Appendix 1 Quick Reference Guide (QRG)

1.1 Overview

App 1.1.1 G This Quick Reference Guide (QRG) (*WDPG* Apps 1 to 12) may help solo-regulated *firms* to put the theory of wind-down planning into practice.

App 1.1.2 G This QRG is **not** a definitive checklist for wind-down planning as no two *firms* are identical and the actual wind-down planning process will depend on a *firm's* specific business and operating model. This QRG highlights the various components a *firm* can include when building its wind-down plan.

App 1.1.3 G This QRG is written for all solo-regulated *firms*, but it may be particularly helpful to those carrying out wind-down planning for the first time.

1.2 Main concepts

App 1.2.1 G A *firm* will have to wind down if continuing its business is no longer viable. A business is no longer viable if the *firm* does not have adequate resources to meet its regulatory requirements (e.g. the *threshold conditions*) and contractual obligations.

App 1.2.2 G Well-structured management information allows a *firm* to identify if there are any emerging risks that may make the *firm* unviable. This may allow a *firm* some time to try to recover. If the recovery options fail, then it is almost certain that it is no longer viable.

App 1.2.3 G A *firm* needs to be careful not to leave the decision to wind down so late that it no longer has adequate resources or liquidity to allow it to wind down in an orderly manner.

App 1.2.4 G The obligation on *firms* to treat *customers* fairly continues to apply during the wind-down period. This includes, where relevant, considerations relating to *client monies* and *custody assets* or the needs of potentially vulnerable *customers*.

App 1.2.5 G Early engagement with the *FCA* will help the *firm* to deal with relevant regulatory issues.