

Wind-down Planning Guide

Chapter 1

Introduction

1.1 Overview

- 1.1.1** **G** An effective wind-down plan aims to enable a *firm* to cease its *regulated activities* and achieve cancellation of its *permission* with minimal adverse impact on its *clients*, counterparties or the wider markets. This includes scenarios where the *firm* undertakes a strategic exit as well as unexpected crisis or insolvency that makes the *firm* unviable.
- 1.1.2** **G** A wind-down plan can also help a *firm* to assess if it would have adequate resources (e.g. capital, liquidity, knowledge and manpower) to wind down in an orderly manner, especially under challenging circumstances.
- 1.1.3** **G** The Quick Reference Guide at *WDPG* Appendices 1 to 12 is intended to help *firms* (especially those of a smaller size or a simpler operating model) to apply the concepts to develop an effective wind-down plan.