EUROPEAN
COMMISSION

Brussels, 17.7.2018
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# COMMISSION DECISION

## of 17.7.2018

## not to propose an implementing act to reject the draft national measure notified on 24 May 2018 by Sweden under Article 458 (4) of Regulation (EU) No 575/2013 of the European Parliament and of the Council

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**not to propose an implementing act to reject the draft national measure notified on 24 May 2018 by Sweden under Article 458 (4) of Regulation (EU) No 575/2013 of the European Parliament and of the Council**

THE EUROPEAN COMMISSION,

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

Having regard to 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[1], and in particular Article 458 thereof,

Having regard to the opinions of the European Systemic Risk Board (ESRB)[2] and the European Banking Authority (EBA)[3],

Whereas:

(1) On 24 May 2018, Finansinspektionen, the Swedish Financial Supervisory Authority ("FSA"), in its capacity as the designated authority in charge of the application of Article 458 of Regulation (EU) No 575/2013, notified the Commission of its intention to impose a national measure ("the draft measure") as of 31 December 2018. The draft measure targets asset bubbles in the residential immovable property sector as referred to in Article 458(2)(d)(vi) of Regulation (EU) No 575/2013.

(2) The draft measure is intended to address a change in intensity of the systemic risk originating from the domestic market for residential mortgage loans. It consists of a minimum level for the exposure-weighted average risk weight on retail exposures in Sweden secured by immovable property applicable as of 31 December 2018 for a period of two years. The draft measure will apply to credit institutions under the supervision of the FSA that use the internal ratings based ("IRB") approach to calculate capital requirements. For the combined exposures of all institutions affected, the draft measure would increase the implied risk weight on residential mortgage loans from 4.5% on average to 25%. Credit institutions that use the IRB approach account for around 95% of the domestic mortgage market.

(3) The FSA identified several developments in the Swedish residential real estate market that point to an elevated and overall increasing intensity of systemic risk. A range of indicators signal a significant overvaluation of the residential real estate market in Sweden. Nominal house prices have substantially increased over the past two decades and more than doubled over the past 10 years alone, despite a modest price correction

1 OJ L 176, 27.6.2013, p.1.

2 Opinion of the European Systemic Risk Board of 21 June 2018 regarding Swedish notification of a stricter national measure based on Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (ESRB/2018/4.

3 Opinion of the European Banking Authority on measures in accordance with Article 458 Regulation (EU) No 575/2013 of 25 June 2018 (EBA/Op/2018/06.

in the autumn of 2017 followed by a stabilisation of house prices in the first quarter of 2018. At the end of 2017, the price-to-income ratio reached its highest level in 40 years. The FSA notes that various model-based valuation estimates by international organisations, for instance the real estate valuation methods of the ESRB and the European Central Bank (ECB)[4], support the assessment that residential properties are overvalued. The available estimates rank Sweden among those Member States with the highest degree of overvaluation. Moreover, the Commission's own assessment of the valuation of the Swedish residential real estate sector also supports the notion that house prices remain overvalued[5]. Key drivers include supply constraints and structural inefficiencies (including limited competition in the construction sector and the high level of rent control); tax incentives favouring home ownership and mortgage debt, and continued accommodative credit conditions, coupled with still relatively low mortgage amortisation rates and ongoing credit expansion.

(4) In recent years, the indebtedness of Swedish households has continued to rise from already high levels. In 2017, household debt grew by 7%, reaching around 86% of GDP and 184% of household disposable income – one of the highest levels in the Union. Having fallen somewhat in 2016, the average debt-to-disposable-income ratio for new mortgage borrowers rose again in 2017 to 411%, a new high. High mortgage borrowing, linked to high house prices and structural distortions favouring mortgage-financed property investment, is driving the growth in household debt. Debt levels are unevenly distributed, with lower-income and younger households facing particularly high debt loads relative to their incomes. In the first part of 2018, the number of new mortgagors with a high level of debt in relation to the value of their income continues to be high and mortgage lending has increased at a rate of 7% on the back of low nominal interest rates. Moreover, the majority of residential mortgage loans have floating interest rates, implying that debt service costs could rise rapidly in line with interest rates. In the first quarter of 2018, around 73% of residential mortgage loans had floating interest rates. In all, the development of household indebtedness points to the risk of a significant reduction in private consumption in the event of a reversal in the housing market.

(5) Credit institutions in Sweden have significant exposure to residential immovable property and are directly affected by the associated systemic risk. Residential mortgage loans account for around 82% of all loans from credit institutions to the household sector and for around 50% of all loans to the private sector, the second-highest share among Member States. Swedish credit institutions depend, to a significant extent, on wholesale funding and have the second-largest loan-to-deposit ratio in the Union, amounting to over 200%. The major credit institutions are closely interconnected and have significant exposures towards each other. Moreover, Swedish credit institutions are among the largest owners of each other’s covered bonds. Consequently, adverse developments in the Swedish residential real estate sector could affect Swedish credit institutions both directly, through their exposure to residential mortgage loans, but also indirectly, in the form of funding constrains or a re-pricing of covered bonds.

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4 See ESRB risk dashboard, March 2018, Chart 3.12.

5 Alert Mechanism Report 2018, COM (2017) 771 final and Country Report Sweden 2018, accompanying the Communication from the Commission to the European Parliament, the Council, the European Central Bank and the Eurogroup: 2018 European Semester: Assessment of progress on structural reforms, prevention and correction of macroeconomic imbalances, and results of in-depth reviews under Regulation (EU) No 1176/2011, SWD (2018) 200 final.

(6) Medium-term financial stability risks emanating from the residential property market are also highlighted in country surveillance analyses for Sweden carried out at Union level. In particular, strong house price increases coupled with high and rising household debt underpin the Country Specific Recommendation to Sweden under the European Semester[6], as well as the warning on medium term risks stemming from residential real estate issued by the ESRB in 2016[7]. There is evidence of a high and increasing intensity of systemic risk emanating from the residential immovable property market and the level of household debt in Sweden. As of September 2014, a 25% risk weight floor has been imposed by the FSA on Swedish mortgage exposures of credit institutions using internal risk models, on the basis of Article 104 of Directive 2013/36/EU of the European Parliament and of the Council[8], ("Pillar 2" of the capital requirements framework allowing for institution-specific capital requirement settings complementing the so-called "Pillar 1" rules on capital requirements applicable to all credit institutions) in order to mitigate the systemic risk originating from residential real estate. The FSA first introduced the risk weight floor in 2013 as a requirement in accordance with Article 104 of Directive 2013/36/EU at a level of 15%[9] and this measure will cease to apply at the end of 2018. The calibration of the minimum level for the average risk weight floor in the draft measure was set so as to cover against the fall-out from a severe scenario with high financial stress, taking into account the broader systemic risks that could arise.

(7) Apart from the risk weight floor on residential mortgage loans, Sweden has, in recent years, implemented a broad range of macro-prudential measures to mitigate systemic risk. The FSA currently applies several capital buffer requirements: a 2.5% capital conservation buffer in accordance with Article 160 of Directive 2013/36/EU as of 2 August 2014; a 2% countercyclical capital buffer in accordance with Article 136 of that Directive (as of 19 March 2017); a systemic risk buffer of 3% applicable to the so-called Other Systemically Important Institutions in Sweden in accordance with Article 133 of that Directive as of 1 January 2015; a 1% buffer for global systemically important institutions in accordance with Article 131 of that Directive since 21 November 2017, as well as an additional 2% buffer for systemic risk imposed on systemically important credit institutions in the form of a Pillar 2 requirement under national law as of 1 January 2015. In addition, the FSA has imposed several borrower-based measures under national law, including the introduction of loan-to-value limits as of 2010 and a mortgage amortisation requirement in June 2016. A strengthened amortisation requirement for residential mortgage loans for households with high debt-to-income ratios came into force in March 2018. Initial assessments of these borrower-based measures suggest that the amortisation requirement has contributed to

6 https://ec.europa.eu/info/sites/info/files/file_import/2018-european-semester-country-specific-recommendation-commission-recommendation-sweden-en.pdf.

7 Warning of the European Systemic Risk Board of 22 September 2016 on medium-term vulnerabilities in the residential real estate sector of Sweden; https://www.esrb.europa.eu/news/pr/date/2016/html/pr161128.en.html.

8 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).

9 Finansinspektionen, 'Decision to implement a risk weight floor for mortgages' 21 May 2013 (https://www.fi.se/en/published/news/2013/decision-to-implement-a-risk-weight-floor-for-mortgages/); 'Capital requirements for Swedish banks', 10 September 2014 (https://www.fi.se/en/published/news/2014/capital-requirements-for-swedish-banks/).

households buying fewer expensive homes and borrowing less. However, they appear not to have significantly reduced the macro-financial vulnerabilities. Sweden also adopted legislation in February 2018 to strengthen the FSA's legal mandate, allowing the authority to directly implement macro-prudential measures in a timely manner.

(8) The draft measure will replace the risk weigh floor for residential mortgage exposures mentioned above. It will likely leave the overall level of capital requirements for Swedish credit institutions using the IRB approach broadly unchanged in nominal monetary terms. However, the draft measure technically gives rise to a pronounced decrease of the reported overall capital ratios, expressed as a percentage of risk-weighted assets, for credit institutions that use the IRB approach, depending on the relative size of their mortgage portfolio and the prevailing institution-specific risk weights. The risk weight floor under the draft measure would effectively increase the total risk weighted assets used to compute the requirement, whereas the prevailing Pillar 2 capital requirement gives rise to a higher capital requirement whilst keeping risk weights unchanged. The estimated impact on the capital ratios varies across the credit institutions affected, depending on the relative size of their mortgage portfolio and the prevailing institution-specific risk weights for residential mortgage loans[10]. The notification does not indicate how the additional 2% risk buffer, currently applied to the total risk weighted exposure amounts of systemically important institutions in Sweden as a Pillar 2 requirement, will be implemented in the future. Any change would also affect the capital requirement related to residential mortgage loans in Sweden but, given the size of the buffer the impact would be much smaller than the impact of the risk weight floor.

(9) The FSA notes that the risk weight floor requirement for material exposures to residential mortgage loans in Sweden by branches of a credit institution established outside Sweden would have to be achieved through recognition of the draft measure by the authorities of the relevant Member State. According to the notification submitted by the FSA the timing of the draft measure takes into consideration the relocation of the head office of Nordea Bank AB, the largest credit institution in Sweden and an institution of global systemic importance, from Sweden to Finland in the autumn of 2018 – a move which is conditional on Nordea Bank AB receiving a licensing approval from the ECB and a merger approval from the national competition authorities. As regards timing, the FSA intends to give the affected institutions the opportunity to make the necessary preparations and adjustments to their processes and systems, as well as to align reporting requirements and inform investors as the draft measure reduces the current margin for triggering the automatic dividend restrictions. Until the draft measure takes effect, the institutions affected will remain subject to the current requirements on the risk weight of residential mortgage loans in Sweden.

(10) The FSA notes that the relocation would affect the responsibility for supervision and crisis management of the competent authorities in both Sweden and Finland. The FSA notes that after the relocation it would no longer have direct supervisory powers, including the application of macro-prudential instruments, over Nordea Bank AB’s future branch activities as regards capital, liquidity and risk management, including the provision of residential mortgage loans against collateral located in Sweden. Against this backdrop, the FSA has put forward arguments against the the continued use of Articles 103 and 104 of Directive (EU) No 36/2013 in view of impending or

[10] Appendix A to the notification, public consultation memorandum (FI 18-6251) illustrates the estimated impact in a series of detailed charts.

future changes in the operations of cross-border financial institutions of systemic importance to Sweden. The FSA considers it an advantage of the draft measure that Article 458 of Regulation (EU) No 575/2013 allows for requesting recognition by the designated authorities in the Member States, whereas the prevailing capital adequacy regulations do not define recognition for Pillar 2 capital requirements. The FSA thus judges that the draft measure will be more effective in ensuring recognition of the draft measure and thus ensuring its applicability to the relevant exposures.

(11) According to Article 458(4) of Regulation (EU) No 575/2013, the European Banking Authority (EBA) and the European Systemic Risk Board (ESRB) must provide their opinions on a draft national measure within one month of receiving a notification pursuant to paragraph 2 of that Article. On 21 June 2018, the ESRB submitted its opinion on the draft measure ("ESRB opinion"). The opinion from EBA ("EBA opinion") was issued on 25 June 2018. Both the ESRB and the EBA do not object to the draft measure.

(12) Having carefully considered the evidence provided by the FSA and having carefully examined the opinions of the EBA and ESRB, the Commission considers that vulnerabilities emanating from the Swedish residential immovable property market and the level of household debt remain high and are increasing. In the absence of appropriate policy measures, the change in intensity of systemic risk would pose a threat to the stability of the financial system and to the real economy. The draft measure addresses the identified systemic risk, as it would impose a risk weight floor on residential mortgage loans in Sweden for all material exposures of credit institutions that use the IRB approach for calculating capital requirements. At the same time, consistency of application is ensured as well as improved comparability of capital requirement ratios with credit institutions established elsewhere in the Union. However, in assessing the appropriateness of the draft measure in accordance with Article 458(2)(c) of Regulation (EU) 575/2013, it needs to be determined whether other instruments available in the current framework for capital requirements could adequately address the increase in systemic risk, taking into account their relative effectiveness.

(13) Article 124 of Regulation (EU) No 575/2013 allows competent authorities to set higher values for risk weights of real estate exposures under the standardised approach for calculating capital requirements. Its use would not adequately address the systemic risk identified, since credit institutions using the IRB approach dominate the market for residential mortgage loans, with a market share of about 95%. Furthermore, the current average risk weight of 35% for real estate exposures under the standardised approach is considered to be more than sufficient by the FSA. The Commission agrees with the assessment submitted by the FSA.

(14) Under Article 164 of Regulation (EU) No 575/2013, competent authorities may, where appropriate on the basis of financial stability considerations, set higher minimum values of exposure weighted average loss given default (LGD) for exposures secured by immovable property in their territory. The FSA considers Article 164 of Regulation (EU) No 575/2013 as not adequate to address the macroprudential or systemic risk identified for a number of reasons. First, credit risk models for residential mortgage loans in Sweden often generate low risk weights due to very low historical credit losses and the FSA considers that such low risk weights do not fully capture the potential credit losses of residential mortgage loans in Sweden in a severe downturn scenario. Second, the differences in risk weights estimation could partly reflect the individual conservativism of credit institutions in the estimation of the probability of

default (PD) and not necessarily differences in the risk profile of the underlying portfolio. But as the low credit loss history affects both the estimation of PDs and LGDs in the IRB approach, increasing the LGD floor for residential mortgage loans would widen the existing differences in risk weights between credit institutions that use the IRB approach and might result in a disproportionate increase in risk weights for some credit institutions. As the IRB risk weight formula is a linear function of the LGD parameter, increasing the latter would lead to a larger increase in risk weights for more conservative credit institutions with higher PD estimates. Third, an increase in the average LGD floor would have implications beyond the calculation of the risk-weighted exposure amounts and also apply to other micro-prudential parameters, such as the calculation of expected loss amounts under Articles 158 and 159 of Regulation (EU) No 575/2013.

(15) Having examined the arguments and evidence put forward by the FSA and having taken into careful consideration the opinions provided by the ESRB and EBA, the Commission considers that measures taken pursuant to Articles 124 and 164 of Regulation (EU) No 575/2013 would be relatively less effective than the draft measure in adequately addressing the specific systemic risk identified. Measures under Article 164 of Regulation (EU) No 575/2013 would add further complexity to the determination of capital requirements and could reduce the transparancy of risk weights for market participants, while not sufficiently ensuring resilience of the financial sector.

(16) Article 101 of Directive 2013/36/EU relates to the ongoing review by competent authorities of the permission to use internal models. The EBA and ESRB consider that Article 101 of Directive 2013/36/EU would not be applicable to address the systemic risk identified. While a potential increase in risk weights resulting from an adjustment of internal models might have repercussions on the appropriateness of the draft measure and might warrant its recalibration, the Commission agrees with the EBA and ESRB that the review of internal models is beyond the scope of this Decision. Furthermore, given the imminence and weight of the identified systemic risk and the need for timely mitigation, it would not be appropriate to wait for the outcome of such a review to undertake policy action. However, and in line with the EBA and ESRB opinions, the Commission considers that adjustments to internal models, when performed, might warrant a recalibration of the draft measure. The Commission therefore supports the suggestion by the EBA that any adjustment of internal models should take place in parallel to assess whether a potential increase in risk weights resulting from a review of internal models might lead to the reassessment of the appropriateness of the floor.

(17) Where a competent authority determines that credit institutions with similar risk profiles are or might be exposed to similar risk or pose similar risks to the financial system, it may, under Article 103 of Directive 2013/36/EU, apply supervisory review and evaluation processes to those institutions in a similar or identical manner. Article 104 of Directive 2013/36/EU provides a set of supervisory powers to the competent authority in the application of Article 103 of that Directive, including additional own fund requirements. The FSA noted that considerations related to the change in the governance of the largest credit institution informed the timing of the notified draft measure. In line with the EBA opinion, the Commission considers that any reasoning based on changes in supervisory governance within the Union may not be taken as justification for the draft measure since this does not imply a change in systemic risk, which is the main requirement for a measure under Article 458 of

Regulation (EU) No 575/2013. The Commission notes, in agreement with the EBA and ESRB opinions, that measures taken in accordance with Articles 103 and 104 of Directive 2013/36/EU would be less effective than the draft measure. First, it is not desirable to use capital requirements based on Pillar 2 for macro-prudential purposes. As set out in public statements by the ECB[11] and in the Commission proposal of 23 November 2016 proposing amendments to the capital requirements and resolution framework[12], the currently applicable legislative provisions have been interpreted differently across Member States, leading to different practices when applying Pillar 2 capital requirements. The non-uniform application of Pillar 2 capital requirements may undermine the effectiveness and efficiency of dedicated tools to deal with systemic risk, and should be confined to a purely micro-prudential perspective. Second, the draft measure would more clearly delineate responsibilities and hence accountability of a macroprudential competent authorities than a Pillar 2 measure. Third, the draft measure would enhance public transparency and would allow for more effective communication between the competent authorities and market participants. Fourth, the implementation of the risk weight floor via Pillar 2, rather than Pillar 1, makes it more difficult to compare regulatory capital ratios across credit institutions within the single market. The draft measure would give rise to reported capital ratios that are more consistent and comparable with those of credit institutions headquartered in other Member States within the Banking Union. In view of this, it appears that Pillar 1 measures such as the draft measure under Article 458 of Regulation (EU) No 575/2013 would be appropriate to deal with the key systemic risks. In all, for the reasons mentioned above the Commission considers that Pillar 2 measures are less effective in addressing the systemic risk identified in Sweden than the draft measure**.**

(18) Article 105 of Directive 2013/36/EU allows competent authorities to impose specific liquidity requirements if that is deemed necessary to capture liquidity risks to which an institution is or might be exposed. The systemic risk the FSA aims to tackle with the draft measure is not directly linked to credit institutions' liquidity risk. Hence, the Commission considers that Article 105 of that Directive is not suitable to address the identified risk.

(19) Having examined the arguments and evidence put forward by the FSA and taking utmost account of the opinions provided by the ESRB and EBA, the Commission considers that measures under Articles 101, 103, 104, 105 of Directive 2013/36/EU would currently not be adequate as their application would be less effective in addressing the identified specific systemic risk than the draft measure .

(20) According to Article 133 of Directive 2013/36/EU, Member States may introduce a systemic risk buffer to address long-term non-cyclical systemic or systemic risk not covered by Regulation (EU) No 575/2013. In Sweden, a systemic risk buffer of 3% already applies to the four biggest credit institutions, addressing the risk of a large, concentrated and interconnected banking system. The systemic risk buffer is not designed to apply to specific exposures, such as to residential mortgage loans. Applying that instrument, therefore, risks penalising other types of exposures, including exposures to the corporate sector. The Commission considers that compared

[11] In its contribution to the European Commission's consultation on the review of the macro-prudential framework, the ECB expressed the view that Pillar 2 requirements should be clearly defined as a micro-prudential instrument to address idiosyncratic risks relating to a given institution (https://www.ecb.europa.eu/pub/pdf/other/revieweumacroprudentialpolicyframework201612.en.pdf).

[12] COM (2016) 850.

to the draft measure, the systemic risk buffer is inadequate to address the specific risk of a potential cyclical downturn in the residential real estate market as targeting directly such exposures is not possible under Article 133 of Directive 2013/36/EU. In addition, its application could be an incentive to credit institutions to shift exposures between exposure classes.

(21) The countercyclical buffer referred to in Article 136 of Directive 2013/36/EU applies to all non-financial exposures located in a Member State. Sweden currently has a countercyclical buffer rate of 2% in place, aimed at addressing the overall prolonged credit growth in the Swedish economy and that rate is not specific to residential real estate exposures. The FSA has argued that the extended use of the countercylical buffer would not appropriately target the identified risk, as it would also affect exposures towards SMEs and non-financial corporations. The Commission notes that the countercyclical buffer addresses total credit growth and cannot be tailored to specific exposures, such as residential mortgage loans, as is the case with the draft measure. Furthermore, the countercyclical buffer rate is applicable to the whole banking system of the Member State concerned and cannot be narrowed down to a subset of institutions, such as credit institutions using the IRB approach, as is the case with the draft measure.

(22) Having examined the arguments and evidence put forward by the FSA and having carefully considered the opinions provided by the ESRB and EBA, the Commission concludes that neither Article 133 nor Article 136 of Directive 2013/36/EU would adequately address the identified risk in Sweden.

(23) In order to have the desired impact on systemic risk, the draft measure would need to be recognised by authorities of other Member States with material exposures to the Swedish mortgage market as only in this way can the Swedish authorities address the systemic risk to the financial system and the national economy of Sweden posed by such exposures. .Regarding the cross-border dimension of the draft measure and its likely impact on the internal market, the FSA does not expect the draft measure to have negative effects that outweigh the stability benefits as the draft measure essentially substitutes an existing requirement for all credit institutions with significant exposures to residential mortgage loans in Sweden, for which there is no evidence of major distortionary effects to another part of the capital requirements framework. Furthermore, given the high degree of interconnectedness with the financial systems of other Nordic and Baltic countries, the FSA expects the draft measure to be conducive to financial stability to the extent that regulatory arbitrage and leakages can be avoided by reciprocation of the draft measure for material exposures of foreign credit institutions to the domestic mortgage market, including the operations of any significant Swedish branches. The EBA and ESRB broadly share this judgement.

(24) The need for recognition stems from the fact that any measure under Article 458 of Regulation (EU) No 575/2013 can only be requested by a Member State of the Union, and that other Member States cannot invoke a measure under this legal basis to cover material exposures outside their territory. While recognition of the draft measure by Finland cannot be taken for granted *ex ante*, the track record of strong cooperation among supervisors in the Nordic-Baltic region to ensure a level playing field and a functioning common market lends credence to the expectation that the draft measure, if implemented, is likely to be recognised. There are specific Memoranda of Understanding in place to promote cross-border financial stability and ensure adequate

prudential supervision of significant branches of financial institutions operating in the Nordic-Baltic region[13].

(25) Having carefully considered the favourable opinions of the ESRB and the EBA, the Commission concludes that the draft measure is suitable, effective and proportionate in addressing the systemic risk that the FSA is targeting and that the alternative measures to be considered in accordance with Article 458(2)(c) of Regulation (EU) No 575/2013 cannot adequately address the systemic risk identified, taking into account their relative effectiveness. With respect to the timing, the Commission considers that the proposed date of 31 December 2018 for the measure taking effect is appropriate, as current capital requirements would effectively continue to apply until then and givenb the time it takes to prepare the implementation by credit institutions and to inform investors. The Commission concludes that further analysis of the effectiveness of the draft measure is warranted.

(26) The Commission, having taken utmost account of the opinions of the ESRB and the EBA, concludes that there is robust, strong and detailed evidence that the draft measure will not have a negative impact on the internal market that outweighs the financial stability benefits with reference to the macroprudential or systemic risk identified,

HAS DECIDED AS FOLLOWS:

*Sole Article*

The Commission does not propose to the Council an implementing act to reject the draft national measure notified on 24 May 2018 by Sweden in accordance with Article 458(4) of Regulation (EU) No 575/2013 of the European Parliament and of the Council.

Done at Brussels, 17.7.2018

*For the Commission*
*Valdis DOMBROVSKIS*
*Vice-President*

[13] See https://www.fi.se/contentassets/dbde31519a7543a18808d3db1deacb4e/mou-filialer-nordiska-lander-2016-12-19n.pdf; https://www.fi.se/contentassets/282187c73694429cbfddce78f001d556/mou_ecb_2017-05-29ny3.pdf, and https://www.fi.se/en/published/news/2018/new-nordic-baltic-memorandum-of-understanding/.