



Federal Agency for Financial Market Stabilisation

History

Governmental rescue measures were needed after the financial market crisis and especially the following insolvency of Lehman Brothers spread over and affected the USA and Germany in September 2008. The Federal Government reacted immediately and precisely. It introduced a comprehensive package of measures in order to stabilize the financial market:

- **17 October 2008**

The Financial Market Stabilisation Fund Act (Finanzmarktstabilisierungsfondsgesetz, FMStFG) comes into effect. It founds the Financial Market Stabilisation Fund (Finanzmarktstabilisierungsfonds, FMS or SoFFin) that is equipped with an operational framework of € 480 bn in total. Additionally the Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung, FMSA) was established as legally dependent institution at Deutsche Bundesbank in order to coordinate and supervise the stabilizing measures.

- **7 April 2009**

The Financial Markets Stabilisation Amendment Act (Finanzmarktstabilisierungsergänzungsgesetz, FMStErgG) prolongs the maturity limit for security issuances guaranteed by the Financial Market Stabilisation Fund from 36 to 60 months.

The Financial Market Stabilization Acceleration Act (Finanzmarktstabilisierungsbeschleunigungsgesetz, FMStBG) leads to modifications in Corporate Law and Takeover Law.

The Rescue Takeover Act (Rettungsübernahmengesetz, RettungsG) allows a special solution for the complete acquisition of stricken financial institutions by the Federal Republic of Germany.

However, the act was never applied.

- **4 May 2009**

After the expiration of the acceptance period for Hypo Real Estate Holding AG (HRE) shareholders, the Financial Market Stabilisation Fund holds 47.31 % of all shares.

- **2 June 2009**

Following a capital increase, the Financial Market Stabilisation Fund holds a 90 % stake in HRE.

- **22 July 2009**

The Financial Market Stabilization Development Law (Finanzmarktstabilisierungsfortentwicklungsgesetz FStFEntwG) paves the way for guarantees in favour of special purpose entities and wind-down agencies under Federal law as new instruments. Furthermore the application period for stabilizing measures of the Financial Market Stabilisation Fund was prolonged till 31 December 2010. Additionally, the FMSA becomes a legally independent Federal Agency for Financial Market Stabilisation under the authority of the Federal Ministry of Finance.

- **13 October 2009**

The Financial Market Stabilisation Fund completes the full acquisition of HRE.

- **11 December 2009**

The FMSA establishes the "Erste Abwicklungsanstalt" upon an application of the Westdeutsche Landesbank (WestLB).

- **8 July 2010**

The FMSA founds the "FMS Wertmanagement" upon application of the HRE.

- **31 December 2010**

For now there is no chance to apply for new measures out of the Financial Market Stabilisation Fund's budget. Tough, the fund keeps assuming responsibilities stemming from existing stabilising measures.

- **1 January 2011**

The Act of Restructuring Fund (Restrukturierungsfondsgesetz, RStruktFG) creates a legal foundation for the establishment of a restructuring fund for credit institutions that is managed by FMSA. Its funding source is the bank levy that FMSA collects for the first time and henceforth.

- **1 March 2012**

On the basis of the 'Second Financial Market Stabilisation Law' it is possible to 'reopen' the Financial Market Stabilisation Fund and to apply to its measures till year-end 2012. Within this

time frame the, since 2010 available and proven, set of measures for financial market stabilisation can be tapped again.

- **1 January 2013**

The Third Financial Market Stabilisation Law prolongs the application period for measures of financial market stabilisation once more till year-end 2014. Financial Market Stabilisation Fund and Restructuring Fund become closely interlinked: The Restructuring Fund can be tapped in order to compensate losses that arise from future Financial Market Stabilisation Fund's measures.

- **18 March 2013**

Based on the Financial Stability Act (Gesetz zur Stärkung der deutschen Finanzaufsicht, FinStabG) of 28 November 2012 the Financial Stability Committee (Ausschuss für Finanzstabilität, AFS) gets established. It consists in equal shares of representatives from the Federal Ministry of Finance (BMF), from the Bundesbank and from the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin). The FMSA is represented by its Chairman of the Management Committee as an advisory member with no voting right.

- **13 May 2014**

The interministerial steering committee and the shareholders' meeting of the HRE vote for the preparation of an acquisition and wind-down of Deutsche Pfandbriefbank (DEPFA Bank plc.) by the federally owned FMS Wertmanagement.

- **1 January 2015**

Assuming the role and responsibilities of the German National Resolution Authority the FMSA carries out additional duties of financial market stabilisation, legally based on the Act on the Recovery and Resolution (Sanierungs- und Abwicklungsgesetz, SAG). The act creates the prerequisites, to wind-down banks that ran into difficulties. It is part of the BRRD implementation act - wherewith the requirements of the European Bank Recovery and Resolution Directive (BRRD) get transposed.

- **1 January 2018**

According the FMSA Reorganisation Act (FMSA-Neuordnungsgesetz, FMSANeuOG) the Federal Republic of Germany – Finance Agency (Bundesrepublik Deutschland – Finanzagentur GmbH, Finance Agency) gets entrusted with maintenance of the FMSA. Thereby the FMSA still independently and legally oversees the two wind-down agencies FMS-Wertmanagement and Erste Abwicklungsanstalt.

The Financial Market Stabilisation Fund gets fully integrated into the Finance Agency. The remaining range of duties of the FMSA, deriving from its role as the National Resolution Authority, gets integrated into the BaFin as a new independently operating division.