

**Recommendation of the European Systemic Risk Board of 3 October 2023
amending Recommendation ESRB/2015/2 on the assessment of cross-
border effects of and voluntary reciprocity for macroprudential policy
measures**

(ESRB/2023/9)

Recommendation 2023/9 of the European Systemic Risk Board (ESRB) was published in the Official Journal of the European Union on 14 November 2023 and amends Recommendation ESRB/2015/2 as a consequence of the macroprudential policy measure adopted by the *Nationale Bank van België / Banque Nationale de Belgique (NBB/BNB, central bank of Belgium)*. Recommendation ESRB/2023/9 invites the relevant authorities of the Member States to reciprocate the macroprudential policy measure adopted in Belgium, on the basis of certain pre-defined materiality thresholds.

The measure introduced by Belgium consists of a recalibration of the sectoral systemic risk buffer rate, from 9 % to 6 % from 1 April 2024, applicable to all IRB retail exposures to natural persons secured by residential immovable property for which the collateral is located in Belgium. In addition, the measure is complemented by an institution-specific materiality threshold of EUR 2 billion.

Owing to the limited materiality of credit exposure amounts of Spanish institutions to Belgium –which place them below the thresholds set by the ESRB–, on 29 January 2024 the Executive Commission of the Banco de España resolved not to reciprocate the measures adopted in Belgium.



C/2023/899

14.11.2023

RECOMMENDATION OF THE EUROPEAN SYSTEMIC RISK BOARD

of 3 October 2023

amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures

(ESRB/2023/9)

(C/2023/899)

THE GENERAL BOARD OF THE EUROPEAN SYSTEMIC RISK BOARD,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Agreement on the European Economic Area ⁽¹⁾, in particular Annex IX thereof,

Having regard to Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board ⁽²⁾, and in particular Articles 3 and 16 to 18 thereof,

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 ⁽³⁾, and in particular Article 458(8) thereof,

Having regard to 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, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC ⁽⁴⁾, and in particular Section II of Chapter 4 of Title VII thereof,

Having regard to Decision ESRB/2011/1 of the European Systemic Risk Board of 20 January 2011 adopting the Rules of Procedure of the European Systemic Risk Board ⁽⁵⁾, and in particular Articles 18 to 20 thereof,

Whereas:

- (1) In order to ensure effective and consistent national macroprudential policy measures, it is important to complement the recognition required under Union law with voluntary reciprocity.
- (2) The framework on voluntary reciprocity for macroprudential policy measures set out in Recommendation ESRB/2015/2 of the European Systemic Risk Board ⁽⁶⁾ aims to ensure that all exposure-based macroprudential policy measures activated in one Member State are reciprocated in other Member States.
- (3) On 11 January 2022, the Nationale Bank van België/Banque Nationale de Belgique (NBB/BNB) submitted a request under Article 134(5) of Directive 2013/36/EU to the ESRB, for reciprocation of the sectoral systemic risk buffer (sSyRB) by other Member States, which was set in accordance with Article 133(9) of the same Directive, applicable from 1 May 2022. As a result, on 30 March 2022, following the request submitted by the NBB/BNB and in order to prevent the materialisation of negative cross-border effects in the form of leakages and regulatory arbitrage that could result from the implementation of the macroprudential policy measure that would become applicable in Belgium, the General Board of the ESRB decided to include this measure in the list of macroprudential policy measures which are recommended to be reciprocated under Recommendation ESRB/2015/2.

⁽¹⁾ OJ L 1, 3.1.1994, p. 3.

⁽²⁾ OJ L 331, 15.12.2010, p. 1.

⁽³⁾ OJ L 176, 27.6.2013, p. 1.

⁽⁴⁾ OJ L 176, 27.6.2013, p. 338.

⁽⁵⁾ OJ C 58, 24.2.2011, p. 4.

⁽⁶⁾ Recommendation ESRB/2015/2 of the European Systemic Risk Board of 15 December 2015 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (OJ C 97, 12.3.2016, p. 9).

- (4) On 18 July 2023, the NBB/BNB stated in another reciprocation request to the ESRB that it has reassessed the sSyRB rate and will recalibrate it from 9 % to 6 % from 1 April 2024.
- (5) Following the request by the NBB/BNB to the ESRB and in order to: (i) prevent the materialisation of negative cross-border effects in the form of leakages and regulatory arbitrage that could result from the implementation of the macroprudential policy measures in Belgium; and (ii) preserve a level playing field among European Economic Area (EEA) credit institutions, the General Board of the ESRB decided to continue to include the measure in the list of macroprudential policy measures which are recommended to be reciprocated under Recommendation ESRB/2015/2 and to adjust the recommended sSyRB rate in accordance with the NBB/BNB's request.
- (6) The ESRB has not found any evidence that the sSyRB rate, as set by the NBB/BNB, is fully or partially duplicating the functioning of the other systemically important institutions (O-SII) buffer set in accordance with Article 131 of Directive 2013/36/EU.
- (7) In addition, on 5 May 2021, the French authorities notified the ESRB of their intention to extend the period of application of its macroprudential measure pursuant to Article 458 of the CRR, until 1 July 2023. The ESRB has not received any notification requesting the extension of the measure before its expiration date. The ESRB has therefore decided to remove the French measure from the list of macroprudential policy measures which are recommended to be reciprocated under Recommendation ESRB/2015/2.
- (8) These amendments to Recommendation ESRB/2015/2 do not affect the continuity of recommending the reciprocation of any other national macroprudential measure currently in place. Given that the recalibration of the Belgian sSyRB rate results only in a reduced rate, a renewed transition period for the recognition of the Belgian measure, as envisaged by Recommendation ESRB/2015/2, is not recommended.
- (9) Therefore, Recommendation ESRB/2015/2 should be amended accordingly,

HAS ADOPTED THIS RECOMMENDATION

Amendments

Recommendation ESRB/2015/2 is amended as follows:

1. in Section 1, sub-recommendation C(1) is amended as follows:
 - (1) the measure under Belgium is replaced by the following:
 - a 9 % systemic risk buffer rate on all IRB retail exposures to natural persons secured by residential immovable property for which the collateral is located in Belgium, applicable until 31 March 2024;
 - a 6 % systemic risk buffer rate on all IRB retail exposures to natural persons secured by residential immovable property for which the collateral is located in Belgium, applicable from 1 April 2024;;
 - (2) the word 'France:' and the measure under France are deleted;
2. the Annex is amended in accordance with the Annex to this Recommendation.

Done at Frankfurt am Main, 3 October 2023.

*The Head of the ESRB Secretariat,
on behalf of the General Board of the ESRB*
Francesco MAZZAFERRO

ANNEX

The Annex to Recommendation ESRB/2015/2 is amended as follows:

1. the measure under Belgium is replaced by the following:
 - a 9 % systemic risk buffer rate on all IRB retail exposures to natural persons secured by residential immovable property for which the collateral is located in Belgium, applicable until 31 March 2024;
 - a 6 % systemic risk buffer rate on all IRB retail exposures to natural persons secured by residential immovable property for which the collateral is located in Belgium, applicable from 1 April 2024.;
2. under Belgium, the description of the measure is replaced by the following:
 - I. Description of the measures
 1. Until 31 March 2024, the Belgian measure, applied in accordance with Article 133 of Directive 2013/36/EU, imposes a 9 % systemic risk buffer rate on IRB retail exposures to natural persons secured by residential immovable property for which the collateral is located in Belgium (both non-defaulted and defaulted exposures).
 2. From 1 April 2024, the Belgian measure, applied in accordance with Article 133 of Directive 2013/36/EU, imposes a 6 % systemic risk buffer rate on IRB retail exposures to natural persons secured by residential immovable property for which the collateral is located in Belgium (both non-defaulted and defaulted exposures).;
3. the title 'France', the measure under France, including I. Description of the measure, II. Reciprocation, and III. Materiality threshold, are deleted.
