

# MFSA

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MALTA FINANCIAL SERVICES AUTHORITY

## **Circular to Credit Institutions on Banking Rule BR/15**

The Authority has issued Banking Rule BR/15 on Capital Buffers of Credit Institutions authorised under the Banking Act ('the Rule').

Banking Rule BR/15 transposes, in part, Chapter 4 of Title VII of 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 (the [CRDIV](#)). Credit institutions should however also refer to [Directive No. 11 on Macro-prudential Policy](#) of the Central Bank of Malta (the CBM Directive), which also transposes, in part, Chapter 4 of Title VII of the [CRDIV](#).

Pursuant to the provisions of Chapter 4 of Title VII of the [CRDIV](#), credit institutions are required to maintain a capital conservation buffer and an institution-specific countercyclical capital buffer.

The capital conservation buffer shall, subject to the transitional periods prescribed in the Rule, apply from 1 January 2016. In accordance with Article 160(6) of the CRDIV, the competent authority may also impose a shorter transitional period than that prescribed in the Rule and thereby implement the capital conservation buffer prior to 1 January 2016.

The institution-specific countercyclical capital buffer shall, subject to the transitional periods prescribed in the Rule and to any shorter transitional periods which may be imposed in accordance with the CBM Directive, apply from 1 January 2016.

Furthermore, O-SIIs which have been identified as such by the Authority together with the Central Bank of Malta, may also be required, on a consolidated or sub-consolidated or individual basis, as applicable, to maintain, as from 1 January 2016, an O-SII buffer. The names of the credit institutions required to maintain an O-SII buffer will be published in due course.

**Communications Unit**  
**Malta Financial Services Authority**  
**27th January 2015**