

RULES
on countercyclical capital buffers for financial undertakings

Article 1

Scope

These Rules apply to financial undertakings that are required to hold countercyclical capital buffers pursuant to Article 86(d) of the Act on Financial Undertakings, no. 161/2002.

Article 2

Countercyclical capital buffer value

Financial undertakings shall maintain a countercyclical capital buffer equivalent to 0% of the risk base for their domestic exposures. The buffer shall also be maintained on a consolidated basis.

The capital that shall be maintained pursuant to Article 86(d) of the Act on Financial Undertakings shall be calculated based on the weighted average countercyclical capital buffer in Iceland and in other European Economic Area member states.

Article 3

Entry into effect

These Rules, which are issued on the basis of Article 86(d), Paragraph 1 of the Act on Financial Undertakings, no. 161/2002, have been approved by the Financial Stability Committee and shall take effect at once.

Central Bank of Iceland

17 March 2020

Ásgeir Jónsson
Governor

Rannveig Júníusdóttir
Director

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