

Finansinspektionen's Regulatory Code

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Regulations amending Finansinspektionen's regulations and general guidelines (FFFS 2013:1) regarding covered bonds;

FFFS 2016:17

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decided on 16 May 2016.

Finansinspektionen prescribes pursuant to section 1, point 8 of the Capital Adequacy and Large Exposures Ordinance (2004:332) regarding the issuance of covered bonds that Chapter 4, sections 2 and 4 of Finansinspektionen's regulations and general guidelines (FFFS 2013:1) regarding covered bonds shall have the following wording.

Chapter 4

Section 2 Provisions regarding the calculation of the present value of assets and liabilities in the cover pool are set out in Chapter 3, section 9 of the Covered Bonds (Issuance) Act (2003:1223).

The present value of the assets in the cover pool during the daily calculation shall exceed the present value of the liabilities that refer to covered bonds in the matter set out in Chapter 3, section 9 of the Covered Bonds (Issuance) Act (2003:1223). The present value of derivative agreements shall also be included in the calculation. The interest rate curve for discounting future cash flows (discount interest rate curve) that is used shall be based on the swap rate curve for each currency.

Section 4 If the cover pool at an issuing institution includes assets in a currency other than that of the covered bonds, and the currency risk is not fully hedged, the requirement set out in section 2 shall also be fulfilled following a ten-per cent change in the relationship between the bond currencies and the asset currencies in an unfavourable direction.

These regulations shall enter into force on 21 June 2016.

ERIK THEDÉEN

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