

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/2018/8 on the following measure adopted by France: A tightening of the large exposure limit, applicable to exposures to highly-indebted large non-financial corporations (NFC) having their registered office in France to 5 % of eligible capital, applied to global systemically important institutions (G-SIIs) and other systemically important institutions (O-SIIs) at the highest level of consolidation of their banking prudential perimeter.
2. Description of the reciprocating measure		
2.1	Description of the reciprocating measure	On 1 February 2019, the ESRB published its Recommendation ESRB/2018/8 amending its Recommendation ESRB/2015/2, through which the ESRB recommended the reciprocation of the following macroprudential measure adopted by France: A tightening of the large exposure limit provided for in Article 395(1) of Regulation (EU) No 575/2013, applicable to exposures to highly-indebted large non-financial corporations (NFC) having their registered office in France to 5 per cent of eligible capital, applied in accordance with Article 458(2)(d)(ii) of Regulation (EU) No 575/2013 to global systemically important institutions

		<p>(G-SIIs) and other systemically important institutions (O-SIIs) at the highest level of consolidation of their banking prudential perimeter.</p> <p>Relevant authorities are recommended to reciprocate the French measure by applying it to domestically authorised G-SIIs and O-SIIs at the highest level of consolidation within the jurisdiction of their banking prudential perimeter.</p> <p>The measure is complemented by a combined materiality threshold to steer the potential application of the <i>de minimis</i> principle by the relevant authorities reciprocating the measure, which is composed of:</p> <ul style="list-style-type: none"> (a) A threshold of EUR 2 billion for the total original exposures of domestically authorised G-SIIs and O-SIIs at the highest level of consolidation to the French NFC sector; (b) A threshold of EUR 300 million applicable to domestically authorised G-SIIs and O-SIIs equalling or exceeding the threshold mentioned in (a) for a single original exposure to a single French NFC, a French NFC group or a group of connected French NFCs. (c) A threshold of 5 per cent of the G-SII's or O-SII's eligible capital at the highest level of consolidation, for exposures identified in (b) after taking into account the effect of the credit risk mitigation techniques and exemptions in accordance with Articles 399 to 403 of Regulation (EU) No 575/2013. <p>Finansinspektionen has decided to reciprocate the measure mentioned above. Finansinspektionen will apply the combined materiality threshold indicated in the ESRB recommendation ESRB/2018/8.</p>
2.2	Coverage	<p>The measure applies to the three Swedish O-SIIs that have relevant exposures in France, namely SEB, SHB and Swedbank. Currently, none of these banks has exposures that exceed the combined materiality threshold.</p>

2.3	Exemptions (“de minimis” principle) (Section 2.2 (Exemptions) of Recommendation ESRB/2015/2)	Finansinspektionen will apply the combined materiality threshold indicated in the ESRB recommendation ESRB/2018/8 (see also point 2.1 above).
3. Timing		
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.
3.4	Timing of the application	8 July 2019
4. Miscellaneous		
4.1	Contact person(s) at the notifying authority.	Matilda Gjirja matilda.gjirja@fi.se
4.2	Any other relevant information.	NA