BANCA D'ITALIA
EUROSISTEMA

Rome, 19 May 2015

The Bank of Italy has exercised the option provided for in Article 160(6) of Directive 2013/36/EU (CRD IV) to implement the capital conservation buffer without any further transitional period.

As a result, as of 1 January 2014, banks must maintain a level of Common Equity Tier 1 capital equal to 7 per cent of risk-weighted assets, calculated in accordance with Article 92(3) of Regulation (EU) 575/2013 (CRR), of which 4.5 per cent as a minimum requirement and 2.5 per cent as a capital conservation buffer requirement. Banks that fail to comply with the latter may not distribute dividends, variable remuneration and other components forming the regulatory capital over and above predetermined limits and must define the measures necessary to restore the required level of capital.

These provisions are contained in Circular No. 285 'Supervisory provisions for banks' (only available in Italian). Further information is also available in the press release of 19 December 2013 (only in Italian).

The Bank of Italy has also exercised the option under Article 129(2) of CRD IV and exempted small and medium-sized investment firms from the capital conservation buffer requirement. These firms' contribution to systemic risk is negligible and their exemption from the requirement does not threaten the stability of the Italian financial system. Further information is available in the Communication of 31 March 2014 (only in Italian).