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Procedure for recognising the systemic risk buffer

Passed 02.06.2021 No. 10

This decree is established on the basis of subsection 86⁴⁹(2)3) of the Credit Institutions Act.

§ 1. Scope of the Decree

The Decree lays down the procedure for recognising a systemic risk buffer requirement set in another Contracting State of the European Economic Area (a Contracting State) or in a third country.

§ 2. Application of the Decree

The Decree applies to all the credit institutions licensed to operate in Estonia on an individual, sub-consolidated and consolidated basis.

§ 3. Conditions for recognising a systemic risk buffer requirement

(1) Eesti Pank considers recognising a systemic risk buffer requirement set by a designated authority or body that has set a systemic risk buffer rate in a Contracting State or a third country (a Designated Authority) if the Designated Authority has requested such recognition.

(2) In reaching the decision of whether or not to recognise a systemic risk buffer requirement of another Contracting State or a third country and in assessing the material circumstances, Eesti Pank shall take into account, inter alia, information provided by the Designated Authority in accordance with Article 133 (9) and (13) of Directive 2013/36/EU.

(3) A systemic risk buffer requirement set by another Contracting State or a third country and recognised by Eesti Pank may be combined with other systemic risk buffer requirements that apply in Estonia, provided these requirements address different risks.

(4) The systemic risk buffer requirement of another Contracting State or a third country is recognised by, and under the conditions of, a Decree of the Governor of Eesti Pank. The Decree will set at least the following conditions:

- 1) the credit institutions to which the systemic risk buffer requirement applies;
- 2) the risk exposures to which the systemic risk buffer requirement applies;
- 3) the rate of the systemic risk buffer required;
- 4) the date from which the credit institutions will have to meet the systemic risk buffer requirement.

§ 4. Notification of recognition of a systemic risk buffer requirement

Eesti Pank notifies the European Systemic Risk Board that it has recognised the systemic risk buffer.

Madis Müller
Governor