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## Nordic and Baltic Ministries, Central Banks and Supervisory Authorities sign Agreement on Financial Stability

A co-operation agreement on cross-border financial stability, crisis management and resolution between the finance ministries and other relevant ministries, central banks and financial supervisory authorities of Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden has been signed. The agreement enhances preparedness to handle cross-border financial stability concerns in the financially integrated Nordic-Baltic region. It also establishes the first European cross-border stability group.

The financial integration between the Nordic and Baltic countries warrants deeper cooperation between public authorities in the area of financial stability. In response to this, an agreement has over the past year been designed to enhance cooperation in financial crisis prevention, management and resolution. By signing the agreement, the public authorities in the Nordic and Baltic countries increase their preparedness to handle problems in cross-border banks. These authorities are the first to implement the provisions of the EU-wide Memorandum of Understanding on cross-border financial stability of June 2008.

The legally non-binding agreement enhances cooperation by establishing routines and procedures for information sharing and coordination. The aim is to reduce the risk of a financial crisis spreading cross-border, and to enhance possibilities to reach an efficient crisis management. Financial problems of a purely domestic nature are not covered by the agreement.

A Nordic-Baltic Cross-Border Stability Group will be set up to implement the agreement. Chairmanship of the stability group will rotate among the Ministries. The Danish Ministry of Economic and Business Affairs in Denmark will be the first to chair the stability group.

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