

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Circular addressed to the investment services industry regarding the Fourth Capital Requirements Directive

2nd March, 2010

On the 26th February 2010, the European Commission issued a public consultation outlining additional proposed changes to Directives 2006/48/EC and 2006/49/EC, which collectively are referred to as the Capital Requirements Directive (CRD). The proposed changes are being designated as CRD IV.

The changes outlined in the European Commission's public consultation document relate to:

- Section I: Liquidity standards
- Section II: Definition of capital
- Section III: Leverage ratio
- Section IV: Counterparty credit risk
- Section V: Countercyclical measures
- Section VI: Systemically important financial institutions
- Section VII: Single rule book in banking

A detailed explanation of the proposed changes is accessible from the European Commission's web-site through the following link:

http://ec.europa.eu/internal_market/bank/regcapital/index_en.htm

The Authority recommends that stakeholders familiarise themselves with the issues that are being presented in the consultation and encourages the investment services industry to contribute to the public consultation by providing its views to: market-h1@ec.europa.eu

Stakeholders are also recommended to refer to the memo relating to the frequently asked questions (Q&A memo) on the public consultation, which should assist the investment services industry to understand the rationale behind the proposed changes to the CRD (CRD IV). The Q&A memo may be accessed through the European Commission's website at the following link:

http://ec.europa.eu/internal_market/bank/regcapital/index_en.htm

Contacts

Should you have any queries regarding the possible changes to the CRD, please do not hesitate to contact:

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