

Finansinspektionen's Regulatory Code

Publisher: Finansinspektionen, Sweden, www.fi.se
ISSN 1102-7460



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FFFS 2008:27

Published on
18 December 2008

Regulations regarding amendments to Finansinspektionen's Regulations and General Guidelines (FFFS 2007:1) governing capital adequacy and large exposures;

decided on 11 December 2008.

Finansinspektionen prescribes pursuant to section 32, subsection 6 of the Capital Adequacy and Large Exposures Ordinance (2006:14) as regards Finansinspektionen's Regulations and General Guidelines governing capital adequacy and large exposures (FFFS 2007:1) that Chapter 7, section 16 shall have the following wording:

Chapter 7

Section 16 When calculating own funds, Tier 1 capital contributions may represent a maximum of 30% of the firm's original own funds after the reductions of original own funds in accordance with the Capital Adequacy Act and these regulations.

Tier 1 capital contributions with step-up-conditions as set forth in section 18 or with other conditions that mean that the company receives financial incentives to want to redeem or repurchase the contribution may constitute a maximum of 15% of the original own funds. The existence of a pure redemption option shall not in itself be considered to provide such incentives.

To be included in own funds for a financial group, the original own funds contribution shall have been taken up by the parent firm or a subsidiary subject to supervision.

When calculating the financial group's own funds, Tier 1 capital contributions taken up by a parent company and/or subsidiary may be a maximum of 30% of the group's original own funds after the reductions of original own funds which shall be made in accordance with the Capital Adequacy Act and these regulations.

General guidelines

Reductions of original own funds shall be made for losses during the current financial year, certain items in the net profit of an institution that acts as a securitisation originator, intangible non-current assets, goodwill, deferred tax assets and adjustments arising from the application of new accounting regulations.

These regulations shall enter into force on 12 December 2008.

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