

## Template for notifying voluntary reciprocation of other authorities' macroprudential measures

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| 1. Notifying national authority and scope of the notification |  |   |
|---|--|---|
| 1.1   | Name of the notifying authority          | Finansinspektionen (Swedish FSA)  |
| 1.2   | Name of the reciprocating measure        | ESRB Recommendation ESRB/2018/5 on the Art. 458 of the CRR measure adopted by Belgium.  |
| 2. Description of the reciprocating measure                   |  |   |
| 2.1   | Description of the reciprocating measure | <p>On 21 September 2018, the ESRB published its Recommendation ESRB/2018/5 amending its Recommendation ESRB/2015/2, through which the ESRB recommended the reciprocation of the following macroprudential measure adopted by Belgium:</p> <p>A risk-weight add-on for retail exposures secured by residential immovable property located in Belgium, applied in accordance with Article 458(2)(d)(vi) of Regulation (EU) No 575/2013 to credit institutions authorised in Belgium, using the IRB Approach for calculating regulatory capital requirements and composed of:</p> <p>(a) a flat risk-weight add-on of 5 percentage points; and</p> <p>(b) a proportionate risk-weight add-on consisting of 33 per cent of the exposure-weighted average of the risk-weights applied to the portfolio of retail exposures secured by residential immovable property located in Belgium.</p> |

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|------------------|--|--|
|                  |  | <p>Relevant authorities are recommended to reciprocate the Belgian measure by applying it to domestically authorised credit institutions using the IRB Approach that have direct retail exposures secured by residential immovable property located in Belgium.</p> <p>The measure is complemented by an institution-specific materiality threshold of EUR 2 billion to steer the potential application of the <i>de minimis</i> principle by the relevant authorities reciprocating the measure.</p> <p>Finansinspektionen decided not to reciprocate the Belgian measure, given that Swedish banks on the IRB Approach have very low retail mortgage exposures in Belgium and these exposures are negligible in relation to the Belgian mortgage market.</p> |
| 2.2              | Coverage   | NA   |
| 2.3              | Exemptions (“de minimis” principle) (Section 2.2 (Exemptions) of Recommendation ESRB/2015/2) | <p>The exemption from reciprocating the Belgian measure covers all Swedish credit institutions using the IRB Approach.</p> <p>Total mortgage exposures of Swedish IRB banks in Belgium amounted to less than EUR 67 million as per 2019 Q1, which is far below the institution-specific materiality threshold of EUR 2 billion.</p>  |
| <b>3. Timing</b> |  |  |
| 3.1              | Timing of the decision   | 8 July 2019.   |
| 3.2              | Timing of the publication  | 8 July 2019  |
| 3.3              | Disclosure   | The decision was published on Finansinspektionen’s website on 8 July 2019.   |

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| 3.4                     | Timing of the application                     | NA   |
| <b>4. Miscellaneous</b> |   |  |
| 4.1                     | Contact person(s) at the notifying authority. | Matilda Gjirja<br><a href="mailto:matilda.gjirja@fi.se">matilda.gjirja@fi.se</a> |
| 4.2                     | Any other relevant information.               | NA   |