

The framework for observations, warnings and recommendations of the Systemic Risk Council				
	Description	Contents of statement	Publication	Follow-up
Observation	<p>A risk that systemic financial risks may build up and, hence, should be closely monitored.</p> <p>Not necessarily directed towards specific authorities. Can be directed towards relevant authorities, the government or the public.</p>	<p>Explanatory description of the systemic risks the observation concerns.</p> <p>Observations directed towards the government must include a statement by the representatives of the ministries.</p>	<p>Will always be made public.</p>	<p>Does not trigger a duty to act for the recipients.</p>
Warning	<p>Clear indications of the building up of systemic financial risks that should be considered mitigated.</p> <p>Not necessarily directed towards specific authorities. Can be directed towards one or more authorities, the government or the public.</p>	<p>Explanatory description of the systemic risks the warning concerns.</p> <p>Warnings directed towards the government must include a statement by the representatives of the ministries.</p>	<p>Will as a general rule be published unless the warning must be confidential for reasons of e.g. financial stability.</p>	<p>The recipients are obliged to present a report within a period of three months addressing the warning, including whether the warning has induced the recipient to make additional assessments, implement initiatives or the like. In special cases, the Council can decide that the report has to be presented earlier.</p> <p>The Council shall evaluate whether the acts or omissions to act and the reasons for this are adequate.</p>
Recommendation	<p>A specific proposal to implement an initiative which, according to the assessment of the Systemic Risk Council, will be appropriate in order to mitigate or counter identified systemic financial risks.</p> <p>Can be directed towards one or more authorities.</p>	<p>Explanatory description of the systemic risks the recommendation concerns. If the recommendation contains specific proposals for changes in legislation etc., it must also be explained why the proposal is considered appropriate and proportional to address the systemic risks the recommendation concerns.</p> <p>As a general rule, an assessment of European Union law should be made prior to all recommendations from the Council.</p> <p>Recommendations directed towards the government must include a statement by the representatives of the ministries.</p>	<p>Will as a general rule be published unless the recommendation must be confidential for reasons of e.g. financial stability.</p>	<p>The recipients are obliged either to act on the recommendation or to present a report within a period of three months explaining and justifying why the recommendation is not being followed. In special cases, the Council can decide that the report has to be presented earlier.</p> <p>The Council shall evaluate whether the acts or omissions to act and the reasons for this are adequate. If a public recommendation is not followed, the Council shall publish an assessment of the consequences it may have for the systemic risks.</p>

Source: Legal basis and Rules of Procedure of the Systemic Risk Council