

Appendix 6

QRG: the governance process for winding down

6.1 Formulating a governance process for winding down

- App6.1.1** **G** The *governing body* ultimately owns any documented governance process for winding down. It may stipulate a mechanism to determine when to invoke wind-down, typically via monitoring key management information to detect the early warning signs of a potential wind-down situation. The *governing body* may also specify a reporting line to ensure that *senior management* and the *governing body* are given this information without delay, as well as all further information and data once the wind-down is triggered.
- App6.1.2** **G** In a time of financial stress, clear-headed and prompt decision-making is essential. It is up to the *governing body* of a *firm* to make such a decision, but it may have to consult its parent if it is part of a larger *group*.

