

Chapter 11

Recovery and resolution

11.1 Application and purpose

Application

11.1.1

R

■ IFPRU 11 applies to:

- (1) an *IFPRU 730k firm* that is not subject to supervision on a *consolidated basis*;
- (2) a *firm* that is an *RRD group member*;
- (3) a *qualifying parent undertaking* that is an *RRD group member*; and
- (4) a *qualifying parent undertaking* that is a *mixed activity holding company* of an *IFPRU 730k firm*.

11.1.2

G

- (1) An *IFPRU 730k firm* that is not subject to supervision on a *consolidated basis* will not be an *RRD group member*.
- (2) An *IFPRU 730k firm* may be subject to supervision on a *consolidated basis* by the *FCA*, the *PRA* or another *competent authority*.

Exclusion of PRA authorised persons and groups

11.1.3

R

This chapter does not apply to:

- (1) a *PRA authorised person*;
- (2) an *RRD group member* that is:
 - (a) a *qualifying parent undertaking* of a *PRA authorised person*; and
 - (b) subject to supervision on a *consolidated basis* by the *PRA*; and
- (3) a *qualifying parent undertaking* that is a *mixed activity holding company* of a *PRA authorised person*.

Exclusion of non-UK firms

11.1.4

R

This chapter does not apply to:

- (1) an *incoming firm*; or
- (2) a *firm* that is incorporated in, or formed under the law of, a *third country*.

Purpose

11.1.5 **G** This chapter implements certain provisions of *RRD*.

Guidance on application

- 11.1.6 **G**
- (1) *RRD* applies to *credit institutions* and to *investment firms* with an *initial capital* requirement of €730,000. Together, these are referred to as *RRD institutions* in our rules.
 - (2) It also applies to *financial institutions*, *financial holding companies* and *mixed financial holding companies* within the same group as these *institutions* that are *subsidiaries* of an *EEA parent undertaking*. An *EEA parent undertaking* is an *institution*, a *financial holding company* or a *mixed financial holding company* in the *EEA* that is not itself a *subsidiary* of an *institution*, a *financial holding company* or a *mixed financial holding company* in the *EEA*.
 - (3) A group of these types of *institutions* and group members is referred to as an *RRD group* in our rules and the members of an *RRD group* are referred to as *RRD group members*.
 - (4) If the group includes a *BIPRU firm* this firm will be an *RRD group member* because a *BIPRU firm* is a *financial institution*.
 - (5) Some parts of *RRD* also apply to *mixed activity holding companies* of *RRD institutions*.
 - (6) The table in ■ IFPRU 11.1.7 G summarises the application of ■ IFPRU 11.

11.1.7 **G** The table below summarises whether a section of ■ IFPRU 11 applies to a *firm* or *qualifying parent undertaking*:

	(1) IFPRU 730k firm that is not subject to supervision on a consolidated basis	(2) firm or qualifying parent undertaking that is the EEA parent undertaking of an RRD group	(3) specific application to an IFPRU 730k firm that is a subsidiary of an EEA parent undertaking in another EEA State (note 1)	(4) firm or qualifying parent undertaking that is a subsidiary of an EEA parent undertaking of an RRD group	(5) qualifying parent undertaking that is a mixed activity holding company of an IFPRU 730k firm
IFPRU 11.1 (Application and purpose)	Yes	Yes	No	Yes	Yes
IFPRU 11.2 (Individual recovery plans)	Yes	No	No	No	No
IFPRU 11.3 (Group recovery plans)	No	Yes	Yes	No	No

IFPRU 11.4 (Information for resolution plans)	Yes	Yes	Yes	No	No
IFPRU 11.5 (Intra-group financial support)	No	Yes	Yes - IFPRU 11.5.7 R only	Yes	Yes (note 2)
IFPRU 11.6 (Contractual recognition of bail-in)	Yes	Yes	No	Yes	Yes (note 3)
IFPRU 11.7 (Notifications)	Yes	Yes	No	Yes	Yes

Note 1: IFPRU 11.3.1R (3) and IFPRU 11.4.1R (4) more fully describe this type of *firm*. Where specific application is not provided for this type of *firm*, the application is explained by (4).

Note 2: IFPRU 11.5 only applies to *mixed activity holding companies* of an *IFPRU 730k firm* in an *RRD group*.

Note 3: IFPRU 11.6 only applies to *mixed activity holding companies* that do not hold an *RRD institution* using an *intermediate financial holding company* or *mixed financial holding company*.