



Approved by the Executive Board of Eesti Pank

16.01.2023

FRAMEWORK FOR DESIGNATING VITAL SERVICE PROVIDERS

This document describes the procedure for designating and revising the list of vital service providers.

Vital service

1. A vital service is a service that has an overwhelming impact on the functioning of society and the interruption of which is an immediate threat to the life or health of people or to the operation of another vital service or service of general interest¹.
2. The continuity of a vital service is the capability of the provider of the vital service to ensure continuous operation and to restore continuous operation after an interruption of the vital service².
3. Vital services in the financial sector are payment services and cash circulation³.

Provider of vital services

4. Providers of vital services are credit institutions operating the services listed in the Emergency Act with a view to ensuring the continuity of vital services.

Criteria for defining a provider of vital services

5. The list of providers of vital services is confirmed by Eesti Pank⁴.
6. A credit institution is added to the list of providers of vital services if it meets at least one of the following criteria:
 - 6.1. IMPACT OF INTERRUPTION to payments and cash withdrawals – an interruption to or termination of the service has a considerable impact on the stability of the Estonian financial market and the continuous operation of payment and settlement systems;
 - 6.2. NUMBER OF CLIENTS – the number of clients is a significant share of all the clients using financial services in Estonia;
 - 6.3. AMOUNT OF DEPOSITS – the market share of the deposits placed with the institution in Estonia exceeds ten per cent of the total amount of the deposits placed with credit institutions in Estonia⁵.

¹ § 2(4) of the Emergency Act

² § 2(5) of the Emergency Act

³ § 36(3) of the Emergency Act

⁴ § 3(3) of the Credit Institutions Act

⁵ § 3(2) of the Credit Institutions Act

7. The following indicators and thresholds for the market share of a credit institution are used to assess whether a criterion has been fulfilled. The value of the criterion for interruption to payment services is taken as the arithmetic mean of the two indicators used:

Criterion	Indicator	Threshold
IMPACT OF INTERRUPTION (payment services)	card payments in Estonia with cards issued in Estonia	1%
	domestic payments excluding card payments	
IMPACT OF INTERRUPTION (cash withdrawals)	cash withdrawals from ATMs, payment terminals or bank offices	1%
NUMBER OF CLIENTS	number of clients with a payment account	1%
AMOUNT OF DEPOSITS	market share of deposits	10%

8. The indicators are calculated using the figures for market share in the preceding calendar year, and those shares are found from the official statistics provided by credit institutions to Eesti Pank.

Assessment

9. The Executive Board of Eesti Pank decides whether or not to enter a credit institution in the list of providers of vital service. The decision is based on the data and opinions of the Payment and Settlement Systems Department, the Financial Stability Department, the Cash and Infrastructure Department, and the Risk Manager of Eesti Pank
10. Credit institutions are assessed against the criteria defined in clause 7 at least once a year in the first quarter of the year, using the data from the preceding year.
11. The Executive Board may carry out an extraordinary assessment of credit institutions against the criteria in clause 7 after significant changes have occurred in the financial services market such as a merger or separation of credit institutions. An extraordinary assessment may use statistical data for a shorter reference period than given in clause 8.

Revising the criteria

12. The Executive Board revises the criteria for providers of vital services at least once a year and makes the necessary amendments in clause 7 of this document.

Application

13. The Risk Manager of Eesti Pank prepares the revision of the list of providers of vital services for clause 9 and of the criteria for clause 12.
14. The criteria for designating providers of vital services and any amendments to those criteria are published on the Eesti Pank website.