
Resolution Sectoral Fund

Formation of the Sectoral Fund

In order to finance the Resolution Sectoral Fund, contributions are collected from the companies, subsidiaries, and branches provided in § 2 of the Financial Crisis Prevention and Resolution Act. The contributions are payable to the Guarantee Fund, not returned to the fund participants, unless otherwise provided by law. The Resolution Sectoral Fund was established in 2015, following the transposition of the resolution framework into Estonian law. Regular contributions are paid by the fund participant at least once a year.

Amount of regular contribution

The amount of the regular contribution is fixed by the Supervisory Board of the Guarantee Fund on the basis of the amount determined in accordance with the Guarantee Fund Act, which may be adjusted in proportion to the risk profile of the credit institution, taking into account the following criteria:

- the credit institution's exposure, including the materiality of its trading activities, off-balance sheet exposures, and leverage ratio;
- the stability and diversification of the credit institution's funding sources and liquid unencumbered assets;
- the financial situation of the credit institution;
- the likelihood that the credit institution will be subject to resolution proceedings;
- the capital and financial support previously granted by the state to the credit institution;
- the complexity of the credit institution's structure and its eligibility for resolution;
- the importance of the credit institution to the financial system or the stability for the economy of one or more contracting countries or of the European Union;
- the fact that the credit institution is a member of a protection scheme for credit institutions and investment firms or of another cooperative mutual solidarity scheme provided for in Article 113(7) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (OJ L 176, 27.6.2013, pp. 1–337).

Any change in the amount of the contribution takes effect from the beginning of the year, but not earlier than one month after the Supervisory Board of the Guarantee Fund has taken the relevant decision.

The Resolution Sectoral Fund contributions collected from banks are transferred to the Single Resolution Fund (SRF), while contributions collected from investment firms remain in the Resolution Sectoral Fund. The amount of the contributions to be transferred to the Single Resolution Fund (SRF) via the Resolution Sectoral Fund is determined by the Single Resolution Board (see ['Resolution funding'](#) for details).

Page last edited on 03/04/2024