Official Journal
of the European Union

EN
C series

C/2025/5112

22.9.2025

RECOMMENDATION OF THE EUROPEAN SYSTEMIC RISK BOARD

of 9 July 2025

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

(ESRB/2025/5)

(C/2025/5112)

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]), and 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 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 ([4]), 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 ([5]) aims to ensure that all exposure-based macroprudential policy measures activated in one Member State are reciprocated in other Member States.

(3) On 30 April 2025, the Swedish Financial Supervisory Authority (Finansinspektionen), acting as designated authority for the purpose of Article 458 of Regulation (EU) No 575/2013, notified the European Systemic Risk Board (ESRB) of its intention to extend the period of application of two existing stricter national measures, in accordance with Article 458(2), point (d)(iv), of Regulation (EU) No 575/2013.

(4) In particular, Finansinspektionen notified the ESRB of the intention: (a) to extend from 31 December 2025 for a period of two years or until the macroprudential or systemic risks cease to exist, the currently applicable minimum exposure-weighted average risk-weight floor of 25 % applicable to Swedish retail mortgage exposures; and (b) to extend from 30 September 2025 for a period of two years or until the macroprudential or systemic risks cease to exist,(i) the currently applicable minimum average risk-weight floor of 35 %, which applies at the portfolio level to corporate exposures secured by commercial properties, and (ii) the currently applicable minimum average risk-weight floor of 25 %, which applies at the portfolio level to corporate exposures secured by residential properties. The existing stricter national measures apply both on an individual and consolidated basis to all credit institutions authorised in Sweden using the internal ratings-based (IRB) approach for calculating regulatory capital requirements.

([1]) OJ L 1, 3.1.1994, p. 3, ELI: http://data.europa.eu/eli/agree_internation/1994/1/oj.
([2]) OJ L 331, 15.12.2010, p. 1, ELI: http://data.europa.eu/eli/reg/2010/1092/oj.
([3]) OJ L 176, 27.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj.
([4]) OJ C 58, 24.2.2011, p. 4.
([5]) 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).

(5) The General Board of the ESRB has previously decided to include these measures in the list of macroprudential policy measures that are recommended to be reciprocated under Recommendation ESRB/2015/2 ([6]).

(6) The notifications received from Finansinspektionen on 30 April 2025 include a request to the ESRB to recommend the reciprocation of the macroprudential policy measures, pursuant to Article 458(8) of Regulation (EU) No 575/2013, on an individual, sub-consolidated and consolidated basis.

(7) The reciprocation of macroprudential measures activated by authorities of other Member States, on a consolidated, sub-consolidated and individual basis, irrespective of whether the exposures concerned are held through subsidiaries or branches or result from direct cross-border lending, limits leakages and regulatory arbitrage, tackles systemic risks and thus promotes the overall effectiveness of macroprudential policy by ensuring that increased risks are addressed not only in the Member State that has introduced the macroprudential measure but also in other Member States where banking groups are exposed to those increased risks. Recognition should therefore also aim to ensure that banking groups exposed to those systemic risks are sufficiently resilient. Therefore, macroprudential measures stemming from a decision to recognise other Member States' macroprudential measures should in general be applied on a consolidated, sub-consolidated and individual basis.

(8) Following the request by Finansinspektionen to the ESRB and in order: (a) 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 measures applied in Sweden in accordance with Article 458(2), point (d)(iv) of Regulation (EU) No 575/2013; and (b) to preserve a level playing field among credit institutions established in the Union, the General Board of the ESRB decided to continue including these measures in the list of macroprudential policy measures which are recommended to be reciprocated under Recommendation ESRB/2015/2 and to recommend the reciprocation of the measures on a consolidated, sub-consolidated, and individual basis.

(9) Recommendation ESRB/2015/2, as amended by Recommendation ESRB/2017/4 of the ESRB ([7]), recommends that the relevant authority activating a macroprudential policy measure should, when submitting a request for reciprocation to the ESRB, propose a maximum materiality threshold below which an individual financial service provider's exposure to the identified macroprudential risk in the jurisdiction where the macroprudential policy measure is applied by the activating authority can be considered non-material. The ESRB may recommend a different threshold if deemed necessary.

(10) In accordance with the notifications received, the institution-level materiality threshold for reciprocating the current average risk-weight floor of 25 % on Swedish retail mortgage exposures should be retained at SEK 5 billion. For the current average risk-weight floor of 35 % applied at the portfolio level to corporate exposures secured by commercial properties and for the current risk-weight floor of 25 % applied at the portfolio level to corporate exposures secured by residential properties, the current institution-level materiality threshold of SEK 5 billion should also be retained. Both thresholds should be assessed at the consolidated, sub-consolidated and individual level.

(11) This amendment to Recommendation ESRB/2015/2 does not affect the continuity of recommending the reciprocation of the national macroprudential measures activated by the Swedish authorities, as set out in Recommendation ESRB/2023/4 ([8]). The current amendments to Recommendation ESRB/2015/2 reflect that reciprocity is now recommended on an individual, sub-consolidated and consolidated basis. Therefore, the standard three-month transition period following the publication of this Recommendation in the *Official Journal of the European Union* is only applicable to measures, or amendments thereto, that national authorities will adopt to reciprocate both risk-weight floors on an individual, sub-consolidated and consolidated basis.

([6]) See Recommendation ESRB/2023/4 of the European Systemic Risk Board of 6 July 2023 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (OJ C 307, 31.8.2023, p. 1); see also Recommendation ESRB/2019/1 of the European Systemic Risk Board of 15 January 2019 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (OJ C 106, 20.3.2019, p. 1).

([7]) Recommendation ESRB/2017/4 of the European Systemic Risk Board of 20 October 2017 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (OJ C 431, 15.12.2017, p. 1).

([8]) Recommendation ESRB/2023/4 of the European Systemic Risk Board of 6 July 2023 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (OJ C 307, 31.8.2023, p.1).

(12) Therefore, Recommendation ESRB/2015/2 should be amended accordingly,

HAS ADOPTED THIS RECOMMENDATION:

AMENDMENT

The Annex to Recommendation ESRB/2015/2 is amended in accordance with the Annex to this Recommendation.

Done at Frankfurt am Main, 9 July 2025.

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) under Sweden, the section headed 'I. Description of the measures' is replaced by the following:

'I. Description of the measures

1. The Swedish measure applied in accordance with Article 458(2)(d)(iv) of Regulation (EU) No 575/2013 and imposed on credit institutions authorised in Sweden using the IRB approach, consists of a credit institution-specific floor of 25 % for the exposure-weighted average of the risk weights applied to the portfolio of retail exposures to obligors residing in Sweden secured by immovable property. The exposure-weighted average is the average of the risk weights of the individual exposures calculated in accordance with Article 154 of Regulation (EU) No 575/2013, weighted by the relevant exposure value. The measure applies on a consolidated, and individual basis.

2. The Swedish measure applied in accordance with Article 458(2)(d)(iv) of Regulation (EU) No 575/2013 and imposed on credit institutions authorised in Sweden using the IRB approach, consists of an exposure-weighted risk weight credit institution-specific minimum level (floor) of 35 % for certain corporate exposures in Sweden secured by mortgages on immovable commercial properties and an exposure-weighted risk weight credit institution-specific minimum level (floor) of 25 % for certain corporate exposures in Sweden secured by mortgages on immovable residential properties. The exposure-weighted average is the average of the risk weights of the individual exposures calculated in accordance with Article 153 of Regulation (EU) No 575/2013, weighted by the relevant exposure value. This measure does not cover corporate exposures secured by: (i) agricultural properties; (ii) properties owned directly by municipalities, states or regions; (iii) properties where more than 50 % of the property is used for own business; and (iv) multi-dwelling properties where the purpose of the property is not commercial (for example housing associations that are owned by the residents and that are non-profit making) or where the number of dwellings is less than four. The measure applies on a consolidated and individual basis.';

(2) under Sweden, in the section headed 'II. Reciprocation', paragraph 3 is replaced by the following:

'3. In accordance with Article 458(5) of Regulation (EU) No 575/2013, relevant authorities of the Member States concerned are recommended to reciprocate the Swedish measures by applying them to domestically authorised credit institutions using the IRB approach that have relevant exposures to Sweden, including retail exposures secured by residential property and corporate exposures secured by commercial or residential property. Reciprocation should apply on a consolidated, sub-consolidated and individual basis, irrespective of whether the exposures are held through subsidiaries, branches, or result from direct cross-border lending. In accordance with sub-recommendation C(2), the relevant authorities are recommended to implement the same measure as applied in Sweden by the activating authority by no later than three months following the publication of this Recommendation in the *Official Journal of the European Union*.';

(3) under Sweden, in section headed 'III. Materiality threshold', paragraphs 6, 7 and 8 are replaced by the following:

'6. In line with Section 2.2.1 of Recommendation ESRB/2015/2, relevant authorities of the Member State concerned may exempt individual domestically authorised credit institutions using the IRB approach that have exposures below the materiality threshold of SEK 5 billion for the measures described in paragraphs 1 and 2, respectively. When applying the materiality threshold, the relevant authorities should monitor the materiality of exposures and are recommended to apply the relevant Swedish measures to previously exempted individual domestically authorised credit institutions when the materiality threshold of SEK 5 billion is exceeded for that measure. The materiality of exposures should be assessed on a consolidated, sub-consolidated and individual basis, and when assessing it on a sub-consolidated and consolidated basis, all exposures held through subsidiaries or branches, or which result from direct cross-border lending, should be included in the calculation of exposures assessed against the materiality threshold.

7. Where no domestically authorised credit institution using the IRB approach has retail exposures, as described in paragraph 1, of more than SEK 5 billion, through subsidiaries or branches located in Sweden and/or direct cross-border lending, relevant authorities of the Member States concerned may, pursuant to Section 2.2.1 of Recommendation ESRB/2015/2, decide not to reciprocate the measure. In this case, the relevant authorities should monitor the materiality of the exposures and are recommended to reciprocate the measure described in paragraph 1 where a domestically authorised credit institution using the IRB approach exceeds the threshold of SEK 5 billion.

8. Where no domestically authorised credit institutions using the IRB approach has corporate exposures, as described in paragraph 2, of more than SEK 5 billion, through subsidiaries or branches located in Sweden and/or direct cross-border lending, relevant authorities of the Member States concerned may, pursuant to Section 2.2.1 of Recommendation ESRB/2015/2, decide not to reciprocate the measure. In this case the relevant authorities should monitor the materiality of the exposures and are recommended to reciprocate the measure described in paragraph 2 where a domestically authorised credit institution using the IRB approach exceeds the threshold of SEK 5 billion.'