

Danmarks Eksport- og Investeringsfond (EIFO)
Lautrupsgade 11
2100 Copenhagen Ø
Denmark
Att.: Marie Louise Bank

12 April 2023

Ref. KAWE

J.no. 23-004917

Risk weight of exposures to EIFO

In accordance with Article 4(1)(8) of regulation (EU) No 575/2013 of 26 June 2013 (CRR) a public sector entity is defined as: “a non-commercial administrative body responsible to central governments, regional governments or local authorities, or to authorities that exercise the same responsibilities as regional governments and local authorities, or a non-commercial undertaking that is owned by or set up and sponsored by central governments, regional governments or local authorities, and that has explicit guarantee arrangements, and may include self-administered bodies governed by law that are under public supervision”.

If a public sector entity is rated, the exposures should be treated in accordance with rated institutions under Article 120, cf. Article 116(2). If a public sector entity is unrated, the rating of the central government in which the public sector entity is incorporated is applied.

In accordance with Article 116(4) public sector entities can be assigned a 0% risk weight: “In exceptional circumstances, exposures to public sector entities may be treated as exposures to the central government, regional government or local authority in whose jurisdiction they are established where in the opinion of the competent authorities of this jurisdiction there is no difference in risk between such exposures because of the existence of an appropriate guarantee by the central government, regional government or local authority”.

The Danish FSA has decided that EIFO can be treated as a public sector entity in accordance with Article 4(1)(8) and furthermore be assigned a 0% risk weight in accordance with Article 116(4).

Kind regards,

Special Advisor
Kasper S. Werlauff

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