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Part 1					
Transposition of Directive 2013/36/EU					
	Transposition of provisions of Directive 2013/36/EU	Provisions of Directive 2013/36/EU	Links to national text⁽¹⁾	Reference(s) to national provisions⁽²⁾	Available in EN (Y/N)
010	Date of the last update of information in this template			15.7.2021	
020	I. Subject matter, scope and definitions	Articles 1 to 3	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf http://www.althingi.is/altext/stjt/2016.096.html	Articles 1 of Act No. 161/2002 on Financial Undertakings. Article 1 of Act No. 96/2016 amending Article 1.a of Act No. 161/2002 on Financial Undertakings.	Y
030	II. Competent authorities	Articles 4 to 7	http://www.ministryoffinance.is/media/skjal/Act_No_87_1998.pdf http://stjomartidindi.is/Advert.aspx?ID=509601cc-cba6-48b2-8ce5-1b61aa63431d http://www.althingi.is/altext/stjt/2016.096.html	Articles 3 of Act No. 87/1998 on Official Supervision of Financial Activities. Article 27.k of Act No. 57/2015 amending Article 79 of Act No. 161/2002 on Financial Undertakings. Article 39 of Act No. 96/2016 amending Article 79 of Act No. 161/2002 on Financial Undertakings.	Y
040	III. Requirements for access to the activity of credit institutions	Articles 8 to 27			
050	1. General requirements for access to the activity of credit institutions	Articles 8 to 21	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf http://www.althingi.is/altext/stjt/2016.096.html	Articles 2 – 15, 31 and 39 of Act No. 161/2002 on Financial Undertakings. Articles 3 – 7 and 24 of Act No. 96/2016 amending Articles 7, 9, 12, 14 and 31 of Act No. 161/2002 on Financial Undertakings.	Y
060	2. Qualifying holding in a credit institution	Articles 22 to 27	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf	Articles 40 – 49.b of Act No. 161/2002 on Financial Undertakings.	Y

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070	IV. Initial capital of investment firms	Articles 28 to 32	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://www.althingi.is/altext/stjt/2016.096.html	Article 14(4)-(7) of Act No. 161/2002 on Financial Undertakings. Article 8 of Act No. 96/2016 amending Article 14.a of Act No. 161/2002 on Financial Undertakings.	Y
080	V. Provisions concerning the freedom of establishment and the freedom to provide services	Articles 33 to 46			
090	1. General principles	Articles 33 to 34	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf	Article 31 of Act No. 161/2002 on Financial Undertakings.	Y
100	2. The right of establishment of credit institutions	Articles 35 to 38	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://www.althingi.is/altext/stjt/2016.096.html , http://www.stjornartidindi.is/Advert.aspx?ID=d16ee5d2-5c80-424a-80c5-56d52422e88d	Articles 31 and 36 of Act No. 161/2002 on Financial Undertakings. Article 24 of Act No. 96/2016 amending Article 31 of Act No. 161/2002 on Financial Undertakings. Regulation No. 942/2011 on Exceptions from the Scope of Directive 2006/48/EC regarding the Establishment and Activities of Credit Institutions	Y
110	3. Exercise of the freedom to provide services	Article 39	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf	Articles 32 and 37 of Act No. 161/2002 on Financial Undertakings.	Y

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120	4. Powers of the competent authorities of the host Member State	Articles 40 to 46	http://www.fjarmaladuneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://www.althingi.is/altext/stjt/2016.096.html , http://eng.atvinnuvegaraduneyti.is/media/acts/Regulation-308-1994.pdf , http://www.stjornartidindi.is/Advert.aspx?ID=b387ee33-2ec7-4e39-a281-aca5d28fcfc , http://www.reglugerdir.allar/nr/1030-2014	Articles 34 and 35 of Act No. 161/2002 on Financial Undertakings, Article 25 of Act No. 96/2016 amending Article 35 of Act No. 161/2002 on Financial Undertakings, Regulation No. 308/1994 on a branch and a representative office of a credit institution established in another country within the EEA, Regulation No. 497/2004 changing Rules No. 308/1994, Regulation No. 244/2004 authorising financial institutions and subsidiaries of	Y
130	VI. Relations with third countries	Articles 47 to 48	http://www.fjarmaladuneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://eng.atvinnuvegaraduneyti.is/media/Acrobat/Regulation-No-307-1994.pdf	Articles 33, 38 and 39 of Act No. 161/2002 on Financial Undertakings., Regulation No. 307/1994 on a branch and a representative office of a credit institution established in another country outside the EEA.	Y
140	VII. Prudential supervision	Articles 49 to 142			
150	1. Principles of prudential supervision	Articles 49 to 72			
160	1.1 Competence and duties of home and host Member States	Articles 49 to 52	http://www.ministryoffinance.is/media/skjal/Act_No_87_1998.pdf , http://www.fjarmaladuneyti.is/media/skjal/Act_No_161_2002_en.pdf	Article 14 of Act No. 87/1998 on Official Supervision of Financial Activities., Articles 34 and 108 of Act No. 161/2002 on Financial Undertakings.	Y
170	1.2 Exchange of information and professional secrecy	Articles 53 to 62	http://www.ministryoffinance.is/m	Articles 13 - 15 of Act No.	Y
180	1.3 Duty of persons responsible for the legal control of annual and consolidated accounts	Article 63	http://www.fjarmaladuneyti.is/m	http://www.fjarmaladuneyti.is	Y

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190	1.4 Supervisory powers, powers to impose penalties and right of appeal	Articles 64 to 72	http://www.ministryoffinance.is/media/skjal/Act_No_87_1998.pdf , http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://www.althingi.is/altext/stjt/2015.058.html , http://www.althingi.is/altext/stjt/2016.096.html	Articles 9 – 12 of Act No. 87/1998 on Official Supervision of Financial Activities., Chapters XIII and XIV of Act No. 161/2002 on Financial Undertakings., Articles 7 -10 of Act No. 58/2015 amending Article 110, 112.b, 112.c and 112.e of Act No. 161/2002 on Financial Undertakings., Articles 53-56 of Act No. 96/2016 amending Articles 107, 109 and 112.b of Act No. 161/2002 on Financial Undertakings.	Y
200	2. Review processes	Articles 73 to 110			
210	2.1 Internal capital adequacy assessment process	Article 73	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf	Articles 17 and 84(1) of Act No. 161/2002 on Financial Undertakings., Article 40.a of Act No. 96/2016 amending Article 80 of Act No. 161/2002 on Financial Undertakings.	Y
220	2.2 Arrangements, processes and mechanisms of institutions	Articles 74 to 96	http://stjornartidindi.is/Advert.aspx?ID=509601cc-cba6-48b2-8ce5-1b61aa63431d , http://www.althingi.is/altext/stjt/2016.096.html , http://en.fme.is/published-material/rules/ , https://www.stjornartidindi.is/Advert.aspx?recordID=cb215e5a-7ee4-4ea4-8613-5549793ab127	Articles 5, 21 and 27 of Act No. 57/2015 amending Articles 17, 54.a, 78 and 78.a – 78.i of Act No. 161/2002 on Financial Undertakings., Articles 29 – 39 of Act No. 96/2016 amending Articles 78, 78.a i and 79 of Act No. 161/2002 on Financial Undertakings., Rules No. 388/2016 on remuneration policy according to Act No. 161/2002 on financial undertakings., Rules No. 150/2017 on the fit and proper assessment of	N

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230	2.3 Supervisory review and evaluation process	Articles 97 to 101	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://www.althingi.is/alttext/stjt/2016.096.html	Article 84(1)-(2) of Act No. 161/2002 on Financial Undertakings., Articles 40.a and b of Act No. 96/2016 amending Articles 80 and 81 of Act No. 161/2002 on Financial Undertakings.	Y
240	2.4 Supervisory measures and powers	Articles 102 to 107	http://www.ministryoffinance.is/media/skjal/Act_No_87_1998.pdf , http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://www.althingi.is/alttext/stjt/2016.096.html , http://www.cb.is/library/Skráarsafn---EN/Various-announcements/CBI%20Act%20updated.pdf	Article 10 of Act No. 87/1998 on Official Supervision of Financial Activities., Articles 10.a, 84(1), 86, 95, 96 and 107 – 109 of Act No. 161/2002 on Financial Undertakings., Articles 40.c, 42, 51, 53 and 54 of Act No. 96/2016 amending Articles 82, 84, 86.g, 107 and 109 of Act No. 161/2002 on Financial Undertakings., Articles 12 and 13 of Act No. 36/2001 on the Central Bank of Iceland.	Y
250	2.5 Level of application	Articles 108 to 110	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://www.althingi.is/alttext/stjt/2016.096.html	Articles 97 and 109 of Act No. 161/2002 on Financial Undertakings., Article 54 of Act No. 96/2016 amending Article 109 of Act No. 161/2002 on Financial Undertakings	Y
260	3. Supervision on a consolidated basis	Articles 111 to 127			
270	3.1 Principles for conducting supervision on a consolidated basis	Articles 111 to 118	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://www.althingi.is/alttext/stjt/2016.096.html	Articles 97(9) and 109 of Act No. 161/2002 on Financial Undertakings., Article 54 of Act No. 96/2016 amending Article 109 of Act No. 161/2002 on Financial Undertakings	Y

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280	3.2 Financial holding companies, mixed financial holding companies and mixed-activity holding companies	Articles 119 to 127	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://www.althingi.is/alttext/stjt/2016.096.html .	Articles 97(9) and 109 of Act No. 161/2002 on Financial Undertakings., Article 54 of Act No. 96/2016 amending Article 109 of Act No. 161/2002 on Financial Undertakings.	Y
290	4. Capital buffers	Articles 128 to 142			
300	4.1 Buffers	Articles 128 to 134	http://stjornartidindi.is/Advert.aspx?ID=509601ccb6-48b2-8ce5-1b61aa63431d , http://www.althingi.is/alttext/stjt/2016.096.html , https://www.stjornartidindi.is/Advert.aspx?RecordID=204d1b2bd552-4fff-8c6d-1acb1020a038	Article 28 of Act No. 57/2015 amending Articles 84.a – f of Act No. 161/2002 on Financial Undertakings., Articles 44-49 of Act No. 96/2016 amending Articles 84.a – f of Act No. 161/2002 on Financial Undertakings, Rules No. 1270/2015 on Maximum Distributable Amount and Limitations on Distributable Amounts related to capital buffers for Financial Undertakings	N
310	4.2 Setting and calculating countercyclical capital buffers	Articles 135 to 140	http://stjornartidindi.is/Advert.aspx?ID=509601ccb6-48b2-8ce5-1b61aa63431d , http://www.althingi.is/alttext/stjt/2016.096.html	Article 28.d of Act No. 57/2015 amending Act No. 161/2002 on Financial Undertakings., Article 47 of Act No. 96/2016 amending Article 84.d of Act No. 161/2002 on Financial Undertakings.	N
320	4.3 Capital conservation measures	Articles 141 to 142	http://stjornartidindi.is/Advert.aspx?ID=509601ccb6-48b2-8ce5-1b61aa63431d , http://www.althingi.is/alttext/stjt/2016.096.html	Article 28.e of Act No. 57/2015 amending Act No. 161/2002 on Financial Undertakings., Article 48 of Act No. 96/2016 amending Article 84.e of Act No. 161/2002 on Financial Undertakings	N

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330	VIII. Disclosure by competent authorities	Articles 143 to 144	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://stjornartidindi.is/Advert.aspx?ID=509601cc-cba6-48b2-8ce5-1b61aa63431d , http://www.althingi.is/altext/stjt/2016.096.html	Articles 29.c and e of Act No. 161/2002 on Financial Undertakings., Article 38 of Act No. 57/2015 amending Article 116.a of Act No. 161/2002 on Financial Undertakings., Article 21 of Act No. 96/2016 amending Article 29.e of Act No. 161/2002 on Financial Undertakings	Y
340	IX. Amendments of Directive 2002/87/EC	Article 150		N/A	
350	X. Transitional and final provisions	Articles 151 to 165			
360	1. Transitional provisions on the supervision of institutions exercising the freedom of establishment and the freedom to provide services	Articles 151 to 159	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://eng.atvinnuvegaraduneyti.is/media/acts/Regulation-308-1994.pdf	Chapter V of Act No. 161/2002 on Financial Undertakings., Regulation No. 308/1994 on a branch and a representative office of a credit institution established in another country within the EEA., Regulation No. 497/2004 changing Regulation No. 308/1994	Y
370	2. Transitional provisions for capital buffers	Article 160	http://stjornartidindi.is/Advert.aspx?ID=509601cc-cba6-48b2-8ce5-1b61aa63431d , http://www.althingi.is/altext/stjt/2016.096.html .	Article 44 of Act No. 57/2015 amending Act No. 161/2002 on Financial Undertakings, Article 59.b of Act No. 96/2016 amending Act No. 161/2002 on Financial Undertakings.	Y
380	3. Final provisions	Articles 161 to 165	http://www.fjarmalaraduneyti.is/media/skjal/Act_No_161_2002_en.pdf , http://www.althingi.is/altext/stjt/2016.096.html	Articles 117 and 117.a- c of Act No. 161/2002 on Financial Undertakings., Articles 57 and 58 of Act No. 96/2016 amending Articles 117.b and c of Act No. 161/2002 on Financial Undertakings	Y

(1) Hyperlink(s) to the website containing the national text transposing the Union provision in question.

(2) Detailed references to the national provisions, such as relevant Title, Chapter, paragraph etc.

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Part 2 Model approval		
010	Date of the last update of information in this template	15.7.2021
		Description of the approach
Supervisory approach for the approval of the use of Internal Ratings Based (IRB) Approach to calculate minimum capital requirements for credit risk		
020	Minimum documentation to be provided by the institutions applying for the use of IRB approach	The information submitted should at least include: 1) Cover letter requesting the approval; 2) Documentation of used or planned rating systems (including models); 3) Detailed description of the control environment, implementation procedures, and IT infrastructure of the rating systems; 4) Implementation plan (including roll-out); 5) Self-assessment.
030	Description of the assessment process conducted by the competent authority (use of self assessment, reliance on external auditors and on-site-inspections) and main criteria of the assessment	The Iceland FSA assessment of the IRB application includes self-assessment as well as off-site and on-site review of the applicant and submitted documents with the application and communication with other supervisory authorities. The scope of the reviews includes an assessment of the control environment, IT infrastructure, IRB models and RWA calculation. The purpose of the on-site review is to ensure that all rating systems are fully implemented and the institution's control environment is in compliance with laws, rules and regulations.
040	Form of the decisions taken by the competent authority and communication of the decisions to applicants	N/A. No decision has been required to date.
Supervisory approach for the approval of the use of Internal Model Approach (IMA) to calculate minimum capital requirements for market risk		
050	Minimum documentation to be provided by the institutions applying for the use of IMA approach	N/A. No Icelandic institution has applied for the use of IMA
060	Description of the assessment process conducted by the competent authority (use of self assessment, reliance on external auditors and on-site-inspections) and main criteria of the assessment	N/A
070	Form of the decisions taken by the competent authority and communication of the decisions to applicants	N/A
Supervisory approach for the approval of the use of Internal Model Method (IMM) to calculate minimum capital requirements for counterparty credit risk		
080	Minimum documentation to be provided by the institutions applying for the use of IMM approach	N/A. No Icelandic institution has applied for the use of IMM
090	Description of the assessment process conducted by the competent authority (use of self assessment, reliance on external auditors and on-site-inspections) and main criteria of the assessment	N/A
100	Form of the decisions taken by the competent authority and communication of the decisions to applicants	N/A
Supervisory approach for the approval of the use of Advanced Measurement Approach (AMA) to calculate		
110	Minimum documentation to be provided by the institutions applying for the use of AMA approach	N/A. No Icelandic institution has applied for the use of AMA
120	Description of the assessment process conducted by the competent authority (use of self assessment, reliance on external auditors and on-site-inspections) and main criteria of the assessment	N/A
130	Form of the decisions taken by the competent authority and communication of the decisions to applicants	N/A

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<p>Part 3</p> <p>Specialised lending exposures</p>
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	Regulation (EU) No 575/2013	Provisions	Information to be provided by the competent authority
010	Date of the last update of the information in this template		15.7.2021
020	Article 153(5)	Has the competent authority published guidance to specify how institutions should take into account the factors referred to in paragraph 5 of Article 153 when assigning risk weights to specialised lending exposures?	No
030		If so, please provide the reference to the national guidance	N/A
040		Is the national guidance available in English?	N/A

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Part 4
Credit risk mitigation

	Regulation (EU) No 575/2013	Provisions	Description	Information to be provided by the competent authority	
010	Date of the last update of the information in this template			15.7.2021	
020	Article 201(2)	Publication of the list of financial institutions that are eligible providers of unfunded credit protection or guiding criteria for identifying these financial institutions	Competent authorities shall publish and maintain the list of financial institutions that are eligible providers of unfunded credit protection under point (f) of Article 201(1) of Regulation (EU) No 575/2013 or the guiding criteria for identifying such eligible providers	List of the financial institutions or guiding criteria for their identification	In Iceland, no financial institutions are identified as eligible providers of unfunded credit protection as mentioned in Article 201(1) point f
030		Description of the applicable prudential requirements	Competent authorities shall publish a description of the applicable prudential requirements together with the list of the eligible financial institutions or the guiding criteria for identifying these financial institutions	Description of the prudential requirements applied by the competent authority	No applicable prudential requirements are implemented yet.
040	Article 227(2)(e)	Condition for applying a 0% volatility adjustment	Under the Financial collateral Comprehensive Method institutions may apply a 0% volatility adjustment provided that the transaction is settled in a settlement system proven for that type of transaction	Detailed description on how the competent authority considers the settlement system as a proven system	A detailed description on how FSA in Iceland considers the settlement system as a proven system has not been prepared.
050	Article 227(2)(f)	Condition for applying a 0% volatility adjustment	Under the Financial collateral Comprehensive Method institutions may apply a 0% volatility adjustment provided that the documentation covering the agreement or transaction is standard market documentation for repurchase transactions or securities lending or borrowing transactions in the securities concerned	Specification of the documentation to be considered as standard market documentation	A specification of the documentation to be considered as standard market documentation has not been prepared.
060	Article 229(1)	Valuation principles for immovable property collateral under the IRB approach	The immovable property may be valued by an independent valuer at or at less than the mortgage lending value in the Member States that have laid down rigorous criteria for the assessment of this mortgage lending value in statutory or regulatory provisions	Criteria set out in the national legislation for the assessment of the mortgage lending value	Principle has not been set forth.

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<p>Part 5</p> <p>Specific disclosure requirements applied to institutions</p>

	Directive 2013/36/EU	Regulation (EU) No 575/2013	Provision	Information to be provided by the competent authority	
010	Date of the last update of information in this template				15.7.2021
020	Article 106(1)(a)		Competent authorities may require institutions to publish information referred to in Part Eight of Regulation (EU) No 575/2013 more than once per year, and to set deadlines for publication	Frequency and deadlines for publication applicable to institutions	N
030	Article 106(1)(b)		Competent authorities may require institutions to use specific media and locations for publications other than the financial statements	Types of specific media to be used by institutions	N
040		Article 13(1) and (2)	Significant subsidiaries and those which are of material significance for their local market shall disclose information specified in Part Eight of Regulation (EU) No 575/2013 on an individual or sub-consolidated basis.	Criteria applied by the competent authority to assess the significance of a subsidiary	N/A

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Part 6					
Waivers for the application of prudential requirements					
	Regulation (EU) No 575/2013	Provisions	Description	Information to be provided by the competent authority	
010	Date of the last update of the information in this template				15.7.2021
020	Article 7(1) and (2) (Individual waivers for subsidiaries)	Exemption from the application on an individual basis of prudential requirements set out in Parts Two to Five and Eight of Regulation (EU) No 575/2013	The waiver may be granted to any subsidiary provided that there is no current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities by its parent undertaking pursuant to point (a) of Article 7(1).	Criteria applied by the competent authority to assess that there is no obstacle to the prompt transfer of own funds or repayment of liabilities	N/A
030	Article 7(3) (Individual waivers for parent institutions)	Exemption from the application on an individual basis of prudential requirements set out in Parts Two to Five and Eight of Regulation (EU) No 575/2013	The waiver may be granted to a parent institution provided that there is no current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities to the parent institution pursuant to point (a) of Article 7(3).	Criteria applied by the competent authority to assess that there is no obstacle to the prompt transfer of own funds or repayment of liabilities	N/A
040	Article 8 (Liquidity waivers for subsidiaries)	Exemption from the application on an individual basis of liquidity requirements set out in Part Six of Regulation (EU) No 575/2013	The waiver may be granted to institutions within a sub-group provided that these institutions have entered into contracts that, to the satisfaction of the competent authorities, provide for the free movement of funds between them to enable them to meet their individual and joint obligations as they become due pursuant to point (c) of Article 8(1).	Criteria applied by the competent authority to assess whether the contracts provide for free movement of funds between the institutions in a liquidity sub-group	N/A
050	Article 9(1) (Individual consolidation method)	Permission granted to parent institutions to incorporate subsidiaries in the calculation of their prudential requirements set out in Parts Two to Five and Eight of Regulation (EU) No 575/2013	The permission is granted only where the parent institution demonstrates fully to the competent authorities that there is no current or foreseen material practical or legal impediment to the prompt transfer of own funds, or repayment of liabilities when due by the subsidiary incorporated in the calculation of requirements to its parent institution pursuant to Article 9(2).	Criteria applied by the competent authority to assess that there is no obstacle to the prompt transfer of own funds or repayment of liabilities	N/A
060	Article 10 (Credit institutions permanently affiliated to a central body)	Exemption from the application on an individual basis of prudential requirements set out in Parts Two to Eight of Regulation (EU) No 575/2013	Member States may maintain and make use of existing national legislation regarding the application of the waiver as long as it does not conflict with the Regulation (EU) No 575/2013 or Directive 2013/36/EU	Applicable national law / regulation regarding the application of the waiver	N/A

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Part 7
Qualifying holdings in a cr

	Directive 2013/36/EU	Assessment criteria and information that is necessary for assessing the suitability of the proposed acquirer seeking to acquire a credit institution and the financial soundness of the proposed acquisition	Information to be provided by the competent authority
010	Date of the last update of information in this template		
020	Article 23(1)(a)	Reputation of the proposed acquirer	Description on how the competent authority assesses the integrity of the proposed acquirer
030			Description on how the competent authority assesses the professional competence of the proposed acquirer
040			Practical details on the cooperation process between competent authorities pursuant to Article 24 of Directive 2013/36/EU
050	Article 23(1)(b)	Reputation, knowledge, skills and experience of any member of the management body or senior management who will direct the business of the credit institution	Description on how the competent authority assesses the reputation, knowledge, skills and experience of members of management body and senior managers

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060	Article 23(1)(c)	Financial soundness of the proposed acquirer	Description on how the competent authority assesses the financial soundness of the proposed acquirer
070			Practical details on the cooperation process between competent authorities pursuant to Article 24 of Directive 2013/36/EU
080	Article 23(1)(d)	Compliance of the credit institution with the prudential requirements	Description on how the competent authority assesses whether or not the credit institution will be able to comply with the prudential requirements
090	Article 23(1)(e)	Suspicion of money laundering or terrorist financing	Description on how the competent authority assesses whether or not there are reasonable grounds to suspect money laundering or terrorist financing
100			Practical details on the cooperation process between competent authorities pursuant to Article 24 of Directive 2013/36/EU
110	Article 23(4)	List specifying the information to be provided to the competent authorities at the time of notification	List of information that must be provided by the proposed acquirer at the time of notification in order for the competent authority to carry out the assessment of the proposed acquirer and the proposed acquisition

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edit institution

15.7.2021

FSA Iceland requests the following information on the proposed acquirer and all legal entities that he has in the last five years directed or controlled:

- a. Judgments for offences against the Penal Code, laws concerning the financial market and bankruptcy law.
- b. bankruptcy ruling
- c. official investigations, judicial proceedings, public or civil cases
- d. investigations, enforcement actions on behalf of a supervisory authority.
- e. refusal of registration, authorization, membership or license to carry out a trade, business or profession
- f. revocation, withdrawal or termination of such registration, authorization, membership or license

The information provided is verified by acquiring information from the official website of the courts and as well as information within the FSA.

Target supervisors should assess the relevance of such situations on a case-by-case basis, recognising that the characteristics of each situation may be more or less severe and that some situations may be significant when considered together, even though each of them in isolation may not be significant.

Target supervisors may judge, the relevance of criminal records differently according to the type of conviction, the level of appeal (definitive vs. non-definitive convictions), the type of punishment (imprisonment vs. less severe punishments), the length of the sentence (more vs. less than a specified period), the phase of the judicial process.

In addition the FSA requires information on the proposed acquirer's experience of financial activities. In this sense the FSA examines what the experience entails and how the acquirer's reputation has been concerning this experience.

The FSA finally requires information on whether a supervisory authority has conducted an assessment of the eligibility of the proposed acquirer as a qualified holder in a supervised entity.

The same information is requested regarding the qualified holders and board members and managing director of the proposed acquirer

In addition to the above mentioned information the FME also requires information on the business of the proposed acquirer

The FSA will formally contact the relevant competent authority as appropriate

The FSA has in most cases already performed a fit & proper assessment of the person that will direct the business of a credit institution. The fit & proper requirements are based on law, Article 41 of Act no. 161/2002 on Financial Undertakings, and concern court rulings, bankruptcy, education, professional competence, knowledge regarding the type of company in question as well as financial independence.

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The FSA requests annual reports for the last three years and at least the annual report for the preceding year shall be audited. If there have been significant changes in the financial standing of the proposed acquirer since the last settlement of accounts, for instance because of purchase or selling of major assets or changes in debt, there shall be detailed explanations for them. If there have been significant changes in the financial standing since the last settlement of accounts the FSA can ask for a settlement of accounts that covers the changes that have occurred in the financial standing. If the proposed acquirer is a financial undertaking the FSA asks for calculations which show the effect on the CAD of the company after the purchase. If the proposed acquirer is a new undertaking the FSA asks for a founding balance sheet. The FSA requests information about the funding of the proposed acquisition. If the acquisition is funded with loans from a financial undertaking FSA asks for detailed information about the loan including merit rating, dates of payment, terms, mortgages and insurance. The FSA can request the loan agreement. FSA also requests information about if there are financial relationships or associations to directors of the financial undertaking that provides the loan for the proposed acquisition. If the proposed acquisition is not funded with a loan provided by a financial undertaking FSA requests a detailed explanation of the origin of the capital used, for example whether it is a capital contribution, if the holding is paid for with cash in hand from the proposed acquirer, with a loan from other parties, by selling assets or by mortgage. This information must be supported by documents. FME also requests information about assets of the target which the proposed acquirer intends to sell within a year. Information must be provided about the asset, terms of sale and valuation.

The FSA will formally contact the relevant competent authority as appropriate

The FSA first checks if an earlier assessment has been made of the proposed acquirer and how long it has been since that assessment was conducted. The FSA also reviews how communications with the proposed acquirer have gone, whether he has answered all questions and handed over all documents required without delay. If the ownership of the proposed acquirer is complex and especially if a foreign undertaking subject to a different legislation is part of the ownership structure, that may also impact the assessment of a proposed acquirer.

The FSA requests and reviews information about all companies that the director and board members have directed or controlled for the past five years. Information requested includes judgments for infractions against the penal code, law on competition, laws on financial undertakings, laws on limited companies, laws on private limited companies, bookkeeping, annual reports, bankruptcy, official dues or special legislation applicable to persons or entities that are subject to official supervision on financial activities. The FSA also takes into account if there have been any investigations, sanctions, litigation, civil actions or administrative proceedings against the parties. Reasons for further review and actions can also occur during regular supervision of entities or through notifications to the police.

The FSA will formally contact the relevant competent authority as appropriate

Enclosed are questionnaires the FSA requires proposed acquirers to fill out and contain a list of documents necessary, one for individuals and one for legal entities. The questionnaires are in Icelandic but they can be translated into English should EBA wish for it.

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Part 8 Regulatory and financial reporting		
010	Date of the last update of information in this template	15.7.2021
020	Implementation of the reporting on financial information in accordance with the Commission Implementing Regulation 680/2014	
030	Is the application of the requirement set out in Article 99(2) of Regulation (EU) No 575/2013 extended to institutions which do not apply international accounting standards as applicable under Regulation (EC) No 1606/2002?	Y
040	<i>If so, what accounting framework_s apply to these institutions?</i>	Local GAAP based on directive 86/635/EEC
050	<i>If so, which is the level of application of the reporting? (solo/consolidated/sub-consolidated basis)</i>	Both on solo and consolidated basis
060	Is the application of requirements set out in Article 99(2) of Regulation (EU) No 575/2013 extended to financial entities other than credit institutions or investment firms?	Y
070	<i>If so, what types of financial entities (e.g. financial firms) are subject to these reporting requirements?</i>	UCITS management companies
080	<i>If so, what is the size of these financial entities in terms of total balance sheet (on a solo basis)?</i>	124.06 MEUR
090	Are XBRL standards used for submitting the reporting to the competent authority?	Y
100	Implementation of the reporting on own funds and own funds requirements in accordance with the Commission Implementing Regulation 680/2014	
110	Is the application of requirements set out in Article 99(1) of Regulation (EU) No 575/2013 extended to financial entities other than credit institutions or investment firms?	Y
120	<i>If so, what accounting frameworks apply to these financial entities?</i>	Local GAAP
130	<i>If so, what types of financial entities (e.g. financial firms) are subject to these reporting requirements?</i>	UCITS management companies
140	<i>If so, what is the size of these financial entities in terms of total balance sheet (on a solo basis)?</i>	124.06 MEUR
150	Are XBRL standards used for submitting the reporting to the competent authority?	Y