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30/09/2022

The European Central Bank started a public consultation on the guideline that in Estonia will above all concern how acquisitions of qualifying holdings in banks are assessed. The bank is looking for comments from banks, investors and other stakeholders concerned with qualifying holdings at banks.

A qualifying holding is created when a shareholder holds at least 10% of the equity capital of a bank or the votes represented by shares, or if the bank comes under the significant influence of that person. The suitability of holders of qualifying holdings is assessed jointly by Finantsinspeksioon and the European Central Bank, though the central bank has the final decision.

The draft of the recommendatory guideline covers all the main components of the procedure concerned, including proportionality, suitability, source of funds, and procedural issues. "The guideline will have a direct impact on the Estonian banking sector. For a small country, the proportionality criterion is one of the solutions that helps with managing what is quite a formal procedure. Finantsinspeksioon is consequently clearly in favour of the broader application of the proportionality criterion in the procedures for qualifying holdings", said member of the Finantsinspeksioon management board Siim Tammer.

Further information on the public consultation can be found on the website of the European Central Bank.

Comments can be submitted to the public consultation through the website of the European Central Bank until 9 November.