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Austrian Financial Market Stability Package

Austrian Federal Ministry of Finance

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Austrian Financial Market Stability Package

Based on resolutions at the European level aimed at maintaining financial market stability, the Austrian Parliament approved a comprehensive sustainable package of measures in October 2008 to protect savers and strengthen credit institutions and insurance companies. It included in particular instruments for ensuring liquidity in the interbank market, measures to strengthen and stabilise individual credit institutions and insurance companies, and improved supervision.

The banking package provided considerable financial resources for implementing the individual measures. The approved statutory guarantee facility under the Interbankmarktstärkungsgesetz (Interbank Market Support Act – IBSG) was set at EUR 75 billion in 2008. It was gradually reduced in subsequent years and the IBSG expired at the end of 2010. EUR 15 billion in resources was approved for measures under the Finanzmarktstabilitätsgesetz (Financial Market Stability Act – FinStaG).

Institutions

The Federal Ministry of Finance, Finanzmarkt**b**eteiligung Aktiengesellschaft des Bundes (Financial Market Holding Company of the Republic of Austria – [FIMBAG](#)), the Finanzprokuratur (Austrian Attorney General's Office), Oesterreichische Nationalbank (Austrian National Bank – [OeNB](#)) and Financial Market Authority ([FMA](#)) are involved in implementing the banking package. The European Commission ([EC](#)) must also be involved for measures that have implications for European law. [read more](#)

Measures to Ensure Liquidity of the Interbank Market

The Interbankmarktstärkungsgesetz (Interbank Market Support Act – [IBSG](#)) was passed to restore and ensure a functioning interbank market. The [IBSG](#) expired on 31 December 2010. None of the federal government guarantees have been called to date. The existing guarantees expire in the coming years. [read more](#)

Measures for Strengthening and Stabilising Individual Institutions

The Finanzmarktstabilitätsgesetz (Financial Market Stability Act – [FinStaG](#)) authorises the Federal Minister of Finance to take measures to recapitalise and strengthen the capital base of credit institutions and insurance companies in order to remedy significant disruptions of Austrian economic life, ensure overall economic balance and protect the Austrian economy. [read more](#)