



HNB

**GVERNER**

Pursuant to Article 43, paragraph (2), item (6) of the Act on the Croatian National Bank (Official Gazette 75/2008, 54/2013 and 47/2020), Article 4, paragraph (1), item (3) and Article 11, paragraph (2) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020 and 146/2020), and Article 3, paragraph (1) of the Decision on the reciprocity of macroprudential policy measures adopted by relevant authorities of other European Union Member States and assessment of cross-border effects of macroprudential policy measures (Official Gazette 60/2017), the Governor of the Croatian National Bank hereby issues the

## **DECISION**

- I. It is hereby established that the recommended criteria for the reciprocation of the macroprudential policy measure adopted by the macroprudential authority of Lithuania and recommended for reciprocation by the European Systemic Risk Board under Recommendation of 16 February 2022 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2022/1) have not been met in the Republic of Croatia.
- II. The Croatian National Bank will not prescribe the reciprocation of the macroprudential policy measure referred to in item I.
- III. The Croatian National Bank shall monitor the level of exposures referred to in Recommendation of 16 February 2022 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2022/1) and in case a credit institution meeting the requirements set out in the macroprudential policy measure referred to in item I. exceeds the prescribed materiality threshold, prescribe the reciprocation of the measure referred to in item I.

## **Rationale**

The central bank of Lithuania adopted the measure based on Article 133 of Directive 2013/36/EU setting the systemic risk buffer rate at 2% for all retail exposures to natural persons resident in the Republic of Lithuania secured by residential property. The measure shall apply to credit institutions authorised in Lithuania, at the highest level of consolidation, starting from 1 July 2022. At the request of the central bank of Lithuania, the European Systemic Risk Board has included the measure in the list of macroprudential measures recommended for reciprocation in other member states. The recommendation is that the measure be applied to Lithuanian branches of domestic credit institutions and direct cross-border exposures to natural persons in Lithuania secured by residential property.

The measure was complemented by a materiality threshold to steer the potential application of the *de minimis* principle by reciprocating member states, which implies that credit institutions may be exempted from the application of the measure if their relevant sectoral exposures do not exceed 50 million euro.

Since according to available data there are no credit institutions nor direct exposures in the Republic of Croatia that would meet the criteria for the application of this measure, using the *de minimis* principle, the Croatian National Bank does not prescribe the reciprocation of the macroprudential measure adopted by the central bank of Lithuania.

The Croatian National Bank shall review the materiality of relevant exposures on an annual basis and, in case a domestic credit institution meeting the conditions prescribed by Recommendation ESRB/2022/1, fulfils the preconditions prescribed by the measure, shall prescribe the reciprocation of the measure.

Number: 263-091/07-22/BV

Zagreb, 21 July 2022

GOVERNOR  
CROATIAN NATIONAL BANK

Boris Vujčić