Deposit Guarantee Scheme Stress Test Regulation

(Sicherungseinrichtungen-Stresstestverordnung – SiEi-StrV)

Full title
Regulation of the Financial Market Authority (FMA) on the content and format of the results to be submitted by deposit guarantee schemes from stress tests (Deposit Guarantee Scheme Stress Test Regulation (SiEi-StrV; Sicherungseinrichtungen-Stresstestverordnung))


Preamble/Promulgation clause
On the basis of Article 2 para. 6 of the Deposit Guarantee Schemes and Investor Compensation Act – ESAEG, as published in Federal Law Gazette I No. 117/2015, last amended by federal act in Federal Law Gazette I No. 159/2015 the following shall be ordered by means of a regulation:

Text

Purpose

Article 1. This Regulation shall serve to determine the content and format of the results to be submitted to the FMA for stress tests conducted by deposit guarantee schemes pursuant to Article 2 para. 6 ESAEG.

Content of format of the stress test results

Article 2. (1) Deposit guarantee facilities shall format the results of their stress tests pursuant to Article 2 para. 6 ESAEG pursuant to the Annex.

(2) For each of the categories B to E prescribed in the Annex, the deposit guarantee schemes may conduct one or several tests. In the event that more than one priority test is conducted, then the results shall be submitted in separate columns.

Stating of stress test results

Article 3. (1) Amounts shall be indicated in thousands of euro with rounding to two decimal places. Percentages shall also be rounded and stated to two decimal places.

(2) Positions held in foreign currencies shall be converted into euro using the euro reference rate of the European Central Bank (ECB). In the event that no ECB euro reference rate is available for a currency, then the mean rates of exchange shall apply.

(3) Where the Annex requires a scoring, the following scale shall be applied for scoring purposes:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
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<tbody>
<tr>
<td>A – optimal</td>
<td>The area measured requires no improvement.</td>
</tr>
<tr>
<td>B – fair</td>
<td>The area displays weaknesses but these are isolated and/or can easily be addressed at the point of failure, and are unlikely to affect the ability of the deposit guarantee scheme to perform its tasks in accordance with the conditions set out in ESAEG.</td>
</tr>
<tr>
<td>C – poor</td>
<td>The area displays weaknesses which are likely to complicate the ability of the deposit guarantee scheme to perform its tasks in accordance with the conditions set out in ESAEG, and requires improvement. In this case it shall be necessary to indicate which measures have been taken or are scheduled.</td>
</tr>
<tr>
<td>E – very poor</td>
<td>The area presents grave shortcomings, which are likely to prevent the deposit guarantee scheme from performing its tasks under the conditions set out in ESAEG, and for which immediate remedial action shall be necessary. In this case it shall be necessary to indicate which measures have been taken or are scheduled.</td>
</tr>
</tbody>
</table>

Entry into force

Article 4. This Regulation shall enter into force on 19 December 2016.

All English translation of the authentic German text is unofficial and serves merely information purposes. The official wording in German can be found in the Austrian Federal Law Gazette (Bundesgesetzblatt; BGBl.). All translations have been prepared with great care, but linguistic compromises had to be made. The reader should also bear in mind that some provisions of these laws will remain unclear without certain background knowledge of the Austrian legal and political system. Please note that these laws may be amended in the future and check occasionally for updates.