

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Circular addressed to the Banking Sector regarding the fourth set of amendments to the Capital Requirements Directive (CRD IV)

9th March, 2010

On the 26th February 2010, the European Commission issued a public consultation document outlining additional proposed changes to Directives 2006/48/EC and 2006/49/EC, which collectively are referred to as the Capital Requirements Directive (CRD). The proposed changes, which are being designated as CRD IV, follow two other Commission proposals amending the CRD. CRD IV covers the following seven specific areas:

- Section I: Liquidity standards
- Section II: Definition of capital
- Section III: Leverage ratio
- Section IV: Counterparty credit risk
- Section V: Countercyclical measures
- Section VI: Systemically important financial institutions
- Section VII: Single rule book in banking

A detailed explanation of the proposed changes is accessible from the European Commission's web-site through the following link:

http://ec.europa.eu/internal_market/consultations/docs/2010/crd4/consultation_paper_en.pdf

It is envisaged that the proposed amendments could involve material departures from the current operating norms. Therefore, the Authority would urge all licensed credit institutions in their capacity as directly interested stakeholders to review the said document and provide their feedback to the Commission's proposal, by sending an email to: Markt-h1@ec.europa.eu

Credit Institutions and other stakeholders are also recommended to refer to the [document detailing frequently asked questions](#) on the public consultation, which should assist the industry to understand the rationale behind the proposed changes to the CRD (CRD IV).

Contacts

Should you have any queries regarding the proposed changes to the CRD, as well as this consultation process, please contact:

Karol Gabarretta
Director
Banking Supervision Unit
Tel: 2548 5183
kgabarretta@mfsa.com.mt

Catherine Galea
Senior Manager
Banking Supervision Unit
2548 5168
cgalea@mfsa.com.mt