



17 February 2025

Announcement: Decision by the Central Bank of Ireland to reciprocate the Norwegian Systemic Risk Buffer (SyRB) rate

Background

The Central Bank of Ireland has reciprocated the Norwegian SyRB measure (at a rate of 4.5%) since 1 January 2024 following a Recommendation by the ESRB ([ESRB/2023/1](#)).

In August 2024 the Norwegian Ministry of Finance extended the period of application of the SyRB measure and subsequently requested that the ESRB recommend that the measure be reciprocated in a way that ensured it applied at the consolidated, sub-consolidated and individual levels, irrespective of whether exposures existed through subsidiaries, branches, or direct cross-border lending.

The Central Bank of Ireland has decided to continue to reciprocate the measure and is clarifying that the measure will apply on a consolidated, sub-consolidated and individual basis, irrespective of whether the exposures concerned are held through subsidiaries or branches, or result from direct cross-border lending, as recommended by the ESRB.

Description of the measure

The Norwegian measure consists of a 4.5 per cent SyRB rate and applies to the domestic exposures of all credit institutions authorised in Norway, on a consolidated, sub-consolidated and individual basis. The measure is intended to address structural vulnerabilities in the Norwegian financial system including high household indebtedness and substantial bank exposure to commercial real estate (CRE).

ESRB Recommendation

The European Systemic Risk Board (ESRB) issued a Recommendation ([ESRB/2024/7](#))¹ to EEA Member States to reciprocate the Norwegian measure (published in the Official Journal of the European Union, 12 February 2025) which amends Recommendation [ESRB/2015/2](#)². Reciprocation occurs when the relevant authority in one Member State applies the same, or equivalent macroprudential measure as that activated in another Member State in order to address a risk related to a specific exposure.

The measure is complemented by an institution-specific materiality threshold based on exposures located in Norway to steer the potential application of the *de minimis* principle by the relevant authorities reciprocating the measure. The institution-specific materiality threshold based on exposures located in Norway is set at a risk-weighted exposure amount of NOK 5 billion. All exposures held through subsidiaries or branches, or which result from



direct cross-border lending, should be included in the calculation of exposures assessed against the materiality threshold.

Reciprocation of the Norwegian SyRB rate

Regulation 124 of the European Union (Capital Requirements) Regulations 2014 provides that the Central Bank of Ireland may recognise a systemic risk buffer rate set by another Member State in accordance with Article 133 of the Capital Requirements Directive (2013/36/EU) (“CRD”) and may apply that buffer rate to domestically-authorized institutions for the exposures located in the Member State that sets that buffer rate.³ In accordance with Article 133(4) of the CRD, any such rate can be applied on an individual, sub-consolidated or consolidated basis, including to exposures through subsidiaries located in other Member States.

Having taken into account Recommendation ESRB/2024/7, the Central Bank of Ireland has decided that the 4.5 per cent systemic risk buffer (SyRB) rate for all exposures located in Norway, applied in accordance with Article 133 of CRD to all credit institutions authorised in Norway will be reciprocated with the *de minimis* threshold applying as provided by Section 2.2.1 of Recommendation ESRB/2015/2. The Central Bank of Ireland’s decision was informed by an assessment for Ireland which showed that a number of Irish authorised credit institutions have had relevant exposures of above or close to the materiality threshold provided as part of the ESRB Recommendation. The decision to continue to reciprocate the measure was made by the Central Bank of Ireland on 16 December 2024.⁴

Coverage

The Central Bank of Ireland will reciprocate the Norwegian measure for all credit institutions in Ireland with relevant exposures above the materiality threshold as outlined in the Recommendation ESRB/2024/7.

Exemptions “de minimis” principle

Credit institutions with relevant exposures located in Norway that are below the materiality threshold are exempt from applying the measure as per Section 2.2.1 of Recommendation ESRB/2015/2.

Timing of the application

Reciprocation of the measure will apply from 1 April 2025.⁵



¹ Recommendation of the European Systemic Risk Board of 3 December 2024 amending Recommendation ESRB/2015/2 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures.

² Recommendation of the European Systemic Risk Board of 15 December 2015 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures.

³ Article 134 of Capital Requirements Directive (2013/36/EU) ('CRD'), which provides for the recognition of a systemic risk buffer set in another Member State, has been transposed into Irish law by Regulation 124 of the European Union (Capital Requirements) Regulations 2014.

⁴ The Central Bank of Ireland took the initial decision to reciprocate the measure in July 2023, in line with ESRB Recommendation 2023/1, with effect from 1 January 2024. This current decision maintains this policy stance, clarifying that application applies at the consolidated, sub-consolidated and individual levels.

⁵ The Central Bank of Ireland's initial decision to reciprocate the Norwegian SyRB measure in July 2023, in line with ESRB Recommendation 2023/1, with effect from 1 January 2024, remains in effect until the application of ESRB Recommendation 2024/7 on 1 April 2025.