

**Press release**

**SIFI-Committee recommends additional requirements for the largest Danish banks**

*The SIFI Committee recommends additional requirements concerning i.e. the capital and liquidity of Danish SIFIs. New tools aim to provide the best possible basis for carrying out crisis management of SIFIs without costs for the state. This is proposed in the report which the Committee has just handed over to Annette Vilhelmsen, Minister for Business and Growth.*

The Committee recommends an approach to identifying Danish SIFIs. This approach implies that six credit institutions will be designated as SIFIs in Denmark. The institutions in question are Danske Bank, Nykredit, Nordea Bank Danmark, Jyske Bank, BRFkredit and Sydbank.

The Committee recommends that the Danish SIFIs shall live up to additional requirements. Such requirements concern the capital and liquidity of SIFIs, the development of recovery and resolution plans and corporate governance. Furthermore, enhanced supervision of SIFIs is recommended.

Finally, the Committee presents recommendations regarding the crisis management of SIFIs if they, despite the additional requirements, should get into trouble. It is recommended that alternative tools for crisis management of SIFIs are introduced which should provide the best possible basis for carrying out crisis management of SIFIs with as few harmful effects on the economy as possible and without costs for the state.

Annette Vilhelmsen, Minister for Business and Growth, says:

- The government generally supports the recommendations from the Committee. A strengthened regulation of SIFIs is key to reducing the risk of future financial crises. These institutions are so large that it can affect the entire financial system and the economy as a whole if they get into trouble.
- The Committee has sought to strike an appropriate balance between ensuring financial stability and the ability for banks to lend. Thus a significant phasing-in period is proposed. Furthermore, the Commit-

tee has sought to ensure that the requirements are in line with coming EU-regulation.

- I note the conclusion of the Committee that the additional requirements taken together will have a long term positive effect on the economy since a stable financial sector is a precondition for growth and employment.
- The Committees recommendations are in line with the EU capital requirements directive, which has just been agreed, and which also focuses on SIFIs. A number of other countries are also in the process of implementing additional requirements for SIFIs.

The Ministry for Business and Growth will now launch a public consultation concerning the report from the SIFI Committee. The consultation closes on 19 April. Political negotiations will likely commence during spring.

The Committee has had members from Danmarks Nationalbank (the central bank), the Ministry for Business and Growth, the Ministry of Finance, the Danish FSA and independent experts. Professor Michael Møller, Copenhagen Business School, has been chairman of the Committee.

### **Contact**

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[Link: Full report from the Committee (in Danish)]

[Link: Summary in English – full report in English will follow]

[Link: Letter from the chairman of the committee to the Minister for Business and Growth]