FJÁRMÁLAEFTIRLITIÐ
THE FINANCIAL SUPERVISORY AUTHORITY, ICELAND

Options and National Discretions - Position of the Financial Supervisory Authority (FME), Iceland

	Area	Reference (Dir. 2006/48/EC	Denomination	Description	Country position
			Own funds		
1	OWN FUNDS	Article 57 (second last paragraph)	Inclusion of interim profits	Member States may permit the inclusion of interim profits before a formal decision has been taken on the accounts, subject to conditions.	Yes Act No. 161/2002, Art. 84
2	OWN FUNDS	Article 58	Waiver on certain deductions	Shares in another credit institution, financial institution, insurance or reinsurance undertaking may not be deducted if held temporarily for the purposes of a financial assistance operation designed to reorganise and save the entity.	Yes Act No. 161/2002, Art. 109
3	OWN FUNDS	Article 59	Alternatives to deductions	As an alternative to deductions of participations and capital instruments held in other financial institutions, credit institutions may be allowed to apply, with the necessary changes, any of the methodologies set out in Annex 1 to the Conglomerates Directive	Yes Act No. 161/2002, Art. 85
4	OWN FUNDS	Article 60	Deductions for stand-alone requirements purposes	For the purposes of the calculation of their stand alone requirments, institutions may be not required to deduct holdings and participations in insitutions included in the scope of their consolidation.	Yes Act No. 161/2002, Art. 85

5	OWN FUNDS	Articles 61, 63.1, 64.3 and 65	List of own funds	The list of own funds elements in the Directive is a maximum, both in items and amounts. Member States may choose not to admit certain elements or to applied lower ceilings. They can add further deductions. Member states may choose to accept other elements of own funds different from those in Article 57, subject to conditions. Finally they can decide on the possible inclusion of cumulative preferential shares and subordinated loan capital and on the inclusion of certain elements normally accounted for as assets, when they bear a credit ("negative") sign.	Articles 61: Yes Article 63.1: No Article 64.3: Yes Article 65: Yes
6	OWN FUNDS	Article 13.2 Dir. 2006/49/EC	Alternative form of calculation for investment firms not providing certain services and applieding Article 21	Investment firms that, in view of the services they provide, are allowed to calculate their own funds as a percentage of the turnover of the previous year (Article 21), may be also authorised to apply a definition of own funds other than that prescribed by Directive 2006/48/EC.	No
7	OWN FUNDS	Article 13.5 Dir. 2006/49/EC	Flexibility in the composition of own funds for investment firms makig use of the option in Article 13.2	If an institution is calculating its own funds in accordance with the alternative offered in Article 13.2 of directive 2006/49/EC, it can be allowed to substitute subordinated loans by other elements described in Article 57 of directive 2006/48/EC, mainly as Tier 2.	No
8	OWN FUNDS	Article 14 Dir. 2006/49/EC	Excess of subordinated capital	The Competent Authorities may allow investment firms to hold subordinated capital in excess of ordinary thresholds, up to certain limits.	No

			Scope of application		
9	SCOPE OF APPLICATION	Article 69.1	Individual waiver for subsidiaries	Member States may grant individual institutions which are subsidiaries within a group, subject to the fulfilment of certain conditions, an exemption from individual requirements. The same applies where the parent company is a financial holding company.	No
10	SCOPE OF APPLICATION	Article 69.3	Individual waiver for parent credit institutions	Member States may grant individual institutions which are the parent company within a group, subject to the fulfilment of certain conditions, an exemption from individual requirements.	Yes Rules No. 215/2007, Art. 85.3
11	SCOPE OF APPLICATION	Article 70	Solo consolidation	Member States may allow, on a case-by-case basis, for the purpose of the calculation of the individual requirements of the parent institution, and subject to certain conditions, the incorporation of subsidiaries whose material exposures or liabilites are all to that parent company.	Yes Act No. 161/2002, Art. 109
12	SCOPE OF APPLICATION	Article 72.3	Exemption from Pillar III	The Competent Authorities may decide to exempt, fully or partially, a credit institution from Pillar III requirements provided such institution is included within a group complying with comparable disclosures on a consolidated basis in a third country.	N/A
13	SCOPE OF APPLICATION	Article 73.1	Exemption from consolidation	Member States may decide that, if certain conditions are met, some subsidiaries need not be included in consolidation.	Yes Act No. 161/2002, Art. 109
14	SCOPE OF APPLICATION	Articles 22, 24 & 25 Dir. 2006/49/EC	Consolidated waiver for investment firms	A group of investment firms may be exempted from consolidated capital requirements, on a case-by-case basis, provided conditions are met.	Yes Act No. 161/2002, Art. 109

COUNTERPARTY RISK IN DERIVATIVES AND OTHER EXPOSURES					
15	COUNTERPARTY RISK IN DERIVATIVES AND OTHER EXPOSURES	Annex III, Part 3	Alternative template for the calculation of potential future value in certain cases	For institutions complying with certain requirements in their trading activities in commodities, gold and other products, Member States may allow percentages for the calculation of potential future value other than the general ones.	Yes, but of no material relevance
16	COUNTERPARTY RISK IN DERIVATIVES AND OTHER EXPOSURES	Annex III, Part 6, Para. 7	Higher value of coefficient Alpha (multiplier to calculate the exposure value of certain contracts)	Member States may set a value for coefficient Alpha higher than 1.4.	Yes, but of no relevance to date
17	COUNTERPARTY RISK IN DERIVATIVES AND OTHER EXPOSURES	Annex III, Part 6, Para. 12	Internal determination of the value of coeficient Alpha (multiplier to calculate the exposure value of certain contracts)	Member States may allow institutions to calculate Alpha internally, subject to a floor of 1.2.	Yes, but of no relevance to date
18	COUNTERPARTY RISK IN DERIVATIVES AND OTHER EXPOSURES	Annex III, Part 7c (ii)	Calculation (separate/aggregate) of 'net-to-gross ratio'	At the discretion of Competent Authorities, credit institutions may use either separate calculation or aggregate calculation when calculating the 'net-to-gross ratio'. If Member States permit credit institutions a choice of methods, the method chosen is to be used consistently.	Yes, but of no relevance to date

STANDARDISED APPROACH					
19	STANDARDISED APPROACH	Article 80.3 & Annex VI, Part 1, Para. 23	Risk-weighting exposures to credit institutions	Member States may choose between two alternative methods for risk-weighting exposures to credit institutions: (a) on the basis of the risk-weight of the corresponding central government and (b) on the basis of the credit assessment of the institution itself.	Yes, option a) Rules No. 215/2007, Art. 15
20	STANDARDISED APPROACH	Article 80.7	Exemption of intra-group exposures from risk-weighted exposures	If certain conditions are met, the Competent Authorities may assign a 0% risk-weight on exposures not forming part of "own funds" of a credit institution to its parent undertaking, its subsidiary, a subsidiary of its parent undertaking or an undertaking linked by a relationship within the meaning of Article 12.1 of Directive 83/349/EEC.	Yes Act No. 161/2002, Art. 85
21	STANDARDISED APPROACH	Article 80.8	Treatment of exposures to a counter-party which is member of the same institutional protection scheme.	If certain conditions are met, the Competent Authorities may assign a 0% risk weight on exposures not forming part of "own funds" to counterparties which are members of the same institutional protection scheme as the lending institution.	No

22	STANDARDISED APPROACH	Article 81.3	Mutual recognition of ECAIs	If a Competent Authority in a Member State has recognised an ECAI as eligible, the Competent Authorities in another Member State may recognise that ECAI as eligible without carrying out their own evaluation process.	Yes, case-by-case Rules No. 215/2007, Art. 7
23	STANDARDISED APPROACH	Article 82.2	Mutual recognition of credit assessements' mapping	When a Competent Authority in a Member State has determined a mapping of an eligible ECAI's credit assessements, Competent Authorites in another Member State may recognise that mapping without carrying out their	Yes Rules No. 215/2007, Art. 7
24	STANDARDISED APPROACH	Article 83.2	Permission to use unsolicited ratings	In order to use unsolicited ratings, credit institutions must get permission from the Competent Authorities. To make this possible, that alternative should be incorporated to legislation (implicit discretion).	Yes, case-by-case Rules No. 215/2007, Art. 7
25	STANDARDISED APPROACH	Annex VI, Part 1, Para. 5	Recognition of a third country's treatment of central government and central bank exposures	When a third country with supervisory/regulatory arrangements at least equivalent to those in the Community, assigns for the exposures to its own central government and central bank denominated and funded in the domestic currency a lower risk weight than the one applicable in principle, a Member State may allow the risk-weight of such exposures in the same manner.	Yes Rules No. 215/2007, Art. 12
26	STANDARDISED APPROACH	Annex VI, Part 1, Para. 11	Recognition of a third country's treatment of regional governments and local authorities	When a third country with supervisory/regulatory arrangements at least equivalent to those in the Community treats exposures to regional government and local authorities as exposures to its central government, a Member State may allow the risk-weight of such exposures in the same manner.	Yes Rules No. 215/2007, Art. 12

27	STANDARDISED APPROACH	Annex VI, Part 1, Para. 14	Treatment of public sector entities as institutions	Exposures to public sector entities may be treated as exposures to credit institutions, without applying the preferential weights applicable to short term exposures to institutions.	Yes, case-by-case Rules No. 215/2007, Art. 13
28	STANDARDISED APPROACH	Annex VI, Part 1, Para. 15	Treatment of exposures to public sector entities guaranteed by central governments	The Competent Authorities may, in exceptional cases, treat exposures to public sector entities as exposures to the central government in whose jurisdiction they are established where, in their opinion, there is no difference in the risk between such exposures because of the existence of an appropriate guarantee from the central government.	No
29	STANDARDISED APPROACH	Annex VI, Part 1, Para. 17	Recognition of a third country's treatment of public sector entities	When a third country with supervisory/regulatory arrangements at least equivalent to those applied in the Community treats exposures to its public sector entities as exposures to institutions, a Member State may allow the risk-weight of exposures to such public sector entities in the same manner.	Yes, case-by-case Rules No. 215/2007, Art. 13
30	STANDARDISED APPROACH	Annex VI, Part 1, Para. 37	Treatment of short term exposures to EU institutions in their national currency	A Competent Authority may allow short term exposures to Member States' institutions denominated and funded in the national currency a risk weight that is one category less favourable than the preferential risk weight applicable on exposures to EU central governments.	No

31	STANDARDISED APPROACH	Annex VI, Part 1, Para. 40	Treatment of exposures in the form of minimum reserves held by an intermediary credit institution.	Provided that certain conditions are met, a Member State may permit exposures in the form of minimum reserves required by the ECB or by the central bank of a Member State to be held by a credit institution, in accordance with the relevant ECB regulation on the application of minimum reserves, to be risk weighted as exposures to the central bank of the Member State concerned.	No
32	STANDARDISED APPROACH	Annex VI, Part 1, Para. 49	Exposures secured by mortgages on residential property - conditional waiver of a criterion	In qualifying exposures secured by mortgages on residential property for a 35% risk weight, the Competent Authorities may waive from the required criteria the condition that the risk of the borrower should not materially depend on the performance of the underlying	Yes Rules No. 215/2007, Art. 18
33	STANDARDISED APPROACH	Annex VI, Part 1, Para. 51	Risk-weighting exposures secured by mortgages on commercial real estate	If the defined eligibily criteria are met, the Competent Authorities may assign a 50% risk weight on exposures or any part of an exposure fully and completely secured by mortgages on commecial real estate situated within their territory.	Yes Rules No. 215/2007, Art. 18
34	STANDARDISED APPROACH	Annex VI, Part 1, Para. 52	Risk-weighting exposures secured by shares in Finnish housing companies	If the defined eligibility criteria are met, the Competent Authorities may assign a 50% risk weight on exposures fully and completely secured by shares in eligible Finnish housing companies in respect of commercial real estate.	No Insignificant for the Icelandic market
35	STANDARDISED APPROACH	Annex VI, Part 1, Para. 53	Risk-weighting eligible property leasing transactions	If the defined eligibility criteria are met, the Competent Authorities may assign a 50% risk weight on exposures related to property leasing transactions concerning	No

36	STANDARDISED APPROACH	Annex VI, Part 1, Para. 58	Exposures secured by mortgages on commercial real estate - conditional waiver of a criterion	In qualifying exposures secured by mortgages on commercial real property situated within its territory for a 50% risk weight, the Competent Authorities may waive from the required criteria the condition that the risk of the borrower should not materially depend on the performance of the underlying property, if	No
37	STANDARDISED APPROACH	Annex VI, Part 1, Para. 63	Risk-weighting past due exposures secured by non eligible collateral	A risk weight of 100% may be assigned on past due exposures which are fully secured by non eligible collateral when value adjustments reach 15% of the exposure gross of the value adjustments, if strict operational criteria exist to ensure the good quality of the collateral.	No
38	STANDARDISED APPROACH	Annex VI, Part 1, Para. 64	Risk-weighting of past due exposures secured by mortgages on residential property	The applicable risk weight on past due exposures secured by mortgages on residential property net of value adjustments may be reduced to 50%, if value adjustments are no less than 20% of the exposure amount gross of the	Yes Rules No. 215/2007, Art. 19
39	STANDARDISED APPROACH	Annex VI, Part 1, Para. 66	Risk-weighting items belonging to regulatory high risk categories	The Competent Authorities have the discretion to assign a risk weight of 150% on exposures associated with particularly high risks.	Yes; Rules No. 215/2007, Art. 20
40	STANDARDISED APPROACH	Annex VI, Part 1, Para. 67	Regulatory high risk categories - lower risk weight due to value adjustments	The risk weight on non past due exposures receiving a 150% risk weight may be reduced to (a) 100% if value adjustments exist which are no less than 20% of the gross exposure and (b) 50% if value adjustments are no less than 50% of the gross exposure.	No

41	STANDARDISED APPROACH	Annex VI, Part 1, Para. 68(e)	Loans secured by commercial real estate as collateral for covered bonds	The Competent Authorities may recognise loans secured by commercial real estate as eligible collateral for covered bonds where the required loan to value ratio of 60% is exceeded up to a maximum level of 70%, if certain defined criteria and conditions are met.	Yes Rules No. 215/2007, Art. 21
42	STANDARDISED APPROACH	Annex VI, Part 1, Para. 78	Eligible third country CIU (Collective Investment Undertakings)	If a Competent Authority has approved a third country CIU as eligible a Competent Authority in another Member State may allow the use of this recognition without conducting its own assessment.	Yes Rules No. 215/2007, Art. 24
43	STANDARDISED APPROACH	Annex VI, Part 1, Para. 85	Risk-weighting institutions specialising in the inter-bank and public debt market	Member States may allow a risk weight of 10% for exposures to institutions specialising in the interbank and public debt markets in their home member states, if such institutions are subject to close supervision and the exposures are adequately secured	Yes, but of no material relevance. Rules No. 215/2007, Art. 25
44	STANDARDISED APPROACH	Annex VI, Part 3, Para. 17	Exceptions to the non-use of domestic currency ratings for foreign-currency exposures	The Competent Authorities may allow the domestic currency rating of an obligor to be used for its foreign currency exposures provided such exposures arise from institutions' participation in a loan extended by a Multilateral Development Bank.	No

IRB					
45	IRB	Article 84.2	Requirements for IRB standards for parent and EU subsidiaries altogether	When IRB approach is used by an EU parent or financial holding company and its subsidiaries, Member States may allow the minimum requirements to qualify for IRB to be met by parent and subsidiaries considered together.	Yes
46	IRB	Article 89.1 (last paragraph)	Item included for the purposes of mutual recognition only	Member States may recognize the standardised approach treatment to equity exposures in IRB banks if such treatment has been authorised by another Member State.	Yes; Rules No. 215/2007, Art. 30
47	IRB	Annex VII, Part 1, Para. 6	Lower rate for specialized lending	The Competent Authorities may authorise a credit institution to generaly assign a 50% risk weight to SL-Category 1 and 70% to SL-Category 2 (regardless of maturity) if certain conditions are met.	Yes, case-by-case; Rules No. 215/2007, Art. 27
48	IRB	Annex VII, Part 1, Para. 13 (last sentence)	Special treatment for revolving retail exposures secured by a link to a wage account	The requirement that retail revolving exposures be unsecured (Annex VII, Part 1, Para. 13 b)) may be waived by the Competent Authorities in respect of collateralised credit facilities linked to a wage account.	Yes
49	IRB	Annex VII, Part 1, Para. 18	Treatment of ancillary banking services	Exposures to ancillary banking services undertakings (equity) can be treated as non-credit obligation assets.	Yes
50	IRB	Annex VII, Part 2, Para. 5, 7 & Annex VIII, Part 1, Para. 26	Possibility to extend the list of unfunded protection providers for the purposes of recognition of unfunded credit protection in PD	For the purposes of the recognition of unfunded credit protection in PD by institutions, the Competent Authorities may extend the list of unfunded credit protection providers further than those included in Annex VIII, Part 1, Para. 26.	Yes
51	IRB	Annex VII, Part 2, Para. 12 & 13	Alternatives for the calculation of maturity	The Competent Authorities may require all institutions in their jurisdiction to use maturity (M) for each exposure in accordance with formulae instead of using values by default (0.5 years for repos and 2.5 for other exposures).	No

52	IRB	Annex VII, Part 2, Para. 15	Maturity for EU-firms (< EUR 500 mio.)	The Competent Authorities may allow maturity of exposures to European corporates with consolidated assets of less than EUR 500 million to be set at values by default, even if they apply the formulae option.	No
53	IRB	Annex VII, Part 2, Para. 15 (last sentence)	Maturity for EU-firms investing primarily in real estate (< EUR 1,000 mio.)	The Competent Authorities may allow maturity of exposures to European corporates that invest primarily in real estate with consolidated assets of less than EUR 1,000 million to be set at values by default, even if they apply the formulae option.	No
54	IRB	Annex VII, Part 2, Para. 20 & Annex VIII, Part 1, Para. 26	Possibility to extend the list of unfunded protection providers for the purposes of calculation of dillution risk	For the purposes of the calculation of dillution risk, the Competent Authorities may extend the list of unfunded credit protection providers further than those included in Annex VIII, Part 1, Para. 26.	Yes
55	IRB	Annex VII, Part 4, Para. 48.	Definition of default for retail and PSE	The Competent Authorities of each Member State shall set the exact number of days past due that lead into a retail/PSE exposure being considered in default, always between 90 and 180 days. The numbers may differ by product lines. For exposures in other Member States, the number of days employed cannot be higher than the ones applying in such Member States.	Yes 90 days for all product lines
56	IRB	Annex VII, Part 4, Para 56	Flexibility in data collection	The Competent Authorities may apply less stringence as regards the data needed for estimation and collected before the implementation of the directive, provided the credit institution makes appropriate adjustments.	Yes

CREDIT RISK MITIGATION					
57	CREDIT RISK MITIGATION	Annex VIII, Part 1, Para. 15	Recognition of shares in Finnish housing companies as eligible collateral	The Competent Authorities may authorise their credit institutions to recognise as eligible collateral shares in Finnish housing companies that are operating in accordance with the Finnish Housing Company Act of 1991 provided that certain conditions are met.	No Insignificant for the Icelandic market
58	CREDIT RISK MITIGATION	Annex VIII, Part 1, Para. 16	Residential real estate property waiver	For exposures secured by residential real estate property situated within the territory of that Member State, the Competent Authorities may waive under certain conditions the requirement for their credit institutions to comply with condition (b) in paragraph 13 which states that the risk of the borrower does not materially depend upon the performance of the underlying property or project, but rather on the underlying capacity of the borrower to repay the debt from other sources.	No Rules No. 215/2007, Art. 18
59	CREDIT RISK MITIGATION	Annex VIII, Part 1, Para. 17	Commercial real estate property waiver	For commercial real estate property situated within the territory of that Member State, the Competent Authorities may waive, if certain conditions are met, the requirement for their institutions to comply with condition (b) in paragraph 13 which states that the risk of the borrower does not materially depend upon the performance of the underlying property or project, but rather on the underlying capacity of the borrower to repay the debt from other sources.	No Rules No. 215/2007, Art. 18

60	CREDIT RISK MITIGATION	Annex VIII, Part 1, Para. 20	Amounts receivable as eligible collateral	The Competent Authorities may recognise as eligible collateral amounts receivable linked to a commercial transaction or transactions with an original maturity of less than or equal to one year. Eligible receivables do not include those associated with securitisations, sub-participations or credit derivatives or amounts owed by affiliated parties.	Yes Rules No. 215/2007, Art. 33
61	CREDIT RISK MITIGATION	Annex VIII, Part 1, Para. 21	Other physical collateral	The Competent Authorities may recognise as eligible collateral physical items of a type other than real estate collateral, if satisfied as to the following: (a) liquid markets for disposal of the collateral do exist in an expeditious and economically efficient manner; and (b) well-established, publicly available market prices for the collateral do exists. The institution must be able to demonstrate that there is no evidence that the net prices it receives when collateral is realised deviates significantly from these market prices.	Yes RulesNo. 215/2007, Art. 33
62	CREDIT RISK MITIGATION	Annex VIII, Part 1, Para. 28	Eligible protection providers	The Competent Authorities may recognise as eligible collateral physical items of a type other than real estate collateral, if satisfied as to certain conditions.	No
63	CREDIT RISK MITIGATION	Annex VIII, Part 2, Para. 9a (ii)	Minimum requirements for the recognition of receivables as collateral	Credit institutions must take all steps necessary to fulfil local requirements in respect of the enforceability of security interest. There shall be a framework which allows the lender to have a first priority claim over the collateral subject to national discretion to allow such claims to be subject to the claims of preferential creditors provided for in legislative or implementing provisions.	Yes Rules No. 215/2007, Art. 33
64	CREDIT RISK MITIGATION	Annex VIII, Part 3, Para. 12	Permission of internal models approach for calculation of fully adjusted exposure value (E*)	The Competent Authorities may permit credit institutions meeting certain requirements to use an internal models approach taking into account correlations to calculate the adjusted exposure value for exposures resulting from the application of a master netting agreement.	Yes Rules No. 215/2007, Art. 33

65	CREDIT RISK MITIGATION	Annex VIII, Part 3, Para. 19	Permission to use empirical correlations within and across risk categories	The Competent Authorities may allow credit institutions to use empirical correlations within risk categories and across risk categories if they are satisfied that the credit institution's system for measuring correlations is sound and implemented with integrity.	Yes Rules No. 215/2007, Art. 33
66	CREDIT RISK MITIGATION	Annex VIII, Part 3, Para. 43	Own estimates of volatility adjustments (categories of security)	When debt securities have a credit assessment from a recognised ECAI equivalent to investment grade or better, the Competent Authorities may allow credit institutions to calculate a volatility estimate for each category of security.	Yes Rules No. 215/2007, Art. 33
67	CREDIT RISK MITIGATION	Annex VIII, Part 3, Para. 59	Treatment of repo transactions or securities lending	Where a Competent Authority permits the treatment set out in Annex VI, Part 3, Para. 58 to be applied in the case of repurchase transactions or securities lending or borrowing transactions in securities issued by its domestic government, then other Competent Authorities may allow credit institutiions to calculate a volatility estimate for each category of security.	Yes Rules No. 215/2007, Art. 33

CREDIT RISK MITIGATION/TRANSITIONAL PROVISIONS					
68	CREDIT RISK MITIGATION/ TRANSITIONAL PROVISIONS	Annex VIII, Part 3, Para. 72	Reduced LGDs for leasing transactions	Until 31 December 2012, the Competent Authorities may, subject to the indicated levels of collateralisation, allow credit institutions to assign lower levels of LGD for senior exposures in the form of Commercial Real Estate leasing and of equipment leasing. At the end of this period this provision shall be reviewed.	No
69	CREDIT RISK MITIGATION	Annex VIII, Part 3, Para. 73	Alternative treatment for real estate collateral (50% risk weight)	Subject to certain requirements, the Competent Authorities of a Member State may authorise credit institutions to apply a 50% risk weighting to the part of the exposure fully collateralised by residential or commercial real estate property situated within the territory of the member state.	No, not relevant
70	CREDIT RISK MITIGATION	Annex VIII, Part 3, Para. 89	Sovereign guarantees	The Competent Authorities may apply reduced risk weights to exposures or portions of exposures guaranteed by the central government or central bank, where the guarantee is denominated in the domestic currency of the borrower and the exposure is funded in that currency.	No Not relevant in Iceland as guarantees are already allocated this risk weighting owing to Iceland's 0% risk weighting

SECURITISATION					
71	SECURITISATION	Article 97.3	Mutual Recognition of eligible ECAIs	The Competent Authorities can recognise an ECAI as eligible if it was recognised as eligible by another Member State without carrying out their own evaluation process.	Yes Rules No. 215/2007, Art. 7
72	SECURITISATION	Article 98.2	Mutual Recognition of mapping of ECAIs credit assessments	The Competent Authorities can accept the determination made by another Member State on the mapping of an ECAI credit assessments without carrying out the process themselves.	Yes Rules No. 215/2007, Art. 7 and 37
73	SECURITISATION	Annex IX, Part 4, Para. 30	Treatment of certain retail exposures subject to early amortisation provision	The Competent Authorities may apply a treatment analog the lines of para. 26 to 28 in the case of securities subject to an early amortisation provision of certain retail exposures (uncommitted, unconditionally cancellable without prior notice, early amortisation is triggered by a quantitative value in respect of something other than the three months average excess spread) for determining the conversion figure.	No
74	SECURITISATION	Annex IX, Part 4, Para. 53 (last sentence)	Application of the simplified Supervisory Formula Method	The Competent Authorities may permit credit institutions to apply for securitisations involving retail exposures the Supervisory Formula Method using simplifications for certain risk parameters.	Yes Rules No. 215/2007, Art. 35

OPERATIONAL RISK					
75	OPERATIONAL RISK	Article 102.4 & Annex X, Part 4, Para. 1 and 2	Combination of approaches	The Competent Authorities may allow institutions to use a combination of approaches.	Yes Rules No. 215/2007, Art. 40
76	OPERATIONAL RISK	Article 104.3	Alternative Standardised Approach	The Competent Authorities may under certain conditions authorise institutions to use an alternative indicator to calculate its capital requirements.	Yes Rules No. 215/2007, Art. 44
77	OPERATIONAL RISK	Article 105.4	Qualifying criteria for AMA within the same group	The Competent Authorities may allow the qualifying criteria set out to be met by the parent and its subsidiaries considered together.	Yes Rules No. 215/2007, Art. 54
78	OPERATIONAL RISK	Annex X, Part 2, Para. 3 and 5	Minimum level of own funds	The Competent Authorities may authorise institution to calculate its capital requirement using an alternative standardised approach.	Yes Rules No. 215/2007, Art. 46
79	OPERATIONAL RISK	Article 20.2 Dir. 2006/49/EC	Minimum level of own funds	The Competent Authorities may allow investment firms with limited licence to provide own funds which are always more than or equal to the higher of the capital requirement for credit and market risk or 25% of the preceding years fixed overheads.	Yes Act. No. 161/2002, Art. No. 84 with later amendments cf. Act No. 170/2006, Art. 6
80	OPERATIONAL RISK	Article 20.3 Dir. 2006/49/EC	Minimum level of own funds	The Competent Authorities may allow investments firms which hold 730 000 EUR in initial capital, but which fall within certain categories, to provide own funds which are always more than or equal to the higher of the capital requirement for credit and market risk or 25% of the preceding years fixed overheads.	Yes

QUALIFYING HOLDINGS OUTSIDE THE FINANCIAL SECTOR					
81	QUALIFYING HOLDINGS OUTSIDE THE FINANCIAL	Article 122.1	Special treatment for insurance undertakings	Member States may exempt insurance sector undertakings from the general limits established for qualifying holdings.	No Act No. 161/2002, Art 85
82	QUALIFYING HOLDINGS OUTSIDE THE FINANCIAL	Article 122.2	Alternative - deduction	Member States may decide not to apply limits on qualifying holdings, provided excess is deducted from own funds.	Yes Act No. 161/2002, Art. 28
TRANSITIONAL PROVISIONS					
83	TRANSITIONAL PROVISIONS	Article 153, Para. 1 (first sentence)	Transitional treatment for certain property leasing transactions	The Competent Authorities may, until December 31, 2012, allow leasing exposures on offices or commercial premises in their territory and subject to certain conditions, to be rated 50%.	No
84	TRANSITIONAL PROVISIONS	Article 153, Para. 2 (second sentence)	Transitional definition of the secured portion of a loan	The Competent Authorities may, until December 31, 2010, allow, for the purpose of defining the secured portion of a loan, recognise elligible collateral other than the one meeting the requirements.	No
85	TRANSITIONAL PROVISIONS	Article 154.1	Transitional use of a different definition of past due	Until December 31, 2011, the Competent Auhtorities may set the number of days past due up to 180 days if local conditions make it appropriate (for the purposes of application of the standardised approach). The specific number may differ across product lines.	No
86	TRANSITIONAL PROVISIONS	Article 154.2	Transitionally shorter test of use	Institutions applying for the use of IRB before 2010 may benefit from a test of use shorter than 3 years but above 1, until December 31, 2009.	Yes

87	TRANSITIONAL PROVISIONS	Article 154.3	Transitionally shorter requirement of use for LGD/conversion factors estimates	For those institutions applying for the use of their own LGD/conversion factors estimates, the three-year period of experience in use required by Article 84.4 may be reduced to two until December 31, 2008.	Yes
88	TRANSITIONAL PROVISIONS	Article 154.4	Transitional treatment for certain types of participations	The Competent Authorities may, until December 31, 2012, allow credit institutions to continue to apply Basel I treatment to certain types of participations.	No
89	TRANSITIONAL PROVISIONS	Article 154.6	Transitional exemption for certain equity exposures	The Competent Authorities may, until December 31, 2017, exempt from IRB certain equity exposures held on December 31, 2007.	No
90	TRANSITIONAL PROVISIONS	Article 154.7	Transitional default definition for corporate exposures	Until December 31, 2011, the Competent Authorities may set the definition of default at any number of days past due between 90 and 180. For exposures situated in other Member State, the numer of days will not be inferior to the one in that Member State.	Yes, 90 days.
91	TRANSITIONAL PROVISIONS	Article 155	Transitional calculations: standardised approach -	Until December 31, 2012, the "trading and sales" business line may be applied	No
92	TRANSITIONAL PROVISIONS	Annex VII, Part 2, Para. 8 (second subparagraph)	Transitional LGD for covered bonds	Until December 31, 2010, covered bonds may be assigned an LGD of 11.25%	Yes
93	TRANSITIONAL PROVISIONS	Annex VII, Part 4, Para. 66, 71, 86 and 95	Transitional reduction of minimum length of observation periods	Member States may transitionally allow a reduction of the minimum length of the observation periods required for own estimations of PD, LGD and CCF, subject to an absolute minimum of 2 years.	Yes

94	TRANSITIONAL PROVISIONS	Article 44 Dir. 2006/49/EC	Transitional calculations: standardised approach - operational risk (investment firms)	Until December 31, 2012, the "trading and sales" business line may be applied a 15% factor, if it represents at least 50% of the total relevant indicators.	No
95	TRANSITIONAL PROVISIONS	Article 46 Dir. 2006/49/EC	Alternative transitional operational risk requirement	Until December 31, 2011, the Competent Authorities may choose not to apply requirements for operational risk as set out in Article 75(d) of directive 2006/48/EC to low size investment firms. An alternative treatment applies instead.	No
96	TRANSITIONAL PROVISIONS	Article 47 Dir. 2006/49/EC	Transitional applicability of recognized specific risk models	Until December 31, 2009, or any other date specified by the Competent Authorities on a case-by-case basis, it may be provided that for institutions that have received specific riks model recognition prior to January 1, 2007, previous requirements (as in the old directive) apply.	No

TRADING BOOK					
97	TRADING BOOK	Article 18.2 and 3 Dir. 2006/49/EC	Application of the banking book rules to trading book, if not material	The Competent Authorities may allow institutions to apply banking book rules to their trading book exposures, provided the trading book activities does not exceed certain limits.	Yes
98	TRADING BOOK	Article 19.2 Dir. 2006/49/EC	Specific risk requirement for covered bonds	Member States may set a reduced specific risk requirement for covered bonds, with reductions similar to those applied in the banking book under the standardised approach.	Yes Rules No. 215/2007, Art. 21
99	TRADING BOOK	Article 19.3 Dir. 2006/49/EC and Annex I, point 52	Third country CIU	A Competent Authority of one member state may make use of the approval of another one without conducting its own assessment.	No
100	TRADING BOOK	Article 26 Dir. 2006/49/EC	Offsetting trading positions	For the purposes of calculation of consolidated capital requirements, the Competent Authorities may authorise the offsetting of trading (trading book, commodities, etc.) positions even when they are booked in different institutions within the group, subject to certain conditions.	Yes Rules No. 215/2007, Art. 54
101	TRADING BOOK	Article 33.3 Dir. 2006/49/EC	Alternative requirements for valuation in absence of readily available market prices	The Competent Authorities, in the absence of readily available market prices, may choose not to apply daily mark to market and, instead, require institutions to apply alternative methods subject to their approval.	Yes Rules No. 215/2007, Art. 5
102	TRADING BOOK	Annex I, Para. 4, 2nd subparagraph (first sentence)	Capital requirement for an exchange-traded future	Subject to certain conditions, the Competent Authorities may allow that the capital requirement for an exchange-traded future contract be equal to the margin required by the exchange.	No
103 .	TRADING BOOK	Annex I, Para. 4, 2nd subparagraph (second sentence) Dir. 2006/49/EC	Capital requirement for OTC derivative cleared by a clearing house	Subject to certain conditions, the Competent Authorities may allow that the capital requirement for an OTC derivative cleared by a clearing house to be equal to the margin required by the clearing house.	No
104	TRADING BOOK	Annex I, Para. 5, 2nd subparagraph Dir. 2006/49/EC	Prescription of specific methodologies for the calculation of delta	The Competent Authorities may prescribe that delta be calculated following methodologies specified by them.	No

105	TRADING BOOK	Annex I, Para. 5, 3rd subparagraph Dir. 2006/49/EC	Capital requirement for exchange-traded written options and OTC options cleared by a clearing house	Subject to certain conditions, the Competent Authorities may allow that the capital requirement for an exchange-traded written option, or an OTC option cleared by a clearing house to be equal to the margins required by the exchange or the clearing house, respectively.	No
106	TRADING BOOK	Annex I, Para. 5, 3rd subparagraph Dir. 2006/49/EC	Capital requirement for exchange-traded bought options and OTC bought options cleared by a clearing house	Subject to certain conditions, the Competent Authorities may allow that the capital requirement for an exchange-traded bought option, or an OTC bought option cleared by a clearing house to be equal to the requirement for the underlying instrument.	No
107	TRADING BOOK	Annex I, Para. 14 Dir. 2006/49/EC	Specific risk charge for a non-qualifying issuer	The Competent Authorities may require that instruments issued by non-qualifying issuers are applied a specific risk capital charge higher than 8% or 12% and/or disallow offsetting for the purposes of general market risk between such instruments and any other instrument.	No

108	TRADING BOOK	Annex I, Para. 26 Dir. 2006/49/EC	Use of duration instead of the standard system for calculation of the general risk of traded debt positions	The Competent Auhtorities may, either in general or on an individual basis, allow institutions to use a system for calculating the general risk for traded debt instruments which reflects duration instead of the system set out in the directive.	Yes
109	TRADING BOOK	Annex I, Para. 35, first sentence Dir. 2006/49/EC	Reduced specific risk requirement for certain equity portfolios	The Competent Authorities may allow certain equity portfolios to be assigned a specific risk requirement of 2% instead of 4%.	Yes
110	TRADING BOOK	Annex I, Para. 35 (last sentence) Dir. 2006/49/EC	Alternative maximum weight of an individual position in an institution's equity portfolio	The Competent Authorities may authorise that individual positions represent a maximum of 10% of the total equity portfolio (instead of 5% as in the Directive), provided that the sum of such positions do not exceed 50%.	Yes Act No. 161/2002, Art. 109
111	TRADING BOOK	Annex III, Para. 2.1, last sentence Dir. 2006/49/EC	Discretional use of net present value for determining the open position in currencies or gold	The Competent Authorities have the discretion to allow institutions to use net present value when determining their open positions in currencies or gold.	Yes
112	TRADING BOOK	Annex III, Para. 3.1 Dir. 2006/49/EC	Lower capital requirements for closely correlated currencies	The Competent Authorities may alllow institutions to provide lower capital requirements for positions in closely	Yes
113	TRADING BOOK	Annex IV, Para. 7 Dir. 2006/49/EC	Definition of 'positions in the same commodity'	The Competent Authorities may regard, in some cases, different but closely linked commodities as the same, for the purposes of calculating the position in a commodity.	No

114	TRADING BOOK	Annex IV, Para. 8 Dir. 2006/49/EC	Capital requirement for exchange-traded commodities OTC commodity derivatives cleared by a clearing house	Subject to certain conditions, the Competent Authorities may allow that the capital requirement for an exchange-traded commodity, or an OTC commodity derivative cleared by a clearing house to be equal to the margins required by the exchange or the clearing house, respectively.	No
115	TRADING BOOK	Annex IV, Para. 10 Dir. 2006/49/EC	Prescription of specific methodologies for the calculation of delta for derivatives on commodities	The Competent Authorities may prescribe that delta for commodity derivatives be calculated following methodologies specified by them.	No
116	TRADING BOOK	Annex IV, Para. 10, three last subparagraphs Dir. 2006/49/EC	Capital requirement for exchange-traded options and OTC options cleared by a clearing house	Subject to certain conditions, the Competent Authorities may allow that the capital requirement for an exchange-traded written option, or an OTC option cleared by a clearing house to be equal to the margins required by the exchange or the clearing house, respectively. Also OTC bought options may be assigned the same requirement as the underlying commodity.	No
117	TRADING BOOK	Annex IV, Para. 14 Dir. 2006/49/EC	Offsetting positions in the same commodity	The Competent Authorities may allow positions in the same commodity - or in commodities regarded as the same - to be offset prior to assignement to the appropriate maturity band.	No