

Delphi Banking & Finance

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Financial Crisis Committee

The Swedish Government has appointed a Financial Crisis Committee, which will conduct an overview of the Swedish legislation on crisis management within the financial sector. The review is made in the light of the global crisis and the lack of confidence that has affected the financial system since 2008.

The Committee shall secure that the Swedish financial regulations include appropriate means for preventing and dealing with a financial crisis to the extent possible. The aim of the Committee is also to make sure the regulations are consistent with the rules enacted by the EU, the IMF (International Monetary Fund) and the G20-Countries in respect of the handling of cross-border financial crises.

The Committee's assignment includes, amongst other things, the following:

- a review of the Government Credit Support Act (Sw. Lag (2008:814) om statligt stöd till kreditinstitut) in order to safeguard that the Government and relevant authorities are able to sufficiently support and intervene in case of a crisis;
- to investigate the possibilities of capital injections in the shape of "contingent capital" (the use of loan instruments which could be converted into equity under certain circumstances);
- a review of the possibilities to apply the Company Reorganization Act (Sw. Lag (1996:764) om företagsrekonstruktion) to credit institutions, which currently is not possible;
- a review of a proposed risk differentiated fee to the stability fund (Sw. Stabilitetsfonden), to which all credit institutions in Sweden must pay a yearly fee;
- an overview of the current relevant legislation regarding the dissolution of banks and other credit institutions.

The work of the Committee shall be presented no later than 15 August 2012.

Contacts:

Eica Johansson, Partner, Banking and Finance
Mobile phone: +46 709 25 25 49
erica.johansson@delphi.se

Sara Berg, Associate, Banking and Finance
Mobile phone: +46 709 25 25 74
sara.berg@delphi.se