

Norma 12/28-ian-2016 NORM no. 12 of 28 January 2016 on the circumstances in which resolution measures may be applied (traducere)

Norma 12/28-ian-2016 din 2016.02.08

Status: Acte în vigoare

Versiune de la: 8 Februarie 2016

Intră în vigoare:

8 Februarie 2016 An

Norma 12/28-ian-2016 (traducere) NORM no. 12 of 28 January 2016 on the circumstances in which resolution measures may be applied (traducere)

Data act: 28-ian-2016

Emitent: Autoritatea de Supraveghere Financiara

In accordance with the provisions of Article 1(2), Article 2(1)(b) and (d), Article 3(1)(b), Article 6(2) and Article 14 of the Government Emergency Ordinance no. 93/2012 on the establishment, organization and functioning of the Financial Supervisory Authority, approved with amendments and completions by Law no. 113/2013, as subsequently amended and supplemented,

Pursuant to the provisions of Article 160 letter m) of Law no. 246/2015 on the recovery and resolution of insurers, following the deliberations of the Board of the Financial Supervisory Authority at the meeting of January 27, 2016,

The Financial Supervisory Authority issues the following rule:

Article 1

This rule regulates a series of elements that are the basis for establishing the situations in which the specific market for certain assets is also such that their liquidation within the ordinary insolvency procedure could have a negative effect on one or more financial markets according to the provisions of Article 116 letter a) of Law no. 246/2015 on the recovery and resolution of insurers.

Article 2

The terms and expressions used in this norm have the meaning provided in Law no. 246/2015 and in Law no. 237/2015 regarding the authorization and supervision of the insurance and reinsurance activity, if they do not contravene the provisions of Law no. 246/2015.

Article 3

In order to determine the situations in which the specific market for certain assets is such that their liquidation in the ordinary insolvency procedure could have a negative effect on one or more financial markets, the Financial Supervisory Authority (FSA), as the resolution authority, assesses the following elements:

- a) the market situation of those assets;
- b) the impact of the availability of these assets on the markets on which they are traded;
- c) impact on financial stability.

Article 4

In the assessment referred to in Article 3, the FSA, as resolution authority, may take into account the following elements:

a) if the asset market is depreciated, taking into account the following:

1. (i) the evolution of the liquidity of the markets of these assets or of comparable asset classes;
2. (ii) whether those assets or comparable asset classes have been classified as impaired for accounting purposes and whether the insurers have made provisions for those assets;
3. (iii) losses and unstable cash flows in such assets;
4. (iv) adverse value adjustments of assets or corresponding price developments of their hedging instruments or comparable asset classes;
5. (v) the high volatility of asset prices compared to the market in general, in particular the unusually large price differences between different markets for the same or similar assets which, under normal market conditions, are performing identically;
6. (vi) the reduction of the share price and the deterioration of the ratings and refinancing conditions of institutions that hold or issue large quantities of such assets, compared to the rest of the market;

b) the impact of a lay-off of these assets on the markets on which they are traded, taking into account:

1. (i) the size of the markets concerned and the range of potential buyers;
2. (ii) the estimated impact of the liquidation of assets on comparable asset prices, as applicable;

3. (iii) the estimated time frame for the liquidation of the assets under the ordinary insolvency procedure, including in the context of a possible accelerated sale in distressed situations;

c) the impact on financial stability, taking into account yes:

1. (i) the risk of a systemic crisis, as clearly apparent from the number, size or importance of other insurers that are at risk of meeting the conditions for early intervention or resolution;

2. (ii) the situation in which the sale of assets or a depreciation of the markets may produce a contagion effect for other financial institutions that value these assets at market prices;

d) other relevant elements, taking into account specific circumstances by the FSA.

Article 5

This norm shall be published in the Official Gazette of Romania, Part I, and shall enter into force on the date of publication.

p. The President of the Financial Supervisory Authority,

Gheorghe Cornel Coca Constantinescu

Published in the Official Gazette number 91 of February 8, 2016