

MNB Decree

.../... (... ...)

of the Governor of the Magyar Nemzeti Bank

on the conditions of the establishment of the countercyclical capital buffer

Having regard to the authorization by Article 171 (1) k) kb) of Act CXXXIX of 2013 on the Magyar Nemzeti Bank and acting within my scope of duty laid down in Article 4 (7) of Act CXXXIX of 2013 on the Magyar Nemzeti Bank, I hereby decree the following:

Article 1

(1) This Decree shall apply to credit institutions registered in Hungary required to establish countercyclical capital buffer pursuant to Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter referred to as the "Credit Institutions Act") and to investment firms established in Hungary required to establish a countercyclical capital buffer pursuant to Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (hereinafter referred to as "IRA") (hereinafter referred to collectively as "institutions").

(2) This Decree shall not apply to investment firms exempted from the countercyclical capital buffer requirement pursuant to Section 110/B. (8) of the IRA by the Magyar Nemzeti Bank, acting exclusively within its function as supervisory authority of the financial intermediary system.

Article 2

(1) Institutions calculate the institution-specific countercyclical capital buffer rate related to the quarter concerned pursuant to Article 87 (3) of the Credit Institutions Act and Article 110/B (3) of the IRA taking into consideration

- a) the significant credit risk capital requirements specified in accordance with table C 09.03 of Annex 1 of the Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council, and
- b) the countercyclical capital buffer rates specified in this Decree and by the designated authorities of foreign countries.

(2) Institutions calculate the institution-specific countercyclical capital buffer for the quarter concerned pursuant to Article 87 (2) of the Credit Institutions Act and Section 110/B (2) of the IRA taking into consideration

- a) the institution-specific countercyclical capital buffer rate pursuant to Section (1), and

b) the total risk exposure amount for the quarter concerned, determined in accordance with table C 02.00 of Annex 1 of the Commission Implementing Regulation (EU) No 680/2014.

Article 3

In accordance with Article 110/B (2) of the IRA investment firms subject to supervision on a consolidated basis are required to establish an institution-specific countercyclical capital buffer calculated on a consolidated basis.

Article 4

In respect of exposures to counterparties located in Hungary, the countercyclical capital buffer rate shall be 0 per cent.

Article 5

In respect of exposures to counterparties located in third countries where the designated authority of the third country or this Decree does not set a different countercyclical capital buffer rate, a countercyclical capital buffer rate of 0 per cent shall apply.

Article 6

This Decree shall enter into force on 1 January 2016.

Dr György Matolcsy
Governor of the Magyar Nemzeti Bank