while the inaction of the ECB/Single Supervisory Mechanism was considered “sufficiently explained”.²² A compliance assessment for 1 July 2023 to 30 June 2025 will begin soon.

4 Feedback from national authorities regarding the voluntary reciprocity framework

The information presented here draws from a survey conducted with representatives of ESRB member institutions covering their experience with the voluntary reciprocity framework, including its perceived effectiveness, the challenges faced and potential areas for improvement. This section summarises the survey findings, which will inform proposals for both non-legislative improvements and potential legislative changes to enhance harmonisation and efficiency, presented in Section 5.

¹⁷ See Recommendations C and D and Section 2 (3) of Recommendation ESRB/2015/2.

¹⁸ 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 (OJ L 331 15.12.2010, p. 1).

¹⁹ [“Handbook on the assessment of compliance with ESRB recommendations”](#), ESRB Secretariat, April 2016.

²⁰ [“Summary Compliance Report”](#), ESRB, December 2021. During this period, the ESRB recommended reciprocation for two macroprudential measures.

²¹ [“Summary Compliance Report”](#), ESRB, September 2023. During this period, the ESRB recommended reciprocation for four macroprudential measures.

²² [“Summary Compliance Report”](#), ESRB, August 2024. During this period, the ESRB recommended reciprocation for nine macroprudential measures.

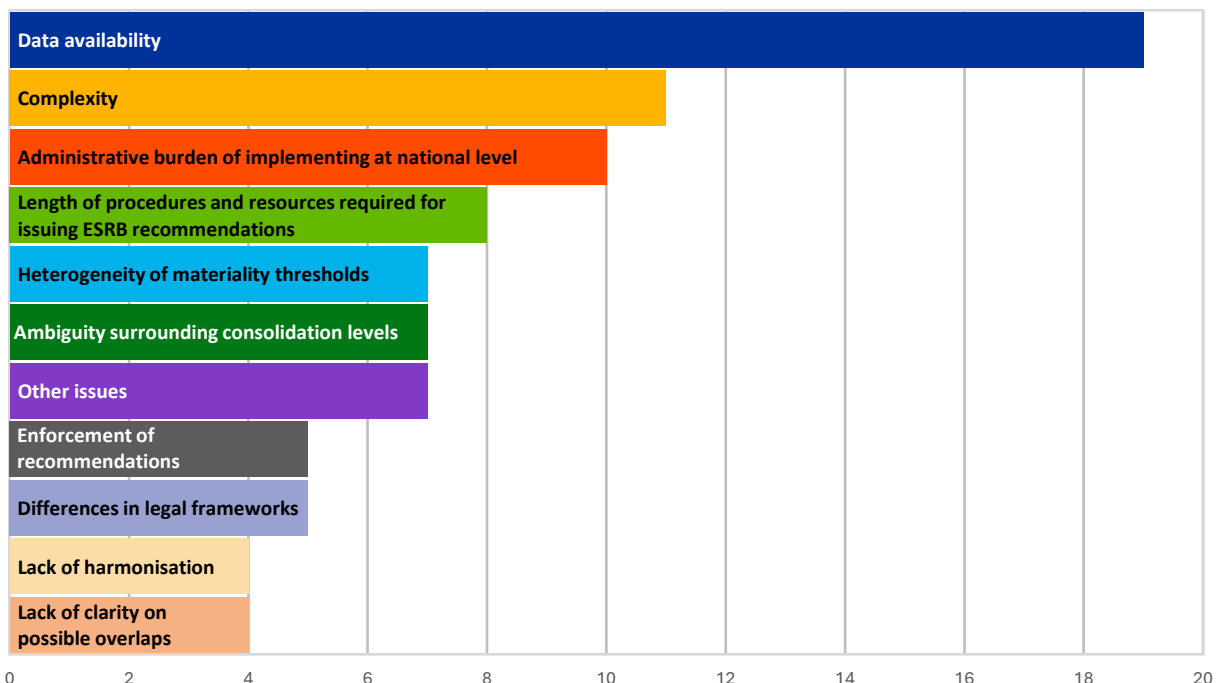
Overall, while ESRB member institutions assessed the framework as beneficial for the EU-wide macroprudential toolkit, they also acknowledged that there is room for improvement. Survey respondents viewed the current framework as effective, in the sense that macroprudential measures are to a large extent reciprocated under the voluntary reciprocity framework. Nevertheless, most respondents advocated for improvements, citing areas such as lengthy and complex procedures and a lack of standardisation in materiality thresholds. Some respondents were of the view that variations in how national macroprudential measures are designed may create uncertainty in the context of reciprocity arrangements, particularly in relation to possible overlaps.

The survey highlighted a number of recurring challenges in the voluntary reciprocity framework, with data availability being mentioned most frequently. Respondents highlighted that, although the framework is proving useful, there are still a number of challenges in its practical application. The chart below illustrates how frequently various aspects were raised. Constraints relating to data availability, the complexity of the framework and the administrative burden associated with implementing reciprocated measures were among the topics mentioned most often. Although other issues were reported less frequently, they are still relevant for understanding the broader difficulties faced by authorities. The paragraphs below focus more closely on each of the issues identified.

Chart 2

Issues raised by survey respondents

(number of respondents)



Source: ESRB survey.

Notes: Respondents were able to select multiple responses. The total number of respondents was 25.

1. **Data availability is seen as a significant challenge.** Many respondents reported difficulties in identifying relevant exposures to the measure recommended for reciprocation due to gaps in

harmonised common reporting (COREP) and financial reporting (FINREP). Measures targeting granular or sectoral exposures often lack clear references to data sources, making it more difficult to assess accurately whether materiality thresholds for reciprocity have been exceeded and evaluate banks' compliance with the reciprocated measures. As a result, authorities often need to request additional, ad hoc reporting, which increases the workload for both authorities and credit institutions.

2. **The reciprocity framework is sometimes perceived as complex and burdensome.** Respondents reported difficulties in keeping track of reciprocity measures, asking for clearer and more consolidated information, as well as guidance on the procedures to follow and the responsibilities of the various authorities involved. Several respondents noted that the overall procedure of issuing an ESRB recommendation involves multiple steps and extensive coordination, making it lengthy and often resource-intensive for member institutions. Finally, some respondents observed that implementing the recommendations at national level also requires time and resources, making it difficult to meet the expected deadlines.
3. **Differences in the methods used to set materiality thresholds may influence the framework's overall effectiveness.** Many respondents observed that the flexibility provided in setting materiality thresholds may possibly lead to uneven application across jurisdictions. More harmonised rules on how thresholds are defined and applied could be beneficial. On the other hand, some respondents said that a certain degree of flexibility is important, as national specificities may make a fully uniform approach difficult to apply.
4. **The level of consolidation at which Member States must apply the reciprocated measures could be a possible source of uncertainty.** Respondents welcomed the publication of the answer to a question on the application of a recognised systemic risk buffer on a consolidated basis in the Single Rulebook Q&A.²³ Respondents also welcomed the fact that recent ESRB recommendations specify the consolidation level (individual, sub-consolidated and/or consolidated) at which Member States should recognise a macroprudential measure. Additionally, respondents raised the need for greater clarity on the level of consolidation to which materiality thresholds should apply, stating that notifications should address this issue more clearly.
5. **A lack of effective mechanisms for enforcing recommendations could weaken the effectiveness of the framework.** Some respondents highlighted that enforcement mechanisms are either limited or weak, often lacking sufficient visibility. Specifically, they felt that the lack of additional consequences for authorities that fail to comply may reduce the overall impact of ESRB recommendations.
6. **Differences in national legal frameworks and in the application of the reciprocity framework can be a complicating factor.** Some respondents pointed out that differences in national laws on macroprudential tools, namely on borrower-based measures, but also potentially in transposition of EU rules, raise challenges in the application of the reciprocity framework. In the same vein, respondents noted that countries may differ in how they apply macroprudential tools and reciprocity, for example when choosing materiality thresholds and the consolidation level.

²³ See "[Single Rulebook Q&A](#)", European Banking Authority, May 2025.

7. **The criteria for setting measures and assessing possible overlaps between them could benefit from further clarification.** A number of respondents noted that differing national laws and methodologies, and a lack of EU-wide guidance, may make it harder to assess possible overlaps between measures, which may in turn affect reciprocity decisions.
8. **Finally, there are some other issues and challenges that may affect the implementation and effectiveness of the reciprocity framework.** The issues noted by respondents included the interpretation and application of some regulatory provisions, operational aspects of implementing and monitoring reciprocity measures, the definition of the exposures, and the timelines for active measures. Additionally, some respondents raised broader concerns, such as the absence of a unified framework for assessing systemic risks across jurisdictions, making it more difficult to compare and coordinate measures across jurisdictions, and the impact of measures such as the output floor on risk calibration and level playing field considerations. Together, these issues may further affect the implementation and effectiveness of the reciprocity framework.

5 Potential areas for improving the framework

Survey respondents suggested various possible improvements to the voluntary reciprocity framework. These suggestions may be divided into those that would require changes to legislation, such as the CRR and CRD, and those that may be implemented without the need to amend EU legislation. Suggested improvements that may be implemented by the ESRB and its membership focus on making communication clearer, sharing information, simplifying procedures, and releasing additional guidance to enable certain aspects to be harmonised. Some of these changes may require amendments to existing ESRB decisions and recommendations, particularly Decision ESRB/2015/4 and Recommendation ESRB/2015/2. In contrast, changes to legislation would aim to further harmonise the framework and clarify legal texts to ensure shared understanding and consistent implementation of macroprudential policy across the EU. EU co-legislators would need to adopt these improvements following a proposal from the European Commission.

The ESRB has already outlined many of the proposals that would require amendments to legislation in its previous reports and responses to the European Commission. Key documents in this regard are the ESRB Concept Note²⁴ and the ESRB's response to the European Commission's consultation on the review of the macroprudential framework for banks²⁵, both published in March 2022, which included proposals such as extending automatic and mandatory reciprocity to other macroprudential measures and removing the 2.5% cap on mandatory reciprocity for the CCyB. In the same vein, the ECB also put forward recommendations for legislative amendments aligned with these proposals in the report of the High-Level Task Force on Simplification, published in December 2025.²⁶

²⁴ ["Review of the EU macroprudential framework for the banking sector – a concept note"](#), ESRB, March 2022.

²⁵ ["Review of the EU Macroprudential Framework for the Banking Sector – Response to the call for advice"](#), ESRB, March 2022.

²⁶ ["Simplification of the European prudential regulatory, supervisory and reporting framework"](#), ECB, December 2025.

More recently, the ESRB made proposals in this regard in response to the European Commission's consultation on the competitiveness of the EU banking sector.²⁷

Details of the improvements that ESRB member institutions suggested in their survey responses, along with the ESRB considerations and possible actions it could take in response, are outlined below.

Suggested improvements that would require amendments to EU legislation

- a. **Expanding mandatory reciprocity beyond the CCyB by amending CRD/CRR provisions to make automatic reciprocity the standard practice.** This would reduce the administrative burden and promote consistent application across jurisdictions, although it would also require a more standardised application and description of the relevant macroprudential measures, harmonised exposure identification and clearly defined materiality thresholds. The ESRB has already put forward proposals in this regard.²⁸
- b. **Establishing clear EU rules regarding the level of consolidation (individual, sub-consolidated and/or consolidated) at which reciprocated measures shall apply.** This would complement the corresponding European Commission's response in the Single Rulebook Q&A, ensuring legal certainty and a level playing field across Member States.
- c. **Making explicit provision in EU legislation for the treatment of the "positive neutral" (PN) approach to the setting of the CCyB within the reciprocity framework.** While a more proactive use of the CCyB earlier in the cycle, when cyclical systemic risks are neither subdued nor elevated, – for instance through a PN CCyB rate – is widely considered part of the CCyB framework, legislation could explicitly provide that the reciprocity framework of the CCyB applies.

Suggested improvements that do not require amendments to EU legislation

- a. **Providing specific data points in harmonised reporting templates (e.g. COREP/FINREP) and specifying alternative data sources or proxies where harmonised data is not available, to assess the materiality of exposures.**²⁹ Specific data points³⁰ for assessing the materiality of

²⁷ ["ESRB response to the European Commission consultation on competitiveness in the banking sector"](#), ESRB, 17 April 2026 and ["ESRB contribution to the European Commission consultation on competitiveness in the banking sector"](#), Letter to Commissioner Maria Luís Albuquerque, ESRB, 17 April 2026.

²⁸ See ["Review of the EU macroprudential framework for the banking sector– a concept note"](#), ESRB, March 2022, ["ESRB response to the European Commission consultation on the review of the mortgage credit directive"](#), ESRB, 31 March 2022, ["ESRB response to the European Commission consultation on competitiveness in the banking sector"](#), ESRB, 17 April 2026 and ["ESRB contribution to the European Commission consultation on competitiveness in the banking sector"](#), Letter to Commissioner Maria Luís Albuquerque, ESRB, 17 April 2026.

²⁹ Changes to the reporting templates (e.g. COREP/FINREP) may even be considered if it contributes to simplifying the identification and monitoring of exposures relevant for reciprocating measures, while improving data accuracy.

³⁰ For instance, reference to specific cells in FINREP/COREP tables or specific NACE codes.

exposures are now systematically included in ESRB recommendations for reciprocation and in the assessment notes.³¹

b. Adopting a common methodology for setting materiality thresholds and further harmonising aspects such as the level of consolidation at which they should be applied. This could include defining thresholds as a percentage of market size, while allowing flexibility for national authorities to account for the particularities of the local financial system. While it would be challenging to create a fully unified approach, guidance could be developed to promote consistency across measures. Regarding the level of consolidation, the ESRB's recommended approach in recent cases has been to assess the materiality of exposures on a consolidated, sub-consolidated and individual basis. When assessing materiality on a consolidated and sub-consolidated basis, total exposures – arising through branches, direct cross-border lending and subsidiaries – should be measured against the materiality threshold.

c. Publishing updated and summarised information regarding the measures recommended for reciprocation on the ESRB website. The ESRB has improved the "[Reciprocation of measures](#)" section on its website, which now includes a list of all recommendations amending Recommendation ESRB/2015/2, a [link to a table](#) listing all the measures currently recommended for reciprocation and an updated [consolidated version](#) of Recommendation ESRB/2015/2.³²

d. Increasing the level of standardisation and detail in requests for reciprocation made by national authorities and in the ESRB recommendations. Standardised templates could enhance coordination and help address possible overlaps between measures. The ESRB Secretariat is currently working to enhance the notification templates so that they request more detailed and standardised information in relation to requests for reciprocation. Additionally, introducing structured timeframes (e.g. twice a year) for requesting and assessing the need for reciprocation could be considered. However, reciprocity timelines must remain as aligned as possible with the domestic activation of measures to ensure their effectiveness and avoid regulatory arbitrage.

e. Streamlining procedures for communicating decisions relating to reciprocation/non-reciprocation of measures, while ensuring that members remain well informed and actively involved. Notification requirements could be removed or streamlined when measures are being extended (or changes are immaterial), unless the decision on whether to reciprocate the measure changes. Members also suggested that instances of non-reciprocation could be notified to the ESRB annually, instead of the current ad hoc notification process.

f. Improving consistency and comparability across compliance assessments. Members suggested aligning the reporting templates used to assess compliance with those used to notify the ESRB of the intention to reciprocate a measure or not. This would avoid redundant reconfirmations

³¹ In its response to the European Commission consultation on competitiveness in the banking sector, the ESRB suggests using FINREP/COREP data points to identify banks' exposures that are subject to the relevant measure, for the purpose of harmonisation (question 69). "[ESRB response to the European Commission consultation on competitiveness in the banking sector](#)", ESRB, 17 April 2026 and "[ESRB contribution to the European Commission consultation on competitiveness in the banking sector](#)", Letter to Commissioner María Luís Albuquerque, ESRB, 17 April 2026.

³² The ESRB now also notifies its members when new recommendations are published in the Official Journal and when the recommendations are adopted by the General Board.

during the biennial compliance exercises. Respondents also requested clarification on the criteria that are used to determine whether non-reciprocation has been sufficiently explained.

g. **Updating the relevant ESRB legal acts and the ESRB handbook³³ to provide additional guidance on assessing possible overlaps between measures, fostering more consistent implementation.** Assessing possible overlaps between reciprocated and domestic measures is a complex task, as there is no straightforward methodology for conducting such assessments and the required data might not be readily available. Some flexibility may remain, as it aligns with the voluntary nature of the reciprocity framework.

h. **Developing a clearer and more comprehensive framework for the activation and reciprocation of systemic risk buffers.** This could include clear principles, a more standardised way of assessing risks, a clear justification for when reciprocity should apply, and more streamlined cross-border processes. These enhancements could contribute to further consistent application across countries, strengthen banks' resilience and support fair competition. However, simplifying and standardising the overall design and use of macroprudential tools is a broader and more complex task that goes beyond the scope of the reciprocity framework. Ongoing discussions on simplifying the banking regulatory framework may lead to improvements in this area, which would also enhance the functioning of the reciprocity framework.

Conclusion

This commentary has outlined experiences of applying the current framework for voluntary reciprocity of macroprudential measures over the past ten years and put forward proposals to enhance it. While many ESRB member institutions believe the framework has demonstrated its effectiveness in mitigating cross-border spillovers and enhancing consistency across jurisdictions, challenges remain in the form of data availability, procedural complexity, heterogeneity in its application and some legal ambiguity. Addressing these issues through targeted non-legislative improvements or via legislative amendments would significantly strengthen the framework, ensuring a more harmonised and efficient macroprudential policy landscape across the EU.

The ESRB will continue to monitor how the reciprocity framework is implemented, aiming to make improvements within the scope of its mandate and tools. For improvements that require legislative amendments, the involvement of the European Commission will be crucial. Policymakers should ensure that the relevant proposals are effectively assessed and integrated into future legislative developments, promoting greater resilience and consistency within the EU's macroprudential framework. Improving the reciprocity framework aligns well with current initiatives to simplify the banking regulatory framework and could be included in any future legislative package aiming to achieve this.

³³ ["The ESRB handbook on operationalising macroprudential policy in the banking sector"](#), ESRB, 2018.

Annex

Overview of recommendations on reciprocation of macroprudential measures issued between 1 January 2016 and 31 December 2025³⁴

ESRB recommendation	Activating country	Description of measure recommended for reciprocation
2016/3	Belgium	Addition of Article 458 CRR risk weight measure
2016/4	Estonia	Addition of systemic risk buffer (SyRB) measure
2018/1	Finland	Addition of Article 458 CRR risk weight measure
2018/5	Belgium	Addition of Article 458 CRR risk weight measure
2018/8	France	Addition of Article 458 CRR large exposure limit
2019/1	Sweden	Addition of Article 458 risk weight measure
2020/9	Estonia	Removal of SyRB measure
2020/16	Finland	Removal of Article 458 CRR risk weight measure
2021/2	Luxembourg	Addition of loan-to-value (LTV) limit
2021/3	Norway	Addition of SyRB and Article 458 CRR risk weight measures
2021/6	France	Modification of Article 458 CRR large exposure limit
2022/1	Netherlands	Addition of Article 458 CRR risk weight measure
2022/1	Lithuania	Addition of sectoral SyRB measure
2022/3	Belgium	Addition of sectoral SyRB measure
2022/4	Germany	Addition of sectoral SyRB measure
2023/1	Norway	Modification of SyRB measure
2023/4	Sweden	Addition of Article 458 CRR risk weight measure
2023/9	Belgium	Modification of sectoral SyRB measure

³⁴ The list of recommendations that are currently in force may be viewed on the ESRB's website under "[Reciprocation of measures](#)".

2024/2	Italy	Addition of SyRB measure
2024/3	Denmark	Addition of sectoral SyRB measure
2023/13	Portugal	Addition of sectoral SyRB measure
2024/5	Belgium	Modification related to sectoral SyRB – clarification of consolidation level
2024/7	Norway	Modification related to SyRB – clarification of consolidation level
2025/4	Germany	Modification of sectoral SyRB measure
2025/5	Sweden	Modification related to Article 458 CRR risk weight measure – clarification of consolidation level
2025/6	Norway	Modification of Article 458 CRR risk weight measure, including application at consolidated level
2025/10	Austria	Addition of sectoral SyRB measure
2025/11	Belgium	Removal of sectoral SyRB measure