

*N.B. This is a consolidated version and is therefore a compilation.
The printed regulation in Swedish is the official, valid version. A
consolidated version is a full-text version in which all amendments have
been inserted into the original regulation.*



Finansinspektionen's Regulatory Code

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Finansinspektionen's regulations and general guidelines regarding prudential requirements and capital buffers;

Consolidated electronic issue

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FFFS 2022:13, FFFS 2024:16

Chapter 1 Scope and definitions

Section 1 These regulations contain provisions regarding prudential requirements that supplement the Capital Requirements Regulation and the Investment Firms Regulation.

The regulations also contain provisions concerning which data a financial holding company or a mixed financial holding company shall submit to Finansinspektionen in conjunction with its application for approval or exemption from the requirement pursuant to the Special Supervision of Credit Institutions and Investment Firms Act (2014:968). (FFFS 2021:24)

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, and
8. Svenska skeppshypotekskassan. (FFFS 2021:24)

Section 2a A credit institution shall apply the regulations on the basis of the credit institution's consolidated situation pursuant to Article 18 of the Capital Requirements Regulation.

If the credit institution 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. (*FFS 2021:24*)

Section 3 A credit institution that is included in the consolidation as set out in Article 18 of the Capital Requirements Regulation does not need to apply Chapter 8, section 4 at the individual level. (*FFFS 2021:24*)

Section 3a When Article 7 of the Investment Firms Regulation is applicable, the regulations shall apply to an investment firm group to the extent nothing else applies following a decision pursuant to Article 8 of the same Regulation. (*FFFS 2021:24*)

Section 3b The provisions set out in Chapter 10 do not apply to a small and non-interconnected investment firm.

That set out in the first paragraph does not apply to an investment firm that pursuant to Chapter 8, section 1a, second or third paragraph or section 1b of the Securities Market Act (2007:528) shall apply provisions set out in section 1a, first paragraph of the same chapter. (*FFFS 2021:24*)

Section 4 For pension funds, only the provisions regarding own funds set out in Chapter 3, sections 1–3 apply.
(*FFFS 2019:6*)

Section 5 The following provisions do not apply to Svenska Skeppshypotekskassan

- large exposures in Chapter 5,
- disclosure of information in Chapter 8, sections 1 and 4, and
- documentation of the undertakings' internal capital and liquidity assessment process in Chapter 10. (*FFFS 2020:32*)

Section 6 The regulations are divided into the following eleven chapters:

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

– Content of applications for financial holding companies and mixed financial holding companies (Chapter 11). (*FFFS 2021:24*)

Section 7 In Chapter 5, section 4 and Chapter 8, section 3a, subsidiary and parent undertaking has the same meaning as in Article 4(1)(51) and 4(1)(42) of the Investment Firms Regulation.

Otherwise, terms and expressions in these regulations have the same meaning as in the Special Supervision of Credit Institutions and Investment Firms Act (2014:968) unless otherwise specified. (*FFFS 2021:24*)

Chapter 2 Consolidated situation

Section 1 Credit institutions linked by a relationship within the meaning of Article 18(3) of the Capital Requirements Regulation shall be fully consolidated. Finansinspektionen may decide on consolidation by another method where special grounds exist. (*FFFS 2021:24*)

Section 2¹ Where there are participations within the meaning of Article 18(5) of the Capital Requirements Regulation, 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. However, where special grounds exist, Finansinspektionen may decide that consolidation shall be carried out through full consolidation, proportionate consolidation (the proportional method) or the equity method. (*FFFS 2024:16*)

Section 3 A credit institution within the meaning of Article 18(6) of the Capital Requirements Regulation is not consolidated. However, where special grounds exist, Finansinspektionen may decide that consolidation shall be carried out through full consolidation, proportionate consolidation (the proportional method) or the equity method. (*FFFS 2024:16*)

Section 4 Provisions to the effect that Finansinspektionen may decide on full consolidation or proportional consolidation (the proportional method) in cases other than those set out in sections 1–3 can be found in Article 18(8) of the Capital Requirements Regulation. (*FFFS 2024:16*)

Chapter 3 Own funds and own funds requirements

Section 1 A credit institution and a payment institution shall apply alternative (a) pursuant to Article 89(3) of the Capital Requirements Regulation. (*FFFS 2021:24*)

Section 2² A credit institution and an investment firm that issues capital instruments that are to be included in own funds shall notify Finansinspektionen of this. The notification shall take place no later than the day on which the issue takes place.

The notification shall include the following information:

¹ Former section 2 repealed through FFFS 2024:16.

² Former section 2 repealed through FFFS 2024:16.

- name of issuer,
- the purpose of the issue,
- the issuer’s position in the consolidated situation,
- what level of the consolidated situation the instrument shall be included in,
- whether the instrument is being issued externally or internally within the consolidated situation,
- type of instrument,
- date of issue,
- amount that is being issued and in which currency, and
- under which country’s legislation the instrument is being issued.

The requirement in the first paragraph does not apply to the issue of instruments that are subject to the permission requirement or notification obligation pursuant to Article 26(3) of the Capital Requirements Regulation. *(FFFS 2024:16)*

General guidelines

If an issuance as referred to in the first paragraph contains complex terms and conditions or new terms and conditions relative to previous issuances, the undertaking should also notify Finansinspektionen of this in advance. The undertaking should make such an advance notification well in advance of the planned issuance, and it should contain information about the complex or new terms and conditions in question.

Section 3 Repealed through (FFFS 2024:16).

Section 4 Repealed through (FFFS 2022:13).

Section 7 Repealed through (FFFS 2019:6).

Section 8 Repealed through (FFFS 2019:6).

Section 9 Repealed through (FFFS 2019:6).

Section 10 Repealed through (FFFS 2019:6).

Chapter 4 Credit risk

Section 1 A credit institution’s exposures in the form of covered bonds shall qualify for preferential treatment pursuant to points 4 and 5 of Article 129 of the Capital Requirements Regulation if the counterparty applies the measurement principles set out in Chapter 3, section 4 of the Covered Bonds (Issuance) Act (2003:1223). *(FFFS 2024:16)*

Section 2 A credit institution, until 30 June 2026 and by way of derogation from Article 138(g) of the Capital Requirements Regulation, may continue to use a credit assessment from an external rating institution that includes assumptions of implicit government support when calculating risk exposure amounts for exposures to an institution. *(FFFS 2024:16)*

Section 3 A credit institution, when applying Article 178(1)(b) of the Capital Requirements Regulation, shall use the following thresholds to assess how material a past due credit obligation is:

1. For exposures to households, the absolute component of the materiality threshold is SEK 1,000 and the relative component is 1 per cent.
2. For exposures other than exposures to households, the absolute component of the materiality threshold is SEK 5,000 and the relative component is 1 per cent. (*FFFS 2024:16*)

Chapter 5 Large exposures

Credit institutions

Section 1 A credit institution shall exempt the following exposures when it applies Article 395(1) of the Capital Requirements Regulation:

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 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. (*FFFS 2021:24*)

Section 2 A credit institution shall, when applying Article 395(1) of the Capital Requirements Regulation, 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. (*FFFS 2021:24*)

Section 3 A credit institution may, when applying Article 395(1) of the Capital Requirements Regulation, 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. (*FFFS 2021:24*)

Investment firms

Section 4³ An investment firm, when applying Article 37 of the Investment Firms Regulation, shall exempt exposures to its parent undertaking, other subsidiaries to the parent undertaking or its own subsidiaries to the extent these undertakings fall under

1. supervision on a consolidated basis pursuant to Article 7 of the Investment Firms Regulation or pursuant to the Capital Requirements Regulation.
2. supervision for controls that they fulfil the conditions in the group capital test pursuant to Article 8 of the Investment Firms Regulation, or
3. supervision pursuant to equivalent applicable standards in a third country.

³ Former section 4 repealed through FFFS 2019:6.

That set out in the first paragraph applies if

1. there are no prevailing or predictable material practical or legal obstacles to the parent undertaking rapidly being able to transfer capital or repay debts, and
2. the parent undertaking's procedures for assessment, measurement and control of risks also include the unit in the financial sector. (*FFFS 2021:24*)

Section 5 An investment firm shall, when applying Article 395(1) of the Investment Firms Regulation, 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. (*FFFS 2021:24*)

Chapter 6 Liquidity risk

Section 1 A credit institution and all or some of its subsidiary undertakings may refrain from applying Articles 412 and 413 of the Capital Requirements Regulation in the case referred to in Article 8(2) of the same Regulation.

This requires the credit institution to submit notification to Finansinspektionen in writing of which undertakings are included in the single liquidity sub-group. In its notification, the institution shall also certify

1. that the conditions in Articles 8(1)(a)–8(1)(d) of the Capital Requirements Regulation are fulfilled, and
2. that there are legal opinions stating that the conditions in Articles 8(1)(c) and 8(1)(d) of the Capital Requirements Regulation are fulfilled. (*FFFS 2021:24*)

Section 2 The legal opinion in accordance with section 1 shall be issued by an external, independent legal adviser with experience in the field. The opinion shall be given directly to the institution.

Section 3 Repealed through (*FFFS 2021:24*).

Chapter 7 Reporting

Section 1 The information that shall be submitted by a credit institution to Finansinspektionen in accordance with Commission Implementing Regulation (EU) No 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014 shall be specified in SEK.

The information that a securities company shall submit to Finansinspektionen pursuant to Articles 54 and 55 of the Investment Firms Regulation shall be specified in SEK.

That set out regarding securities companies in the second paragraph also applies to such an undertaking as referred to in Chapter 1, section 2, points 7d, e or g of the Special Supervision of Credit Institutions and Investment Firms Act (2014:968). (*FFFS 2024:16*)

Section 2 A credit institution or an investment firm shall convert assets, liabilities and provisions as well as off-balance sheet positions and commitments in a foreign currency to SEK using the current spot rates at the time of conversion. 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. (FFFS 2021:24)

Section 3 A credit institution and an investment firm 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. (FFFS 2021:24)

Chapter 8 Disclosure of information

Scope of the disclosure requirements

Section 1 Provisions concerning the scope of the information that a credit institution shall disclose are set out in Article 431 of the Capital Requirements Regulation.

Provisions concerning the scope of the information that an investment firm shall disclose are set out in Article 46 of the Investment Firms Regulation. (FFFS 2021:24)

General guidelines

The credit institution should, when applying Article 431(3) of the Capital Requirements Regulation, report its total own funds requirement and its own funds in a unified way. The report should refer to both the risk-based own funds requirement and the leverage ratio and be arranged in the manner stated below.

Risk-based own funds requirement

The credit institution should provide the information in both SEK and as a percentage of total risk-weighted exposure amounts. *Total risk-weighted exposures amounts* refers to the risk exposure amount pursuant to Article 92(3) of the Capital Requirements Regulation.

In the report, the credit institution should disclose separately at least the following items:

1. Own funds requirements in accordance with Article 92(1)(a–c) of the Capital Requirements Regulation.
2. Specific own funds requirement in accordance with Chapter 2, section 1, point 2 of the Special Supervision of Credit Institutions and Investment Firms Act (2014:968) (Pillar 2 requirements).
3. Combined buffer requirement in accordance with Chapter 2, section 2 of the Capital Buffers Act (2014:966).

4. A notification in accordance with Chapter 2, section 1c of the Special Supervision of Credit Institutions and Investment Firms Act (Pillar 2 guidance).

The credit institution should also report

- the sum of items 1–4 (total adequate level of own funds), and
- the credit institution’s own funds according to Part Two of the Capital Requirements Regulation.

Own funds requirements that refer to leverage ratio

This information should be provided in both SEK and as a percentage of total exposure measure for leverage. *Total exposure for leverage* refers to the risk exposure amount pursuant to Article 429(4) of the Capital Requirements Regulation.

In the report, the credit institution should disclose separately at least the following items:

1. Own funds requirements in accordance with Article 92(1)(d) of the Capital Requirements Regulation.
2. Specific own funds requirement in accordance with Chapter 2, section 1, point 1 of the Special Supervision of Credit Institutions and Investment Firms Act (Pillar 2 requirements).
3. A notification in accordance with Chapter 2, section 1c of the Special Supervision of Credit Institutions and Investment Firms Act (Pillar 2 guidance).

The credit institution should also report

- the sum of the items set out in 1–3 (total adequate level of own funds), and
- the credit institution’s Tier 1 capital according to Part Two of the Capital Requirements Regulation. (*FFFS 2021:24*)

Information to be submitted annually

Section 2 The information that a credit institution shall disclose pursuant to section 3, first paragraph and section 4, first paragraph shall be available on the credit institution’s website.

If the credit institution does not have a website, it shall have the ability to provide the information to the public in a different manner. (*FFFS 2021:24*)

Section 3 The information that shall be disclosed in accordance with Chapter 6, section 2, first paragraph 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 credit 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 credit institution shall disclose the information in the first paragraph together with other information in accordance with Articles 435–455 of the Capital Requirements Regulation. The credit institution may provide information in complete form or in the form of references to equivalent information. *(FFFS 2021:24)*

Section 3a The information that shall be disclosed in accordance with Chapter 6, section 2, second paragraph 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 investment firm group,
2. The close relations of investment firms in the investment firm group to natural or legal persons, and
3. which measures the parent undertaking takes to manage the operations in the undertakings included in the investment firm group. *(FFFS 2021:24)*

Section 4 A credit institution shall disclose information about the internally assessed capital need as determined through its internal process for assessing capital need in accordance with Chapter 6, section 2 of the Banking and Financing Business Act (2004:297).

The credit institution shall disclose information in accordance with the first paragraph together with other information in accordance with Articles 435–455 of the Capital Requirements Regulation. *(FFFS 2021:24)*

Exemption from the obligation to disclose information

Section 5 Finansinspektionen can exempt a credit institution from disclosing the information about exposure to counterparty credit risk referred to in Article 439(d) and (e) of the Capital Requirements Regulation if disclosure of this information could reveal that the credit institute has received emergency liquidity assistance in the form of collateral swap transactions from a central bank.

If a credit institution wants an exemption in accordance with the first paragraph, it shall submit an application concerning this to Finansinspektionen. *(FFFS 2021:24)*

Chapter 9 Capital buffers

Exemptions for small and medium sized enterprises

Section 1 Repealed through *(FFFS 2021:24)*.

Institution-specific countercyclical capital buffer

Section 2 *Relevant credit exposures* in accordance with Chapter 6, section 1 of the Capital Buffers Act (2014:966) refers to all exposure classes other than those set out in Article 112 a–f of the Capital Requirements Regulation and that are subject to

- a) The own funds requirements for credit risk in accordance with Part Three, Title 2 of the Capital Requirements Regulation.
- 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 the Capital Requirements Regulation or incremental default and migration risk under Part 3, Title 4, Chapter 5 of the same Regulation.
- c) When the exposure is a securitisation, the own funds requirements in accordance with Part 3, Title 2, Chapter 5 of the Capital Requirements Regulation. (*FFFS 2021:24*)

Section 3 When a credit institution 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 Capital Requirements Regulation 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. (*FFFS 2021:24*)

Section 4 When a credit institution calculates the institution-specific countercyclical capital buffer rate, it shall state the geographical area of the relevant credit exposures in accordance with the technical standards for supervision that have been adopted under Article 140(7) of the Capital Requirements Directive. (*FFFS 2021:24*)

Systemic risk buffer

Section 5 A credit institution shall calculate its systemic risk buffer in accordance with Chapter 4, section 2 of the Capital Buffers Act (2014:966) as follows:

$$B_{SR} = r_T \cdot E_T + \sum_i r_i \cdot E_i$$

where:

B_{SR} = systemic risk buffer,

r_T = the buffer value that is applicable to a credit institution's total risk-weighted exposure amount,

E_T = a credit institution's total risk-weighted exposure amount calculated in accordance with Article 92(3) of the Capital Requirements Regulation,

i = the index that specifies the subgroup of exposures in accordance with Article 133(5) of the Capital Requirements Directive,

r_i = the buffer value that is applicable to the risk-weighted exposure amount for the subgroup of exposures 'i', and

E_i = a credit institution's risk-weighted exposure amount for the subgroup of exposures 'i', calculated in accordance with Article 92(3) of the Capital Requirements Regulation.

The credit institution shall state the geographical location of the credit exposures as set out in the technical standards for supervision that have been adopted under Article 140(7) of the Capital Requirements Directive. (FFFS 2021:24)

Interventions and restrictions if the combined buffer requirement is not met

Section 6 The maximum distributable amount for the combined buffer requirement 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 referred to in the first paragraph shall consist of

- a) interim profits and year-end profits that are not included in Common Equity Tier 1 capital in accordance with Article 26(2) of the Capital Requirements Regulation, net of dividends or payments that are the result of the actions referred to in Chapter 8, section 3, points 1–3 of the Capital Buffers Act, less
- b) the amount that would have been paid in taxes had the profits referred to in point a been retained within the credit institution.

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

When the credit institution's Common Equity Tier 1 capital, which is not being used to meet the own funds requirement in accordance with Article 92(1)(a), (b) and (c) of the Capital Requirements Regulation and the specific own funds requirement that applied by virtue of a decision pursuant to Chapter 2, section 1 of the Special Supervision of Credit Institutions and Investment Firms Act (2014:968), expressed as a percentage of the total risk-weighted exposure amount calculated in accordance with Article 92(3) of the Capital Requirements Regulation, is within the combined buffer requirement's

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

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

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

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

where Q_n is the ordinal number for the relevant quartile, $Q_n = 1$ 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. (FFFS 2021:24)

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 revenue and expenditure and a forecast for assets, liabilities and equity on the balance sheet.

- b) The measures that will be implemented to increase the credit institution'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 that the credit institution deems is necessary to allow Finansinspektionen to assess the capital conservation plan. (*FFFS 2021:24*)

Section 8 The notification that a credit institution 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 credit institution's own funds, broken down into:
 - a) Common Equity Tier 1 capital,
 - b) Additional Tier 1 capital, and
 - c) Tier 2 capital.
- 2. The credit institution's interim and year-end profit.
- 3. The maximum distributable amount, calculated in accordance with section 6.
- 4. The portion of the highest distributable amount that the credit institution intends to use in order to
 - a) perform a distribution linked to the credit institution'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) make 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 credit institution did not meet the combined buffer requirement. (*FFFS 2021:24*)

Interventions and restrictions if the leverage ratio buffer requirement is not met

Section 9 A credit institution shall calculate the maximum distributable amount for the leverage ratio buffer requirement in accordance with Chapter 8, section 1 of the Capital Buffers Act (2014:966) by multiplying a distributable amount by a factor.

The distributable amount referred to in the first paragraph shall consist of

- a) interim profits and year-end profits that are not included in Common Equity Tier 1 capital in accordance with Article 26(2) of the Capital Requirements Regulation, net of dividends or payments as referred to in Chapter 8, section 3, points 1–3 of the Capital Buffers Act, less

b) the amount that would have been paid in taxes had the profits referred to in point a been retained within the credit institution.

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

When the credit institution's Tier 1 capital, which is not being used to meet the own funds requirement in accordance with Article 92(1)(d) of the Capital Requirements Regulation and the specific own funds requirement that applied by virtue of a decision pursuant to Chapter 2, section 1 of the Special Supervision of Credit Institutions and Investment Firms Act (2014:968), expressed as a percentage of the exposure measure calculated in accordance with Article 429(4) of the Capital Requirements Regulation, is within the leverage ratio buffer's requirement's

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

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

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

$$\text{Upper limit in the quartile} = \frac{\text{Leverage ratio buffert requirement}}{4} \times Q_n$$

where Q_n is the ordinal number for the relevant quartile, $Q_n = 1$ 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. (FFFS 2021:24)

Section 10 A capital conservation plan for the leverage ratio buffer requirement in accordance with Chapter 8, section 1 of the Capital Buffers Act (2014:966) shall contain information concerning the following:

- a) Estimates of revenue and expenditure and a forecast for assets, liabilities and equity on the balance sheet.
- b) The measures that will be implemented to increase the undertaking's capital ratio.
- c) A plan and timeframe for increasing own funds with the aim of fully meeting the leverage ratio buffer requirement in accordance with Article 92(1)(a) of the Capital Requirements Regulation.
- d) All other information that the credit institution deems is necessary to allow Finansinspektionen to assess the capital conservation plan. (FFFS 2021:24)

Section 11 The notification that a credit institution shall submit to Finansinspektionen pursuant to Chapter 8, section 5 of the Capital Buffers Act (2014:966) shall contain information concerning the following:

1. The credit institution's own funds, broken down into:

- a) Common Equity Tier 1 capital, and

- b) Additional Tier 1 capital.
- 2. The credit institution's interim and year-end profit.
- 3. The maximum distributable amount, calculated in accordance with section 9.
- 4. The portion of the highest distributable amount that the credit institution intends to use in order to
 - a) perform a distribution linked to the credit institution's Common Equity Tier 1 capital according to Chapter 1, section 2, point 17 of the Capital Buffers Act,
 - b) redeem own funds instruments,
 - c) make payments connected to Additional Tier 1 capital, or
 - d) undertake to pay variable remuneration, discretionary pension benefits or variable remuneration for which the payment obligation arose at a time when the credit institution did not meet the leverage ratio buffer requirement. (FFFS 2021:24)

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

Section 1 A credit institution and an investment firm 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. (FFFS 2021:24)

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.

Chapter 11 Content of applications for financial holding companies and mixed financial holding companies

Application for approval

Section 1 An application for approval of a holding company in accordance with Chapter 1, section 7 of the Special Supervision of Credit Institutions and Investment Firms Act (2014:968) shall contain the following:

1. A schematic overview of the undertakings in the group the holding company is included in. Subsidiaries and any parent companies shall be specified clearly. The overview shall indicate the ownership structure by specifically stating each owner's share of the capital and voting rights.
2. A description of the activities each undertaking in the group conducts and where each head office is located.
3. A description of how the duties are divided within the group, in order to, at the group level or subgroup level, comply with the requirements stipulated in Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms and the Capital Buffers Act (2014:966).
4. The directors and any alternates who are on the board of directors. The application shall also include the name of the chair of the board of directors, the managing director and, where applicable, the managing director's deputies.
5. The information set out in Appendix 2 to Finansinspektionen's regulations (FFFS 2009:3) regarding ownership and management assessment in financial firms, in respect of the holding companies' directors, alternate directors and managing director, as well as deputy managing directors, where such have been appointed. (FFFS 2020:32)

General guidelines

The holding company should also submit the assessment of the senior executives' suitability that the company has conducted pursuant to the European Banking Authority and the European Securities and Markets Authority's joint guidelines on the assessment of the suitability of members of the management body and key function holders. (FFFS 2020:32)

Section 2 A holding company that has one or several credit institutions as referred to in Chapter 1, section 2, first paragraph point 7a of the Supervision of Credit Institutions and Investment Firms Act (2014:968) or equivalent foreign undertakings within the EEA as subsidiary undertakings, shall also submit information concerning

1. the persons, shareholders or members who have a qualifying holding in the credit institution and the scope of such holdings, or
2. if there is no qualifying holding, the persons who are the 20 largest shareholders or members of the credit institution.

When the undertaking submits information in accordance with the first paragraph, point 1, it shall always state Finansinspektionen's reference number for cases that involve authorisation to acquire shares. (FFFS 2021:24)

Application for exemption from the requirement for approval

Section 3 An application for exemption from the requirement for approval for a holding company pursuant to Chapter 1, section 7 of the Special Supervision of Credit Institutions and Investment Firms Act (2014:968), shall contain the following information:

1. A description of the principal activity of the holding company.
2. Name(s) of the undertaking(s) that has/have been appointed as resolution entity in the group's resolution groups.
3. Name of the subsidiary credit institution or equivalent foreign subsidiary undertaking within the EEA responsible for ensuring that the group complies with the supervision requirements at group level.
4. A commitment stating that the holding company is not contributing to influencing the operation of the group or the subsidiaries in the group that are financial institutions or institutions. (*FFFS 2021:24*)

Entry into force and transition provisions

FFFS 2014:12

1. These regulations shall enter into force on 1 January 2015 in respect of Chapter 8, sections 5 and 7 and 2 August 2014 for the remaining regulations.
2. These regulations repeal Finansinspektionen's regulations (FFFS 2013:27) 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 public 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).
3. Permission/approval granted pursuant to Finansinspektionen's regulations regarding prudential requirements for credit institutions and investment firms shall continue to apply as approval under the new regulations.
4. Allowance granted to an institution pursuant to Chapter 5, section 4, first paragraph of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures for consolidation to occur by a method other than full consolidation that applies at the time of entry into force shall continue to apply as a decision under Chapter 2, section 1 of the new regulations.
5. Allowance granted to an institution pursuant to Chapter 5, section 4, second paragraph of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures for consolidation to occur by the proportional method instead of full consolidation that applies at the time of entry into force shall continue to apply as a decision to consolidate using the proportional method under Chapter 2, section 3 of the new regulations.

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

7. Permission granted to an institution pursuant to Chapter 13, section 53, first paragraph of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures to use a sensitivity model when calculating general interest rate risk that applies at the time of entry into force shall continue to apply as authorisation under Article 331(1) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

8. Permission granted to an institution pursuant to Chapter 25, section 34, first paragraph of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures to calculate own estimates volatility adjustments that applies at the time of entry into force shall continue to apply as authorisation 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 pursuant to Chapter 25, section 41, third paragraph and Chapter 55, section 27, third paragraph of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures may use a historical period of observation shorter than one year that applies at the time of entry into force shall continue to apply as a requirement under Article 225(2)(e) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

10. Permission granted to an institution pursuant to Chapter 29, section 2, second paragraph of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures to use another indicator during a transition period when calculating general interest rate risk that applies at the time of 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 pursuant to Chapter 31, section 1, third paragraph of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures on amendment of the capital requirement following a material change in operations that applies at the time of entry into force shall continue to apply as an adjusted requirement under Article 97(2) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

12. Permission granted to an institution pursuant to Chapter 32, section 14 of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures for an exemption from the calculation of net open currency positions that applies at the time of 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. Permission granted to an institution pursuant to Chapter 35, section 13, first paragraph of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures to use own estimates of LGD and conversion

factors according to the IRB approach when determining large exposures pursuant to Chapter 7, sections 3 and 5 of the Capital Adequacy and Large Exposures Act (2006:1371) that applies at the time of entry into force shall continue to apply as permission under Article 401(2) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

14. Permission granted to an institution pursuant to Chapter 49, section 4 of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures to apply the supervisory formula method when determining securitisation positions that applies at the time of entry into force shall continue to apply as prior permission under Article 259(1)(b) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

15. Permission granted to an institution pursuant to Chapter 49, section 7 of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures to use an internal method to assign a derived credit assessment position in an asset-backed commercial paper programme (ABCP programme) that applies at the time of entry into force shall continue to apply as permission under Article 259(3) of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

16. Permission granted to an institution pursuant to Chapter 49, section 15, first paragraph of Finansinspektionen's regulations and general guidelines governing capital adequacy and large exposures on temporary application of a certain risk weight when K_{IRB} cannot be calculated that applies at the time of 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.

FFFS 2015:3

These regulations shall enter into force on 31 March 2015.

FFFS 2019:6

These regulations and general guidelines shall enter into force on 15 June 2019.

FFFS 2020:32

1. These regulations and general guidelines shall enter into force on 28 June 2021 in respect of Chapter 1, sections 3 and 5; Chapter 6, section 1; and Chapter 8, sections 2 and 4–11; and otherwise on 29 December 2020.

2. The provisions set out in Chapter 9, sections 9–11 are initially applied on 1 January 2023.

FFFS 2021:24

1. These regulations and general guidelines shall enter into force on 7 July 2021.

2. The provisions set out in Chapter 9, sections 9–11 are initially applied on 1 January 2023.

FFFS 2024:16

These regulations shall enter into force on 01 January 2025.