

# Finansinspektionen's Regulatory Code

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## Finansinspektionen's regulations regarding prudential requirements and capital buffers;

**FFFS 2014:12**

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decided on 26 June 2014.

Finansinspektionen prescribes<sup>1</sup> the following pursuant to section 16, points 1–3, 6, 9 and 14, section 17, points 2 and 3, section 18, points 2 and 3 and 6–12 of the Special Supervision and Capital Buffers Ordinance, Chapter 5, section 2, points 5 and 11 of the Banking and Financing Business Ordinance (2004:329), Chapter 6, section 1, points 10 and 63 of the Securities Market Ordinance (2007:572), section 5, point 17 of the Alternative Investment Fund Managers Ordinance (2013:587), section 18 point 33 of the Swedish UCITS Funds Ordinance (2013:588) and section 6 point 4 of the Supervision of Mortgage Credit Institutions Ordinance (1970:68).

### Chapter 1 Scope and definitions

**Section 1** These regulations contain provisions regarding prudential requirements that supplement 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.

**Section 2** These regulations apply to

1. banking companies,
2. savings banks,
3. members' banks,
4. credit market companies,
5. credit market associations,
6. investment firms,
7. payment institutions,
8. fund management companies licensed to conduct discretionary portfolio management in accordance with Chapter 1, section 4 of the Investment Funds Act (2004:46),
9. managers of alternative investment funds licensed to conduct discretionary portfolio management in accordance with Chapter 3, section 2 of the Alternative Investment Fund Managers Act (2013:561), and
10. Svenska skeppshypotekskassan.

<sup>1</sup> Cf. 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, Celex 32013R0575) and 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, Celex 32013L0036).

An undertaking according to the first paragraph shall also apply the regulations, on the basis of the undertaking's consolidated situation, according to Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

If the undertaking is controlled by a parent financial holding company or a parent mixed financial holding company, the undertaking shall apply the regulations on the basis of the consolidated situation of the financial holding company or the mixed financial holding company.

**Section 3** An undertaking included in the consolidation in accordance with Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, need not apply Chapter 8, sections 3–7 at individual level.

**Section 4** For payment institutions, only the provisions regarding own funds set out in Chapter 3, sections 1 and 3–11 apply.

**Section 5** For fund management companies licensed to conduct discretionary portfolio management in accordance with Chapter 1, section 4 of the Investment Funds Act (2004:46), managers of alternative investment funds licensed to conduct discretionary portfolio management in accordance with Chapter 3, section 2 of the Alternative Investment Fund Managers Act (2013:561), and Svenska skeppshypotekskassan, the provisions regarding the following do not apply:

- large exposures in Chapter 5,
- capital requirement disclosure in Chapter 8, section 5, and
- documentation of the undertakings' internal capital and liquidity assessment process in Chapter 10.

**Section 6** The regulations are divided into the following ten chapters

- Scope and definitions (Chapter 1),
- Consolidated situation (Chapter 2),
- Own funds and own funds requirements (Chapter 3),
- The standardised approach for credit risk (Chapter 4),
- Large exposures (Chapter 5),
- Liquidity (Chapter 6),
- Reporting (Chapter 7),
- Disclosure of information (Chapter 8),
- Capital buffers (Chapter 9), and
- Documentation of the undertakings' internal capital and liquidity assessment process (Chapter 10).

**Section 7** Terms and expressions in these regulations shall have the same meaning as in The Special Supervision of Credit Institutions and Investment Firms Act (2014:968), the Capital Buffers Act (2014:966) and Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, unless otherwise specified.

## **Chapter 2 Consolidated situation**

**Section 1** Undertakings linked by a relationship within the meaning of Article 18(3) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms shall be fully consolidated. Finansinspektionen can decide on consolidation by another method where special grounds exist.

**Section 2** Undertakings linked by a relationship within the meaning of Article 18(4) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms shall be proportionately consolidated (the proportional method).

**Section 3** Where there are participations within the meaning of Article 18(5) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, consolidation shall be carried out using the equity method. Finansinspektionen may instead decide to allow full consolidation or proportionate consolidation (the proportional method). Other forms of capital ties within the meaning of Article 18(5) are not consolidated.

**Section 4** Undertakings within the meaning of Article 18(6) of Regulation (EU) on prudential requirements for credit institutions and investment firms are not consolidated.

## **Chapter 3 Own funds and own funds requirements**

**Section 1** An undertaking shall apply option (a) pursuant to Article 89(3) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**Section 2** An undertaking shall, until 31 December 2014, apply the following own funds requirements pursuant to Article 465(1) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms:

1. a Common Equity Tier 1 capital ratio of 4.5 percent, and
2. a Tier 1 capital ratio of 6 percent.

**Section 3** An undertaking shall, until 31 December 2017, apply a percentage of 100 percent pursuant to Article 467(2) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**Section 4** An undertaking shall, as of 1 January 2015 and until 31 December 2017, apply a percentage of 100 percent pursuant to Article 468(2) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms. This percentage shall not be deducted.

**Section 5** An undertaking shall, until 31 December 2017, apply a percentage of 100 percent pursuant to Article 478(1) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**Section 6** An undertaking shall, until 31 December 2023, apply a percentage of 100 percent pursuant to Article 478(2) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**Section 7** An undertaking shall, until 31 December 2017, apply a percentage of 0 percent pursuant to Article 479(4) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**Section 8** An undertaking shall, until 31 December 2017, apply a factor of 1 pursuant to Article 480(3) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**Section 9** An undertaking shall, until 31 December 2017, apply a percentage of 0 percent pursuant to Article 481(3) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**Section 10** An undertaking shall, until 31 December 2014, apply a percentage of 0 percent pursuant to Article 481(4) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**Section 11** An undertaking shall, when applying Article 486(6) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, use the following percentages:

1. 80 per cent until 31 December 2014,
2. 70 per cent during the period 1 January 2015–31 December 2015,
3. 60 per cent during the period 1 January 2016–31 December 2016,
4. 40 per cent during the period 1 January 2017–31 December 2017, and
5. 20 per cent during the period 1 January 2018–31 December 2018.

#### **Chapter 4 Standardised approach for credit risk**

**Section 1** An undertaking shall, when applying Article 126(1) and Article 126(2)(d) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, use a risk weight of 100 per cent for exposures that are secured by mortgages on commercial property when the secured property is located in Sweden or a third country.

#### **Chapter 5 Large exposures**

**Section 1** An undertaking shall exempt the following exposures when applying Article 395(1) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms:

1. Exposures held by the undertaking to its parent undertaking, other subsidiary undertakings to the parent undertaking or its own subsidiary undertakings, where the undertakings are subject to the same supervision on a consolidated basis as the undertaking itself in accordance with the Regulation, or with corresponding standards in a third country.
2. Exposures to institutions within the European Economic Area (EEA) where these

- a) contractually fall due the following banking day,
- b) are in DKK, NOK, or SEK, and

c) are not included in these institutions' own funds.

**Section 2** An undertaking shall, when applying Article 395(1) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, recognise debt securities issued in accordance with the Covered Bonds (Issuance) Act (2003:1223) and corresponding foreign debt securities at 10 per cent of their value. The items may not be included in the issuing institution's own funds.

**Section 3** An undertaking may, when applying Article 395(1) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, after receiving permission from Finansinspektionen, recognise the following exposures at the amounts decided by Finansinspektionen:

1. Exposures to central banks in the form of required minimum reserves denominated in each country's national currency.
2. Exposures to governments in the form of statutory liquidity requirements held in government securities which are denominated and funded in each country's national currency, provided that the government has an external credit rating corresponding to credit quality step 3 or better.

**Section 4** An undertaking shall conduct a thorough analysis of all exposures exceeding two per cent of the undertaking's or the group's eligible capital when determining large exposures to a group of connected clients.

The undertaking shall analyse, as a minimum, whether the following clients shall be considered to be a group of connected clients:

- a client who in full or in part guarantees another client's exposure, or in any other way can be obligated to take over another client's exposure, if the size of the exposure is so significant that the client will probably not be able to meet its obligations under the requirements set out in the guarantee or the obligation,
- a property owner and a tenant that pays the majority of the lease income,
- a client and its client, if a significant portion of the client's turnover, assets or liabilities are to the other client,
- a manufacturer and its retailers, if the retailer represents a significant portion of the turnover and it can take time to replace the retailer,
- two firms that have an identical client base consisting of a small number of clients and that have limited opportunities to find new clients, and
- multiple clients if the institution becomes aware that the clients of another institution are considered to be a group of connected clients.

With regard to private clients, the undertaking shall conduct as a minimum, in addition to that set out in the second paragraph, an analysis of

- a borrower and its co-borrowers, and
- married persons or co-habitees if both pursuant to contract or law are responsible for the loan and the amount is significant for both of them.

## Chapter 6 Liquidity

**Section 1** An undertaking and all or some of its subsidiary undertakings may waive application of Article 412 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms given the conditions referred to in Article 8(2) of the Regulation.

A waiver requires the undertaking to submit written notification to Finansinspektionen stating which undertakings are included in the liquidity subgroup. In its notification, the undertaking shall also certify that

1. the conditions in Articles 8(1)(a)–8(1)(d) of the Regulation are fulfilled, and
2. legal opinions exist stating that the conditions in Articles 8(1)(c) and 8(1)(d) of the Regulation are fulfilled.

**Section 2** The legal opinion pursuant to section 1 shall be issued by an external, independent legal advisor with extensive experience in the field. The opinion shall be addressed directly to the institution.

**Section 3** An investment firm which does not have authorisation pursuant to Chapter 2, section 1, point 3 of the Securities Market Act (2007:528) does not need to apply Articles 411–428 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms. This also applies to a group of investment firms where none of the undertakings in the group have authorisation pursuant to Chapter 2, section 1, point 3 of the Securities Market Act.

## Chapter 7 Reporting

**Section 1** The information that shall be submitted by an undertaking to Finansinspektionen in accordance with Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013<sup>2</sup> of the European Parliament and of the Council, shall be specified in SEK.

**Section 2** An undertaking shall convert assets, liabilities and provisions as well as off-balance sheet positions and commitments to currencies other than SEK, using the current spot rates at the time of calculation. The conversion of all positions in foreign currency shall be carried out on the same date.

The undertaking shall establish and document the principles for the conversion that it shall make in accordance with the first paragraph. The conversion principles established by the undertaking shall be applied consistently.

**Section 3** An undertaking shall document the data that serves as the basis for reporting to Finansinspektionen in a manner that enables control at any time. The data shall be stored until the close of the seventh year following the end of the calendar year in which the financial year ended.

## Chapter 8 Disclosure of information

### Information to be disclosed at least on an annual basis

**Section 1** The information that shall be disclosed in accordance with Articles 435–455 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms and in accordance with section 2, first paragraph, shall be available on an undertaking's website.

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<sup>2</sup> OJ L 191, 28.06.2014, p. 1 (Celex 32014R0680).

If the undertaking does not have a website, it shall be able to publicly provide the information in a different manner.

**Section 2** The information that shall be disclosed in accordance with Chapter 6, section 2 of the Special Supervision of Credit Institutions and Investment Firms Act (2014:968) shall be disclosed annually and contain, at a minimum, a description of

1. the organisational and legal structure between the undertakings included in the consolidated situation of the parent undertaking,
2. The close relations of institutions in the consolidated situation to natural or legal persons, and
3. which measures the parent undertaking takes to manage the operations in the undertakings included in the consolidated situation.

The information in accordance with the first paragraph shall be disclosed along with other information in accordance with articles 435–455 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms. An undertaking may provide information in complete form or in the form of references to equivalent information.

#### **Information to be disclosed on a quarterly basis**

**Section 3** An undertaking shall, four times per year, publish at a minimum the following information regarding own funds:

1. Common Equity Tier 1 capital.
2. Additional Tier 1 capital.
3. Tier 2 capital.
4. Total capital.

The information shall, until 31 December 2017, be stated net after regulatory adjustments in the manner set out in Column A, Appendix 6 of the Commission Implementing Regulation (EU) No 1423/2013 of 20 December 2013 laying down implementing technical standards with regard to disclosure of own funds requirements for institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council<sup>3</sup>. As of 1 January 2018, this information shall be provided in the manner set out in Appendix 4 of the same Regulation.

**Section 4** An undertaking shall, four times per year, publish its total risk-weighted exposure amount broken down as described in Article 438 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**Section 5** An undertaking shall, four times per year, publish its internal capital adequacy assessment that resulted from the undertaking's internal capital adequacy assessment process in accordance with Chapter 6, section 2 of the Banking and Financing Business Act (2004:297) or Chapter 8, section 4 of the Securities Market Act (2007:528).

**Section 6** An undertaking shall, until 31 December 2017, four times per year, publish information on capital ratios and capital buffers in accordance with Column A, lines 61–68 of Appendix 6 of the Commission Implementing Regulation (EU) No 1423/2013 of 20 December 2013 laying down implementing technical standards with regard to disclosure of own funds requirements for

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<sup>3</sup> OJ L 355, 31.12.2013, p. 60 (Celex 32013R1423).

institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council. As of 1 January 2018, this information shall be provided in the manner set out in Appendix 4 of the same Regulation.

**Section 7** An undertaking that is significant in terms of size, internal organisation and the nature, scale and complexity of activities shall, four times per year, disclose information on the undertaking's leverage ratio calculated according to Article 429 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**Section 8** The information to be disclosed in accordance with sections 3–7 shall refer to the conditions at the balance sheet dates 31 March, 30 June, 30 September and 31 December.

The information shall be disclosed as soon as possible, though no later than two months after the balance sheet date. The information shall state that its disclosure is pursuant to these regulations.

**Section 9** The information that shall be disclosed in accordance with sections 3–7 shall be available on the undertaking's website. If the undertaking only discloses the information in its annual accounts, consolidated accounts or interim accounts, these documents shall also be available on the undertaking's website.

If the undertaking does not have a website, it shall be able to publicly provide the information in a different manner.

**Section 10** If an undertaking discloses information in accordance with sections 3–7 at the same time as the annual information to be disclosed in connection with the annual accounts or consolidated accounts in accordance with Article 433 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, the information shall be disclosed no later than four months after the balance sheet date.

## **Chapter 9 Capital buffers**

### **Exemptions for small and medium sized enterprises**

**Section 1** Small and medium sized investment firms, fund management companies licensed to conduct discretionary portfolio management and AIF managers licensed to conduct discretionary portfolio management are exempted from the requirement to maintain a countercyclical capital buffer in accordance with Chapter 6, sections 1 and 2 of the Capital Buffers Act (2014:966).

*Small and medium sized enterprises* as in the first paragraph is defined as undertakings employing fewer than 250 people and whose balance sheet total does not exceed EUR 43 million annually, calculated according to Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.

### **Institution-specific countercyclical capital buffer**

**Section 2** *Relevant credit exposures* as in Chapter 6, section 1 of the Capital Buffers Act (2014:966) is defined as all exposure classes other than those referred



to in Article 112 a–f of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms and that are subject to::

a) Own funds requirements for credit risk under Part three, Title 2 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

b) Where the exposure is held in the trading book, the own funds requirements for specific risk under Part three, Title 4, Chapter 2 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms or incremental default and migration risk under Part 3, Title 4, Chapter 5 of that Regulation.

c) Where the exposure is a securitisation, the own funds requirements under Part 3, Title 2, Chapter 5 of the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

**Section 3** When an undertaking calculates the weighted average of the countercyclical buffer rates in accordance with Chapter 6, section 1 of the Capital Buffers Act (2014:199), it shall, for each applicable countercyclical buffer rate, apply its total own funds requirements for credit risk, established in accordance with Part three, Titles 2 and 4 of the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms for the relevant credit exposures in that country, divided by its total own funds requirements for credit risk that relates to all of its relevant credit exposures..

**Section 4** When an undertaking calculates the institution-specific countercyclical capital buffer rate, it shall identify the geographic location of a relevant credit exposure according to the technical standards for supervision adopted in accordance with Article 140(7) of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

### **Systemic risk buffer**

**Section 5** When calculating a weighted systemic risk buffer rate, an undertaking shall apply the same calculation method as that which applies to the institution-specific countercyclical buffer rate in accordance with Chapter 9, sections 2 and 3. The geographic location of the credit exposures shall be identified according to the technical standards for supervision adopted in accordance with Article 140(7) of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

### **Interventions and restrictions if the combined buffer requirement is not met**

**Section 6** The maximum distributable amount in accordance with Chapter 8, section 1 of the Capital Buffers Act (2014:966) shall be calculated by multiplying a distributable amount by a factor.

The distributable amount as in the first paragraph shall consist of:

a) interim profits and year-end profits not included in Common Equity Tier 1 capital in accordance with Article 26(2) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms that have been generated since the most recent decision regarding profit distribution or any of the

actions referred to in Chapter 8, section 3, points 1–3 of the Capital Buffers Act, less

b) the amounts that would have been paid in taxes had the profits stated in a) been held within the company.

The factor as in the first paragraph shall be determined as follows:

When the undertaking's Common Equity Tier 1 capital, which is not used to meet the own funds requirement in accordance with Article 92(1) c of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms and in the specific own funds requirement ensuing from a decision in accordance with Chapter 2, section 1 of the Special Supervision of Credit Institutions and Investment Firms Act (2014:968), expressed as a percentage of the total riskexposure amount calculated in accordance with Article 92(3) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, is within the combined buffer requirement's;

- a) first quartile, the factor shall be 0,
- a) second quartile, the factor shall be 0.2,
- a) third quartile, the factor shall be 0.4, or
- a) fourth quartile, the factor shall be 0.6.

The lower and upper bound in each quartile shall be calculated as follows:

$$\text{Lower limit in the quartile} = \frac{\text{Combined buffer requirement}}{4} \times (Q_n - 1)$$

$$\text{Upper limit in the quartile} = \frac{\text{Combined buffer requirement}}{4} \times Q_n$$

where  $Q_n$  is the ordinal number for the quartile concerned,  $Q_n = 1$  equals the first quartile,  $Q_n = 2$  equals the second quartile,  $Q_n = 3$  equals the third quartile and  $Q_n = 4$  equals the fourth quartile.

**Section 7** A capital conservation plan in accordance with Chapter 8, section 1 point 2 of the Capital Buffers Act (2014:966) shall include the following:

- a) Estimates of income and expense and a forecast for assets, liabilities and equity in the balance sheet.
- b) The measures that will be taken to increase the undertaking's capital ratio.
- c) A plan and timeframe for increasing own funds with the aim of fully meeting the combined buffer requirement in accordance with Chapter 2, section 2 of the Capital Buffers Act.
- d) All other information deemed necessary by the undertaking for Finansinspektionen to be able to assess the capital conservation plan.

**Section 8** The notification that an undertaking shall submit to Finansinspektionen in accordance with Chapter 8, section 5 of the Capital Buffers Act (2014:966) shall contain information regarding the following:

1. The own funds of the undertaking, broken down into:

- a) Common Equity Tier 1 capital,
  - b) Additional Tier 1 capital, and
  - c) Tier 2 capital.
2. The undertaking's interim and year-end profit.
  3. The maximum distributable amount calculated according to section 6.
  4. The portion of the highest distributable amount that the undertaking intends to use in order to
    - a) perform a distribution linked to the undertaking's Common Equity Tier 1 capital according to Chapter 1, section 2, point 16 of the Capital Buffers Act,
    - b) redeem own funds instruments,
    - c) payments on Additional Tier 1 instruments, or
    - c) undertake to pay out variable remuneration, discretionary pension benefits or variable remuneration for which the payment obligation arose at a time when the undertaking did not meet the combined buffer requirement.

### **Chapter 10 Documentation of the undertaking's internal capital and liquidity assessment process**

**Section 1** An undertaking shall, in a specific document, describe its assessment of its total need of capital and liquidity and which processes and methods the undertaking uses for that assessment. The document shall contain:

1. A comprehensive description of the undertaking's operations and the risks to which they give rise.
2. A description of the processes and methods used by the undertaking to assess the capital needed in 3.
3. Information regarding the undertaking's capital assessment.
4. Information regarding the undertaking's assessment of which type of capital is needed to cover the capital requirement for each risk.
5. A description of the processes and methods used by the undertaking to assess the liquidity needed in 6.
6. Information regarding the liquidity need of the undertaking. The information shall contain the undertaking's assessment of the required scope and composition of its liquidity reserve, and an account of which measures the undertaking has taken, or intends to take, to manage a situation of stressed liquidity.

**Section 2** The document referred to in section 1 shall be prepared annually at a minimum, or more often if there are significant changes in the circumstances on which the needed amount of capital or liquidity assessment is based.

1. These regulations shall enter into force on 1 January 2015 with respect to Chapter 8, sections 5 and 7, and otherwise on 2 August 2014.

2. Upon entry into force of these regulations, Finansinspektionen's regulations (FFFS 2013:27) regarding prudential requirements for credit institutions and investment firms, Finansinspektionen's regulations and general guidelines (FFFS 2007:1) regarding capital adequacy and large exposures, Finansinspektionen's regulations and general guidelines (FFFS 2007:5) regarding disclosure of information concerning capital adequacy and risk management and Finansinspektionen's regulations and general guidelines (FFFS 2007:2) regarding the requirements for approval to be a credit assessment institution when applying the Capital Adequacy and Large Exposures Act (2006:1371), shall be repealed.

3. Permission granted pursuant to Finansinspektionen's regulations regarding prudential requirements for credit institutions and investment firms, shall continue to apply as permission under the new regulations.

4. Permission for an institution in accordance with Chapter 5, section 4, first paragraph of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, to consolidate operations in a manner other than through full consolidation, which applies upon entry into force, shall continue to apply as permission under Chapter 2, section 1 of the new regulations.

5. Permission for an institution in accordance with Chapter 5, section 4, second paragraph of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, for consolidation to occur according to the proportional method instead of through full consolidation, which applies upon entry into force, shall continue to apply as permission for consolidation to occur according to the proportional method under Chapter 2, section 3 of the new regulations.

6. Permission for an institution in accordance with Chapter 7, section 24 and Chapter 8, section 24 of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, to repurchase, as part of its securities operations, part of an issued Tier 1 capital contribution or part of an issued fixed-term subordinated loan intended for resale, which applies upon entry into force, shall continue to apply as permission under Article 78(5) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

7. Permission for an institution in accordance with Chapter 13, section 53, first paragraph of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, to use a certain sensitivity model for calculating general interest rate risk, which applies upon entry into force, shall continue to apply as permission under Article 331(1) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

8. Permission for an institution in accordance with Chapter 25, section 34, first paragraph of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, to calculate its own volatility adjustment estimates, which applies upon entry into force, shall continue to apply as permission under Article 225(1) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

9. A decision that an institution in accordance with Chapter 25, section 41, third paragraph and Chapter 55, section 27, third paragraph of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures is to use a shorter historical period of observation than one year, which applies upon entry into force, shall continue to apply as a decision under Article 225(2) e of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

10. Permission for an institution in accordance with Chapter 29, section 2, second paragraph of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, to calculate the capital requirement for operational risk based on another indicator during a transition period, which applies upon entry into force, shall continue to apply as permission under Article 315(3) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

11. A decision for an institution in accordance with Chapter 31, section 1, third paragraph of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, regarding a change to the capital requirement in the event of substantially altered operations, which applies upon entry into force, shall continue to apply as a decision under Article 97(2) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

12. Permission for an institution in accordance with Chapter 32, section 14 of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, regarding exemptions from the calculation of open net currency positions, which applies upon entry into force, shall continue to apply as permission under Article 352(2) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

13. Authorisation for an institution in accordance with Chapter 35, section 13, first paragraph of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, to use its own estimates of LGD and conversion factors in accordance with the IRB approach when determining large exposures in accordance with Chapter 7, sections 3 and 5 of the Capital Adequacy and Large Exposures Act (2006:1371), which applies upon entry into force, shall continue to apply as authorisation under Article 401(2) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

14. Permission for an institution in accordance with Chapter 49, section 4 of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, to apply the supervisory formula method for determining positions in a securitisation, which applies upon entry into force, shall continue to apply as prior approval under Article 259(1) b of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

15. Permission for an institution in accordance with Chapter 49, section 7 of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, to use an internal approach for assigning a derived credit assessment to positions in an asset-backed commercial paper programme (ABCP programme), which applies upon entry into force, shall continue to apply as authorisation under Article 259(3) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

16. Permission for an institution in accordance with Chapter 49, section 15, first paragraph of Finansinspektionen's regulations and general guidelines regarding capital adequacy and large exposures, regarding the temporary application of a

certain risk weight when KIRB cannot be calculated, which applies upon entry into force, shall continue to apply as authorisation under Article 263(2) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

ANNIKA ZERVENS

Camilla Edvardsson