

RECOVERY AND RESOLUTION DIRECTIVE INSTRUMENT 2015

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the following sections of the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
 - (2) section 137T (General supplementary powers);
 - (3) section 139A (Power of the FCA to give guidance);
 - (4) section 192J (Rules requiring provision of information by parent undertakings); and
 - (5) section 192JB (Rules requiring parent undertakings to facilitate resolution).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force as follows:
- (1) Part 2 of Annex B (IFPRU) comes into force on 1 January 2016; and
 - (2) the remainder of this instrument comes into force on 19 January 2015.

Amendments to the FCA Handbook

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2) below.

(1)	(2)
Glossary of definitions	Annex A
Prudential sourcebook for Investment Firms (IFPRU)	Annex B
Supervision manual (SUP)	Annex C

Notes

- E. In the Annexes to this instrument, the “notes” (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- F. This instrument may be cited as the Recovery and Resolution Directive Instrument 2015.

By order of the Board of the Financial Conduct Authority
15 January 2015

Annex A

Amendments to the Glossary of definitions

Insert the following new definitions in the appropriate alphabetical positions. The text is new and is not underlined.

<i>core business lines</i>	<p>business lines and associated services which represent material sources of revenue, profit or franchise value for an <i>RRD institution</i> or an <i>RRD group</i>.</p> <p>[Note: article 2(1)(36) of <i>RRD</i>]</p>
<i>critical functions</i>	<p>activities, services or operations the discontinuance of which is likely, in one or more <i>EEA States</i>, to lead to the disruption of essential services to the real economy or to disrupt financial stability due to the:</p> <ul style="list-style-type: none"> (a) size; (b) market share; (c) external and internal interconnectedness; (d) complexity; or (e) cross-border activities, <p>of an <i>RRD institution</i> or <i>RRD group</i>, particularly bearing in mind the substitutability of those activities, services or operations.</p> <p>[Note: article 2(1)(35) of <i>RRD</i>]</p>
<i>EEA parent undertaking</i>	<ul style="list-style-type: none"> (a) an <i>EEA parent institution</i>; or (b) an <i>EEA parent financial holding company</i>; or (c) an <i>EEA parent mixed financial holding company</i>. <p>[Note: article 2(1)(85) of <i>RRD</i>]</p>
<i>extraordinary public financial support</i>	<p>State aid within article 107(1) of the <i>Treaty</i>, or any other public financial support at supra-national level, which, if given at national level, would constitute state aid that is given to preserve or restore the viability, liquidity or solvency of any member of an <i>RRD group</i>.</p> <p>[Note: article 2(1)(28) of <i>RRD</i>]</p>
<i>group recovery plan</i>	<p>a document which provides for measures to be taken in relation to an <i>RRD group</i>, or any <i>RRD institution</i> in the <i>group</i>, to achieve the stabilisation of the <i>group</i> as a whole, in cases of financial stress, to address or remove the causes of the stress and restore the financial</p>

position of the *group* or the *RRD institution*.

[**Note:** articles 2(1)(33) and 7(4) of *RRD*]

MiFID II Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending the *insurance mediation directive* and *AIFMD* (http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL_2014_173_R_0009&from=EN).

MiFIR Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending *EMIR* (http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL_2014_173_R_0005&from=EN).

qualifying parent undertaking has the meaning in section 192B (meaning of “qualifying parent undertaking”) of the *Act* which, in summary, is a *parent undertaking* of:

- (a) an *authorised person* that is a *body corporate* incorporated in the *UK* where the *parent undertaking* is:
 - (i) a *PRA-authorised person*; or
 - (ii) an *investment firm*; or
- (b) a *recognised investment exchange* that is not an *overseas investment exchange*;

where the *parent undertaking* is:

- (c) a *body corporate* which:
 - (i) is incorporated in the *UK*; or
 - (ii) has a place of business in the *UK*;
- (d) not an *authorised person*, a *recognised investment exchange* or a *recognised clearing house*; and
- (e) any of the following:
 - (i) an *insurance holding company*;
 - (ii) a *financial holding company*;
 - (iii) a *mixed financial holding company*;
 - (iv) for certain purposes, a *mixed-activity holding company*.

recovery capacity the capability of an *RRD institution* to restore its financial position

following a significant deterioration.

[**Note:** article 2(1)(103) of *RRD*]

recovery plan a document which provides for measures to be taken by an *RRD institution* which is not subject to supervision on a *consolidated basis* to restore its financial position following a significant deterioration of its financial situation.

[**Note:** articles 2(1)(32) and 5 of *RRD*]

resolution authority (a) (in the *UK*) the Bank of England; or
(b) (in another *EEA State*) an authority designated as a resolution authority by that *EEA State* under article 3 of *RRD*.

[**Note:** article 2(1)(18) of *RRD*]

RRD Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending the directives and regulations set out in that directive (http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL_2014_173_R_0008&from=EN).

RRD early intervention condition the requirements of:
(a) the *EU CRR*; or
(b) the laws, regulations and administrative provisions necessary to comply with *CRD*; or
(c) the laws, regulations and administrative provisions necessary to comply with title II of *MiFID II*; or
(d) articles 3 to 7, 14 to 17, 24, 25 and 26 of *MiFIR*.

[**Note:** article 27(1) of *RRD*]

RRD group a *group* that:
(a) includes an *RRD institution*; and
(b) is headed by an *EEA parent undertaking*.

RRD group financial support agreement an agreement to give financial support to an *RRD institution* which, at any time after the agreement has been concluded, has infringed an *RRD early intervention condition* or is likely to infringe one of those conditions in the near future.

RRD group member a member of an *RRD group* that is:

- (a) an *RRD institution*; or
- (b) a *financial institution*; or
- (c) a *financial holding company*; or
- (d) a *mixed financial holding company*.

RRD institution

- (a) a *credit institution*; or
- (b) an *investment firm* that is subject to the *initial capital* requirement in article 28(2) of the *CRD* (a *€730k investment firm*).

[**Note:** article 2(1)(23) of *RRD*]

significant branch

a *branch* that would be considered significant in a *Host State* under article 51(1) of *CRD*.

[**Note:** article 2(1)(34) of *RRD*]

write-down and conversion powers

the powers referred to in article 59(2) and in points (e) to (i) of article 63(1) of *RRD*.

[**Note:** articles 2(1)(66) of *RRD*]

Annex B

Amendments to the Prudential sourcebook for Investment Firms (IFPRU)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise indicated.

Part 1: Comes into force on 19 January 2015

2 Supervisory processes and governance

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2.5 Recovery and resolution plans

2.5.1 R ~~A firm must have in place:~~

- (1) ~~recovery plans for the restoration of its financial situation following a significant deterioration; and~~
- (2) ~~viable resolution plans setting out options for the orderly resolution of the firm in the case of failure. [deleted]~~

2.5.2 R ~~For the purpose of IFPRU 2.5.1R, a firm must:~~

- (1) ~~cooperate closely with resolution authorities; and~~
- (2) ~~provide the resolution authorities with all information necessary for their preparation and drafting of the resolution plans. [deleted]~~

~~[Note: article 74(4) of CRD]~~

After IFPRU 10 insert the following new chapter. The text is not underlined.

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 11.1.7G* 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) <i>IFPRU 730k firm</i> that is not subject to supervision on a <i>consolidated basis</i>	(2) <i>firm</i> or <i>qualifying parent undertaking</i> that is the <i>EEA parent undertaking</i> of an <i>RRD group</i>	(3) specific application to an <i>IFPRU 730k firm</i> that is a <i>subsidiary</i> of an <i>EEA parent undertaking</i> in another <i>EEA State</i> (note 1)	(4) <i>firm</i> or <i>qualifying parent undertaking</i> that is a <i>subsidiary</i> of an <i>EEA parent undertaking</i> of an <i>RRD group</i>	(5) <i>qualifying parent undertaking</i> that is a <i>mixed activity holding company</i> of an <i>IFPRU 730k firm</i>
<i>IFPRU 11.1</i> (Application and purpose)	Yes	Yes	No	Yes	Yes
<i>IFPRU 11.2</i> (Individual recovery plans)	Yes	No	No	No	No
<i>IFPRU 11.3</i> (Group recovery plans)	No	Yes	Yes	No	No
<i>IFPRU 11.4</i> (Information for resolution plans)	Yes	Yes	Yes	No	No
<i>IFPRU 11.5</i>	No	Yes	Yes –	Yes	Yes (note 2)

(Intra-group financial support)			<i>IFPRU</i> 11.5.7R only		
<i>IFPRU</i> 11.6 (Contractual recognition of bail-in)	Yes	Yes	No	Yes	Yes (note 3)
<i>IFPRU</i> 11.7 (Notifications)	Yes	Yes	No	Yes	Yes
Note 1: <i>IFPRU</i> 11.3.1R(3) and <i>IFPRU</i> 11.4.1R(4) more fully describe this type of <i>firm</i> . Where specific application is not provided for this type of <i>firm</i> , the application is explained by (4).					
Note 2: <i>IFPRU</i> 11.5 only applies to <i>mixed activity holding companies</i> of an <i>IFPRU</i> 730k <i>firm</i> in an <i>RRD</i> group.					
Note 3: <i>IFPRU</i> 11.6 only applies to <i>mixed activity holding companies</i> that do not hold an <i>RRD</i> institution using an intermediate <i>financial holding company</i> or <i>mixed financial holding company</i> .					

11.2 Individual recovery plans

Application

- 11.2.1 R This section applies to an *IFPRU* 730k *firm* that is not subject to supervision on a *consolidated basis*.
- 11.2.2 G This section applies differently depending on whether the *firm* is a *significant IFPRU firm* or a *non-significant IFPRU firm* as explained in the table below.

Provisions of <i>IFPRU</i> 11.2	Who it applies to
<i>IFPRU</i> 11.2.4R to <i>IFPRU</i> 11.2.5G	All <i>firms</i> .
<i>IFPRU</i> 11.2.6R	<i>Significant IFPRU firms</i> only.
<i>IFPRU</i> 11.2.7R to <i>IFPRU</i> 11.2.8G	<i>Non-significant IFPRU firms</i> only.
<i>IFPRU</i> 11.2.9G to <i>IFPRU</i> 11.2.17R	All <i>firms</i> .
<i>IFPRU</i> 11.2.18R(1)	<i>Significant IFPRU firms</i> only.
<i>IFPRU</i> 11.2.18R(2)	<i>Non-significant IFPRU firms</i> only.
<i>IFPRU</i> 11.2.18R(3)	All <i>firms</i> .

IFPRU 11.2.19R	All firms.
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- 11.2.3 G *IFPRU 1.2* (Significant IFPRU firm) explains the definition of a *significant IFPRU firm*.

Requirement to draw up and maintain a recovery plan

- 11.2.4 R A *firm* must draw up and maintain a *recovery plan*.

[Note: article 5(1) of *RRD*]

- 11.2.5 G A *recovery plan* is a governance arrangement for the purposes of SYSC 4.1.1R (General requirements).

Recovery plan for a significant IFPRU firm

- 11.2.6 R If a *firm* is a *significant IFPRU firm*, its *recovery plan* must include the information in *IFPRU 11 Annex 1R* (Contents of recovery plans for significant IFPRU firms and group recovery plans for groups that include significant IFPRU firms).

[Note: article 5(5) of *RRD*]

Recovery plan for a non-significant IFPRU firm

- 11.2.7 R If a *firm* is not a *significant IFPRU firm* its *recovery plan* must include:
- (1) a summary of the key elements of the *recovery plan*;
 - (2) information on the governance of the *firm*, including:
 - (a) how the *recovery plan* is integrated into the corporate governance of the *firm*; and
 - (b) the *firm's* overall risk management framework;
 - (3) a description of the legal and financial structures of the *firm*, including:
 - (a) the *core business lines*; and
 - (b) *critical functions*;
 - (4) recovery options, including:
 - (a) capital and liquidity actions required to maintain or restore the viability and financial position of the *firm*; and
 - (b) arrangements and measures to conserve or restore the *firm's own funds*;
 - (5) an assessment of the expected timeframe for implementing recovery

options;

- (6) a summary of the overall *recovery capacity* of the *firm*, including:
 - (a) the risks associated with recovery options;
 - (b) an analysis of any material impediments to the effective and timely execution of the *recovery plan*; and
 - (c) whether and how material impediments could be overcome;
- (7) a summary of any material changes to the *recovery plan* since the previous version was sent to the *FCA*;
- (8) preparatory measures the *firm* has taken or plans to take to help implement the *recovery plan*; and
- (9) the measures which the *firm* could take if it has infringed an *RRD early intervention condition* or is likely to infringe one of those conditions in the near future.

[**Note:** articles (4)(1), 5(5) and Annex A of *RRD*]

- 11.2.8 G A *firm* should include additional information from *IFPRU 11 Annex 1R* (Recovery plans for significant *IFPRU* firms and group recovery plans for groups that include significant *IFPRU* firms) in its *recovery plan* where this information is material to its business.

[**Note:** article 5(5) of *RRD*]

Recovery options

- 11.2.9 G (1) When identifying recovery options, a *firm* should consider a range of scenarios of severe macroeconomic and financial stress relevant to the *firm's* specific conditions.
- (2) The range of scenarios should include system-wide events and stress specific to individual legal persons and *groups*.

[**Note:** article 5(6) of *RRD*]

Extraordinary public financial support

- 11.2.10 R A *firm* must not assume any access to, or receipt of, *extraordinary public financial support* in its *recovery plan*.

[**Note:** article 5(3) of *RRD*]

Use of central bank facilities

- 11.2.11 R If the *recovery plan* includes the use of central bank facilities, the *firm* must:

- (1) include an analysis of how and when the *firm* may apply for the use of central bank facilities; and
- (2) identify those assets which would be expected to qualify as collateral.

[**Note:** article 5(4) of *RRD*]

Recovery plan indicators

- 11.2.12 R A *firm* must:
- (1) include a framework of indicators in its *recovery plan* which identify when it may take appropriate actions in the plan;
 - (2) ensure the *recovery plan* indicators can be monitored easily; and
 - (3) have arrangements to monitor the *recovery plan* indicators regularly.
- 11.2.13 G The *recovery plan* indicators may relate to the *firm's* financial position and may be of a qualitative or a quantitative nature.
- 11.2.14 R Where the relevant indicator has not been met, a *firm* must decide whether or not it is appropriate to take action under its *recovery plan*.
- 11.2.15 R A *firm* must notify the *FCA* without delay of a decision to take an action referred to in its *recovery plan* or of a decision not to take action.

[**Note:** article 9(1) of *RRD*]

Assessment and review by the management body

- 11.2.16 R A *firm* must ensure its *management body* assesses and approves the *recovery plan* before sending it to the *FCA*.

[**Note:** article 5(9) of *RRD*]

- 11.2.17 R A *firm* must demonstrate to the *FCA* that:
- (1) carrying out its *recovery plan* is reasonably likely to maintain or restore the viability and financial position of the *firm*, taking into account the preparatory measures that the *firm* has taken, or plans to take; and
 - (2) its *recovery plan*:
 - (a) is reasonably likely to be carried out quickly and effectively in situations of financial stress; and
 - (b) avoids, to the maximum extent possible, any significant adverse effect on the financial system, including in scenarios which would lead other *RRD institutions* to implement

recovery plans and *group recovery plans* at the same time.

[**Note:** article 6(1) of *RRD*]

Updating and submission of recovery plans

- 11.2.18 R (1) A *significant IFPRU firm* must update its *recovery plan* at least annually.
- (2) A *firm* that is not a *significant IFPRU firm* must update its *recovery plan* at least once every two years.
- (3) A *firm* must also update its *recovery plan* after a change to any of the following which could materially affect its *recovery plan*:
- (a) its legal or organisational structure;
 - (b) its business; or
 - (c) its financial situation.

[**Note:** articles 4(1)(b) and 5(2) of *RRD*]

- 11.2.19 R A *firm* must send its *recovery plan* to the *FCA* in line with *SUP* 16.20 (Recovery plans and information for resolution plans).

[**Note:** article 6(1) of *RRD*]

11.3 Group recovery plans

Application

- 11.3.1 R This section applies to:
- (1) a *firm* that is the *EEA parent undertaking* of an *RRD group*;
 - (2) a *qualifying parent undertaking* that is the *EEA parent undertaking* of an *RRD group*; and
 - (3) an *IFPRU 730k firm* that is the *subsidiary* of the *EEA parent undertaking* of an *RRD group* where:
 - (a) the *EEA parent undertaking* is an *EEA parent financial holding company* or an *EEA parent mixed financial holding company* that is incorporated in, or formed under, the law of an *EEA state* other than the *United Kingdom*; and
 - (b) the *IFPRU 730k firm* has the *FCA* as its *consolidating supervisor*.

- 11.3.2 G This section applies differently depending on whether the *group* includes a *significant IFPRU firm* or a *non-significant IFPRU firm*, as explained in the table below.

Provisions of <i>IFPRU</i> 11.3	Who it applies to
<i>IFPRU</i> 11.3.4R to <i>IFPRU</i> 11.3.7R	All <i>groups</i> .
<i>IFPRU</i> 11.3.8R	<i>Groups</i> that include an <i>IFPRU 730k firm</i> that is a <i>significant IFPRU firm</i> and <i>groups</i> that do not include an <i>IFPRU 730k firm</i> only.
<i>IFPRU</i> 11.3.9R to <i>IFPRU</i> 11.3.10G	Non- <i>significant IFPRU firm groups</i> only.
<i>IFPRU</i> 11.3.11G to <i>IFPRU</i> 11.3.19R	All <i>groups</i> .
<i>IFPRU</i> 11.3.20R(1)(a)	<i>Groups</i> that include an <i>IFPRU 730k firm</i> that is a <i>significant IFPRU firm</i> and <i>groups</i> that do not include an <i>IFPRU 730k firm</i> only.
<i>IFPRU</i> 11.3.20R(1)(b)	Non- <i>significant IFPRU firm groups</i> only.
<i>IFPRU</i> 11.3.20R(2)	All <i>groups</i> .
<i>IFPRU</i> 11.3.21R	All <i>groups</i> .

- 11.3.3 G *IFPRU* 1.2 (Significant IFPRU firm) explains the definition of a *significant IFPRU firm*.

Requirement to draw up and maintain a group recovery plan

- 11.3.4 R A *firm* or *qualifying parent undertaking* must draw up and maintain a *group recovery plan*.

[**Note:** article 7(1) of *RRD*]

General requirements of the group recovery plan

- 11.3.5 R The *group recovery plan* must:
- (1) consist of a plan for the recovery of the *RRD group* as a whole; and
 - (2) identify measures the *group* may need to implement at the level of:
 - (a) the *EEA parent undertaking*; and
 - (b) each individual *subsidiary*.

[Note: article 7(1) of RRD]

- 11.3.6 R The *group recovery plan* must include arrangements to ensure the coordination and consistency of measures for each *RRD group member*, including, where applicable, each *significant branch*.

[Note: article 7(4) of RRD]

- 11.3.7 R The *group recovery plan* must:
- (1) aim to stabilise the *RRD group* as a whole and each *RRD institution* in the *group*, when the *group*, or any *RRD institution* in the *group*, is under financial stress;
 - (2) aim to address or remove the causes of the financial stress and restore the financial position of the *group* or the *RRD institution* in question; and
 - (3) at the same time consider the financial position of other *group members*.

[Note: article 7(4) of RRD]

Group recovery plan for a group that includes an IFPRU 730k firm that is a significant IFPRU firm or does not include an IFPRU 730k firm

- 11.3.8 R The *group recovery plan* must include the information in *IFPRU 11 Annex 1R* (Recovery plans for significant IFPRU firms and group recovery plans for groups that include significant IFPRU firms) if the *RRD group*:
- (1) includes an *IFPRU 730k firm* that is a *significant IFPRU firm*; or
 - (2) does not include an *IFPRU 730k firm*.

[Note: articles 5(5) and 7(5) of RRD]

Group recovery plan for a group that includes an IFPRU 730k firm that is not a significant IFPRU firm

- 11.3.9 R If the *RRD group* includes an *IFPRU 730k firm* that is not a *significant IFPRU firm* (and does not include an *IFPRU 730k firm* that is a *significant IFPRU firm*) the *group recovery plan* must include:
- (1) a summary of the key elements of the *group recovery plan*;
 - (2) information on the governance of the *group*, including:
 - (a) how the *group recovery plan* is integrated into the corporate governance of the *group*; and
 - (b) the *group's* overall risk management framework;

- (3) a description of the legal and financial structures of the *group* members covered by the plan, including:
 - (a) the *core business lines*; and
 - (b) *critical functions*;
- (4) recovery options, including:
 - (a) capital and liquidity actions required to maintain or restore the viability and financial position of the *group*; and
 - (b) arrangements and measures to conserve or restore the *own funds* of each *RRD institution* in the *group* on an *individual* and a *consolidated basis*;
- (5) an assessment of the expected timeframe for implementing recovery options;
- (6) a summary of the overall capability of the *group* to restore its financial position following a significant deterioration, including:
 - (a) the risks associated with recovery options;
 - (b) an analysis of any material impediments to the effective and timely execution of the *group recovery plan*; and;
 - (c) whether and how those impediments could be overcome;
- (7) a summary of any material changes to the *group recovery plan* since the previous version was sent to the *FCA* or other *EEA consolidating supervisor*;
- (8) preparatory measures the *group* has taken, or plans to take, to help implement the *group recovery plan*; and
- (9) the measures which the *group* could take if any *RRD institution* in the *group* infringes an *RRD early intervention condition* or is likely to infringe one of those conditions in the near future.

[**Note:** articles (4)(1), 5(5), 7(5) and Annex A of *RRD*]

- 11.3.10 G A *firm* or *qualifying parent undertaking* should include additional information from *IFPRU* 11 Annex 1R (Recovery plans for significant *IFPRU* firms and group recovery plans for groups that include significant *IFPRU* firms) in its *group recovery plan* where this information is material to the business of the *group*.

[**Note:** article 5(5) of *RRD*]

Recovery options

- 11.3.11 G (1) When identifying recovery options, a *firm* or *qualifying parent undertaking* should consider a range of scenarios of severe macroeconomic and financial stress relevant to the *group's* specific conditions.
- (2) The range of scenarios should include system-wide events and stress specific to individual legal persons and *groups*.
- (3) For each of the scenarios in (1), a *group recovery plan* should identify whether there are:
- (a) obstacles to implementing recovery measures within the *group*, including at the level of individual members covered by the plan; and
 - (b) substantial practical or legal impediments to the prompt transfer of *own funds* or the repayment of liabilities or assets within the *group*.

[Note: articles 5(6) and 7(6) of RRD]

Extraordinary public financial support

- 11.3.12 R A *firm* or *qualifying parent undertaking* must not assume any access to, or receipt of, *extraordinary public financial support* in its *group recovery plan*.

[Note: articles 5(3) and 7(5) of RRD]

Use of central bank facilities

- 11.3.13 R If the *group recovery plan* includes the use of central bank facilities, the *firm* or *qualifying parent undertaking* must:
- (1) include an analysis of how and when members of the *group* may apply for the use of central bank facilities; and
 - (2) identify those assets which would be expected to qualify as collateral.

[Note: articles 5(4) and 7(5) of RRD]

Group recovery plan indicators

- 11.3.14 R A *firm* or *qualifying parent undertaking* must:
- (1) include a framework of indicators in its *group recovery plan* which identify when it, or another *group* member, may take appropriate actions in the plan;
 - (2) ensure the *group recovery plan* indicators can be monitored easily; and

- (3) have arrangements to monitor the *group recovery plan* indicators regularly.
- 11.3.15 G The *group recovery plan* indicators may relate to the *group's* financial position and may be of a qualitative or a quantitative nature.
- 11.3.16 R Where the relevant indicator has not been met, a *firm* or *qualifying parent undertaking* must decide whether or not it is appropriate to take action under the *group recovery plan*.
- 11.3.17 R A *firm* or *qualifying parent undertaking* must notify the *FCA* without delay of a decision to take an action referred to in the *group recovery plan* or of a decision not to take action.

[Note: article 9(1) of *RRD*]

Assessment and review by the management body of the EEA parent undertaking

- 11.3.18 R (1) A *firm* that is an *EEA parent undertaking* or a *qualifying parent undertaking* must ensure that its management body assesses and approves the *group recovery plan* before sending it to its *consolidating supervisor*.
- (2) An *IFPRU 730k firm* that is not an *EEA parent undertaking* must ensure the management body of its *EEA parent undertaking* assesses and approves the *group recovery plan* before the *IFPRU 730k firm* sends it to its *consolidating supervisor*.

[Note: article 7(7) of *RRD*]

- 11.3.19 R A *firm* or *qualifying parent undertaking* must demonstrate to its *consolidating supervisor* that:
- (1) carrying out its *group recovery plan* is reasonably likely to maintain or restore the viability and financial position of *RRD institutions* in the *group*, taking into account the preparatory measures that the *group* has taken, or plans to take; and
- (2) its *group recovery plan*:
- (a) is reasonably likely to be carried out quickly and effectively in situations of financial stress; and
- (b) avoids, to the maximum extent possible, any significant adverse effect on the financial system, including in scenarios which would lead other *RRD institutions* to implement *recovery plans* and *group recovery plans* at the same time.

[Note: article 6(1) of *RRD*]

Updating and submission of group recovery plans

- 11.3.20 R (1) *A firm or qualifying parent undertaking must update the group recovery plan at least:*
- (a) annually, if the *group*:
 - (i) includes an *IFPRU 730k firm* that is a *significant IFPRU firm*; or
 - (ii) does not include an *IFPRU730k firm*; or
 - (b) once every two years, if the *group* includes an *IFPRU 730k firm* that is not a *significant IFPRU firm*.
- (2) *A firm or qualifying parent undertaking must also update its group recovery plan after a change to any of the following which could materially affect the group recovery plan:*
- (a) its legal or organisational structure;
 - (b) its business; or
 - (c) its financial situation.

[**Note:** articles 4(1)(b), 5(2) and 7(5) of *RRD*]

- 11.3.21 R (1) *A firm or qualifying parent undertaking must send the group recovery plan to its EEA consolidating supervisor.*
- (2) *Where the consolidating supervisor is the FCA, a firm or qualifying parent undertaking must send the group recovery plan in line with SUP 16.20 (Recovery plans and information for resolution plans).*

[**Note:** articles 6(1) and 7(1) of *RRD*]

11.4 Information for resolution plans

Application

- 11.4.1 R This section applies to:
- (1) an *IFPRU 730k firm* that is not subject to supervision on a *consolidated basis*;
 - (2) a *firm* that is the *EEA parent undertaking* of an *RRD group*;
 - (3) a *qualifying parent undertaking* that is the *EEA parent undertaking* of an *RRD group*; and
 - (4) an *IFPRU 730k firm* that is the *subsidiary* of the *EEA parent undertaking* of an *RRD group*:

- (a) where the *EEA parent undertaking* is an *EEA parent financial holding company* or an *EEA parent mixed financial holding company* that is incorporated in, or formed under, the law of an *EEA state* other than the *United Kingdom*; and
- (b) the *IFPRU 730k firm* has the *FCA* as its *consolidating supervisor*.

11.4.2 R This section only applies if the Bank of England is the *resolution authority* of the *firm* or *group*.

Submission of resolution plan information

11.4.3 R A *firm* or *qualifying parent undertaking* must send the information in *IFPRU 11 Annex 2R (Resolution plan information)* to the *FCA* in line with *SUP 16.20 (Recovery plans and information for resolution plans)*.

[**Note:** article 11(1)(b) of *RRD*]

Notification of material change to resolution plan information

11.4.4 R A *firm* or *qualifying parent undertaking* must notify the *FCA* without delay of a change to any of the following which could have materially affect the information in *IFPRU 11 Annex 2R (Resolution plan information)*:

- (1) its legal or organisational structure;
- (2) its business; or
- (3) its financial situation.

[**Note:** article 10(6) second paragraph of *RRD*]

11.5 Intra-group financial support

Application

11.5.1 R This section applies to:

- (1) a *firm* that is an *RRD group member*;
- (2) a *qualifying parent undertaking* that is an *RRD group member*; and
- (3) a *qualifying parent undertaking* that is a *mixed activity holding company* of an *IFPRU 730k firm* in an *RRD group*.

Scope of financial support covered by IFPRU 11.5

11.5.2 G (1) This section applies where an *RRD group member* gives, or proposes to give, *intra-group financial support* using an *RRD group financial*

support agreement.

- (2) It does not apply to other sorts of intra-*group* financial arrangements, including funding arrangements and the operation of centralised funding arrangements.
- (3) It does not apply to financial support arrangements where none of the parties to the arrangement has infringed, or is likely to infringe, an *RRD early intervention condition*.
- (4) A *firm* or *qualifying parent undertaking* does not have to use an *RRD group financial support agreement* to give financial support to another *group* member that has infringed, or is likely to infringe, an *RRD early intervention condition*.
- (5) A *firm* or *qualifying parent undertaking* may give financial support on a case-by-case basis according to the *group* policies, if the support does not represent a risk for the whole *group*.

[**Note:** article 19(2) and (3) of *RRD*]

Summary of *RRD* intra-*group* financial support conditions

- 11.5.3 G
- (1) *RRD* recognises a specific form of intra-*group* financial support. This allows an *RRD group member* in one *EEA State* to give financial support to an *RRD institution* in its *group* in another *EEA State*, when that institution has infringed or is likely to infringe an *RRD early intervention condition*.
 - (2) To give this specific form of financial support an *RRD group member* must use an *RRD group financial support agreement* and satisfy the applicable conditions.
 - (3) If the *RRD group member* meets the applicable conditions, other *EEA States* will recognise this financial support.
 - (4) This section sets out the conditions which, in summary, are:
 - (a) the *consolidating supervisor* of the *group* approves the proposed *RRD group financial support agreement* (see *IFPRU* 11.5.7R to *IFPRU* 11.5.8G);
 - (b) the agreement complies with the conditions for entering into an *RRD group financial support agreement* (see *IFPRU* 11.5.9R to *IFPRU* 11.5.13G);
 - (c) the financial support complies with the conditions for giving financial support using an *RRD group financial support agreement* (see *IFPRU* 11.5.14R to *IFPRU* 11.5.15G);
 - (d) the management bodies of the relevant *group* members take the decision to give and receive financial support (see *IFPRU*

11.5.16R to *IFPRU* 11.5.17R);

- (e) the relevant *group* members notify the relevant authorities of the intention to give financial support (see *IFPRU* 11.5.18R to *IFPRU* 11.5.21R); and
- (f) the relevant *group* members make the relevant disclosures (see *IFPRU* 11.5.22R to *IFPRU* 11.5.23G).

RRD group financial support agreement

11.5.4 G An *RRD group financial support agreement* may:

- (1) cover one or more *subsidiaries* of the *group*; and
- (2) allow for financial support:
 - (a) from the *parent undertaking* to *subsidiaries*;
 - (b) from *subsidiaries* to the *parent undertaking*;
 - (c) between *subsidiaries* of the *group* that are party to the agreement; or
 - (d) between any combination of those *group* members.

[**Note:** article 19(5)(a) of *RRD*]

11.5.5 G An *RRD group financial support agreement* may allow for financial support:

- (1) in the form of:
 - (a) a loan;
 - (b) a guarantee;
 - (c) the use of assets as collateral; or
 - (d) any combination of those forms; and
- (2) in one or more transactions, including between the beneficiary of the support and a third party.

[**Note:** article 19(5)(b) of *RRD*]

11.5.6 G An *RRD group financial support agreement* may include a reciprocal agreement so the *group* member receiving financial support can give financial support to the *group* member agreeing to give financial support.

[**Note:** article 19(6) of *RRD*]

Approval of RRD group financial support agreements

- 11.5.7 R (1) The following must apply to their *consolidating supervisor* for approval of any proposed *RRD group financial support agreement* or of any amendment to that agreement:
- (a) a *firm* that is the *EEA parent undertaking* of an *RRD group*;
 - (b) a *qualifying parent undertaking* that is the *EEA parent undertaking* of an *RRD group*; and
 - (c) an *IFPRU 730k firm* that is a *subsidiary* of an *EEA parent undertaking* of an *RRD group*:
 - (i) where the *EEA parent undertaking* is an *EEA parent financial holding company* or an *EEA parent mixed financial holding company* that is incorporated in, or formed under, the law of an *EEA State* other than the *United Kingdom*; and
 - (ii) has the *FCA* as its *consolidating supervisor*.
- (2) An application for the approval or amendment of an *RRD group financial support agreement* must:
- (a) include the proposed *RRD group financial support agreement*; and
 - (b) identify the members in the *RRD group* that are intended to be a party to the agreement.

[**Note:** article 20(1) of *RRD*]

- 11.5.8 G The *FCA* will not approve an *RRD group financial support agreement* unless:
- (1) in its opinion, none of the parties has infringed an *RRD early intervention condition* or is likely to infringe one of those conditions in the near future;
 - (2) the agreement complies with the conditions for entering into an *RRD group financial support agreement* in *IFPRU 11.5.9R* to *IFPRU 11.5.12R*; and
 - (3) the terms of the proposed agreement are consistent with the conditions for giving financial support in *IFPRU 11.5.14R*.

[**Note:** articles 19(8), 20(1) and 20(3) of *RRD*]

Conditions for entering into an *RRD group financial support agreement*

- 11.5.9 R The parties to an *RRD group financial support agreement* must include:

- (1) one or more of the following:
 - (a) a *parent institution in a Member State*;
 - (b) an *EEA parent institution*;
 - (c) a *financial holding company*;
 - (d) a *mixed financial holding company*;
 - (e) a *mixed activity holding company*; and
- (2) one or more *subsidiaries* of the *group member* in (1) which is an *RRD institution* or a *financial institution*.

11.5.10 R Before entering into an *RRD group financial support agreement*, a *firm* or *qualifying parent undertaking* must ensure that:

- (1) the *RRD group financial support agreement* includes principles for the calculation of the consideration for any support made under it;
- (2) these principles include a requirement that the consideration is set when the financial support is given;
- (3) each party acts freely and in its own best interests in entering into the *RRD group financial support agreement*;
- (4) each party acts in its own best interests in deciding the consideration for the financial support;
- (5) each party giving financial support has full disclosure of relevant information from any party receiving financial support before deciding:
 - (a) the consideration for the support; and
 - (b) to give the support; and
- (6) only the parties to the agreement can exercise any right, claim or action arising from the *RRD group financial support agreement*.

[**Note:** articles 19(7)(a) to (c) and 19(9) of *RRD*]

11.5.11 R When entering into the proposed *RRD group financial support agreement*, a *firm* or *qualifying parent undertaking* must ensure that none of the parties:

- (1) has infringed an *RRD early intervention condition*; or
- (2) is likely to infringe one of those conditions in the near future.

[**Note:** article 19(8) of *RRD*]

- 11.5.12 R (1) The principles for calculating the consideration for financial support do not need to take account of any anticipated temporary impact on market prices arising from events external to the *group*.
- (2) The consideration for financial support may take account of information that the party giving the support has, based on:
- (a) the party giving support being in the same *group* as the party receiving the support; and
 - (b) the information not being available to the market.

[**Note:** article 19(7)(d) and (e) of *RRD*]

- 11.5.13 G In deciding whether a party is acting in its own best interests, the party may take account of any direct or indirect benefit that may accrue to a party as a result of giving financial support.

[**Note:** article 19(7)(b) of *RRD*]

Conditions for giving group financial support using an *RRD* group financial support agreement

- 11.5.14 R A *firm* or *qualifying parent undertaking* must not give financial support using an *RRD group financial support agreement* unless it is satisfied that:
- (1) there is a reasonable prospect that giving the support will significantly redress the financial difficulties of the *group* member receiving the support;
 - (2) the support has the objective of preserving or restoring the financial stability of:
 - (a) the *group* as a whole; or
 - (b) any members of the *group*;
 - (3) the support is in the interests of the *group* member giving the support;
 - (4) the support is given on terms which meet the conditions in *IFPRU* 11.5.9R to *IFPRU* 11.5.12R;
 - (5) there is a reasonable prospect, based on information available to the management body of the *group* member giving the support when it takes the decision to grant support, that:
 - (a) the consideration for the support will be paid;
 - (b) if the support is in the form of a loan, the *group* member receiving the support will reimburse the loan; and

- (c) if the support is in the form of a guarantee or any form of security, the *group* member receiving the support will reimburse the amount of the guarantee or security if the guarantee or security is enforced;
- (6) the support will not jeopardise the liquidity or solvency of the *group* member giving the financial support;
- (7) the support will not create a threat to financial stability, in particular in the *United Kingdom*;
- (8) the *group* member giving the support complies with the following when giving the support:
 - (a) the requirements of the *CRD* relating to capital and liquidity;
 - (b) any requirements imposed under article 104(2) (additional own funds requirements) of the *CRD*; and
 - (c) the requirements relating to large exposures in the *CRR* and in the *CRD*;
- (9) the support will not cause the *group* member giving the support to infringe any of the requirements in (8) as a result of giving the financial support; and
- (10) the support will not undermine the resolvability of the *group* member giving the support.

[**Note:** article 23(1) of *RRD*]

- 11.5.15 G The *FCA* may modify or waive the requirements of *IFPRU* 11.5.14R(8) if the conditions in section 138A (modification or waiver of rules) of the *Act* are met.

[**Note:** article 23(1)(g) of *RRD*]

Decision to give and receive group financial support using an *RRD* group financial support agreement

- 11.5.16 R A *firm* or *qualifying parent undertaking* intending to give financial support must ensure that:
- (1) its management body takes the decision to give *group* financial support using an *RRD group financial support agreement*; and
 - (2) it is a reasoned decision that sets out:
 - (b) the objective of the proposed support; and
 - (c) how the support complies with the conditions for giving *group* financial support using an *RRD group financial*

support agreement in IFRPU 11.5.14R.

- 11.5.17 R A *firm* or *qualifying parent undertaking* intending to receive financial support must ensure that its management body takes the decision to accept the support using an *RRD group financial support agreement*.

[**Note:** article 24 of *RRD*]

Notice of intention to give financial support using an *RRD group financial support agreement*

- 11.5.18 R A *firm* or a *qualifying parent undertaking* intending to give financial support using an *RRD group financial support agreement* must ensure that its management body notifies:

- (1) its *competent authority*;
- (2) where different, its *consolidating supervisor*;
- (3) where different, the *competent authority* of the *group member* receiving the financial support; and
- (4) the *EBA*.

- 11.5.19 R A *firm* or a *qualifying parent undertaking* must:

- (1) send a notice of an intention to give financial support before the financial support is given; and
- (2) include in the notice:
 - (a) the reasoned decision referred to in *IFPRU 11.5.16R* of the management body of the *group member* intending to give the support; and
 - (b) details of the proposed financial support including a copy of the *RRD group financial support agreement*.

[**Note:** article 25(1) of *RRD*]

- 11.5.20 R An *RRD group member* may only give financial support using an *RRD group financial support agreement* if the *FCA* has:

- (1) agreed to the giving of the support with restrictions; or
- (2) agreed to the giving of the support without restrictions; or
- (3) not prohibited the support within five *business days* of receiving a notice of intention to give financial support.

[**Note:** article 25(2) and (5) of *RRD*]

- 11.5.21 R An *IFPRU 730k firm* must ensure it sends the decision of its *management body* to give financial support to:
- (1) its *competent authority*;
 - (2) where different, its *consolidating supervisor*;
 - (3) where different, the *competent authority* of the *group* member receiving the support; and
 - (4) the *EBA*.

[**Note:** article 25(6) of *RRD*]

Disclosure of group financial support using an RRD group financial support agreement

- 11.5.22 R A *firm* or *qualifying parent undertaking* must:
- (1) make public:
 - (a) whether or not they have entered into an *RRD group financial support agreement*;
 - (b) a description of the general terms of any *RRD group financial support agreement*; and
 - (c) the names of the *group* members that are a party to the *RRD group financial support agreement*; and
 - (2) update the information in (1) at least annually.

[**Note:** article 26 of *RRD*]

- 11.5.23 G Regulations 431 to 434 of the *EU CRR* apply to the disclosures in *IFPRU 11.5.22R*.

[**Note:** article 26(1) of *RRD*]

11.6 Contractual recognition of bail-in

[to follow]

11.7 Notifications

Application

- 11.7.1 R This section 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*.

Resolution notifications

- 11.7.2 R A *firm* or *qualifying parent undertaking* must notify the *FCA* immediately if its management body considers that any of the following have occurred:
- (1) the assets of the *firm* or *qualifying parent undertaking* have become less than its liabilities; or
 - (2) the *firm* or *qualifying parent undertaking* is unable to pay its debts or other liabilities as they fall due; or
 - (3) there are objective reasons to support a determination that (1) or (2) will occur in the near future; or
 - (4) *extraordinary public financial support* is needed for the *firm* or *qualifying parent undertaking*, except if it takes any of forms allowed by section 7(5E) of the Banking Act 2009.
- 11.7.3 R A *firm* must also notify the *FCA* immediately if its *management body* considers that:
- (1) the *firm* is failing to satisfy any of the *threshold conditions*, including due to the *firm* having incurred, or being likely to incur, losses that will deplete all, or a significant amount of, its *own funds*; or
 - (2) there are objective elements to support a determination that the *firm* will fail to satisfy any of the *threshold conditions* in the near future.

[**Note:** article 81(1) of *RRD*]

- 11.7.4 R A *firm* or *qualifying parent undertaking* must notify the *FCA* by sending an e-mail to its usual supervisory contact.

11 Annex 1R Recovery plans for significant IFPRU firms and group recovery plans for groups that include significant IFPRU firms

(1)	A summary of the key elements of the plan.
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(2)	A summary of the overall <i>recovery capacity</i> or the capability of the <i>group</i> to restore its financial position following a significant deterioration.
(3)	A summary of the material changes to the <i>firm</i> or <i>group</i> since the most recently filed plan.
(4)	A communication and disclosure plan outlining how the <i>firm</i> or <i>group</i> intends to manage any potentially negative market reactions.
(5)	A range of capital and liquidity actions required to maintain or restore the viability and financial position of the <i>firm</i> or <i>group</i> .
(6)	An estimation of the timeframe for executing each material aspect of the plan.
(7)	A detailed description of any material impediment to the effective and timely execution of the plan, including consideration of impact on the rest of the <i>group</i> , customers and counterparties.
(8)	An identification of <i>critical functions</i> .
(9)	A detailed description of the processes for determining the value and marketability of the <i>core business lines</i> , operations and assets of the <i>firm</i> or <i>group</i> .
(10)	A detailed description of how recovery planning is integrated into the corporate governance structure of the <i>firm</i> or <i>group</i> .
(11)	The policies and procedures governing the approval of the plan.
(12)	An identification of the persons in the organisation responsible for preparing and implementing the plan.
(13)	The arrangements and measures to conserve or restore the <i>own funds</i> of the <i>firm</i> on an individual basis and, where applicable, on a <i>consolidated basis</i> .
(14)	The arrangements and measures to ensure that the <i>firm</i> or <i>group</i> has adequate access to contingency funding sources, including potential liquidity sources.
(15)	Where applicable, arrangements for intra- <i>group</i> financial support using an <i>RRD group financial support agreement</i> .
(16)	An assessment of available collateral.
(17)	An assessment of the possibility to transfer liquidity across <i>group</i> members and business lines, to ensure that the <i>firm</i> or <i>group</i> can carry on its operations and meet its obligations as they fall due.
(18)	Arrangements and measures to reduce risk and leverage.

(19)	Arrangements and measures to restructure liabilities.	
(20)	Arrangements and measures to restructure business lines.	
(21)	Arrangements and measures necessary to maintain continuous access to financial markets infrastructures.	
(22)	Arrangements and measures necessary to maintain the continuous functioning of the operational processes of the <i>firm</i> or <i>group</i> , including infrastructure and IT services.	
(23)	Preparatory arrangements to facilitate the sale of assets or business lines in a timeframe appropriate for the restoration of financial soundness.	
(24)	Other management actions or strategies to restore financial soundness and the anticipated financial effect of those actions or strategies.	
(25)	Preparatory measures that the <i>firm</i> or <i>group</i> has taken, or plans to take, to facilitate the implementation of the plan, including those necessary to enable the timely recapitalisation of the <i>firm</i> or <i>group</i> .	
(26)	A framework of indicators which identifies when the appropriate actions in the plan may be taken.	
(27)	A wide range of recovery options.	
(28)	Appropriate conditions and procedures to ensure the timely implementation of recovery actions.	
(29)	The possible measures which could be taken by the <i>firm</i> or <i>group</i> if a <i>firm</i> or any <i>RRD institution</i> in a <i>group</i> has infringed an <i>RRD early intervention condition</i> or is likely to infringe one of those conditions in the near future.	
(30)	A contemplation of a range of scenarios of severe macroeconomic and financial stress relevant to the specific conditions of the <i>firm</i> or <i>group</i> , including system-wide events and stress specific to individual legal persons and to <i>groups</i> .	
(31)	For each of the scenarios in (30), a <i>group recovery plan</i> must identify whether there are:	
	(a)	obstacles to implementing recovery measures within the <i>group</i> , including at the level of individual members covered by the plan; and
	(b)	substantial practical or legal impediments to the prompt transfer of <i>own funds</i> or the repayment of liabilities or assets within the <i>group</i> .

[**Note:** articles 5(4), 5(5), 5(6), 7(5), 7(6) and Annex A of *RRD*]

11 Annex 2R Information for resolution plans

Part A: Corporate structure and material legal entity information

No	Heading	Required data/Detail required ¹
1	Group structure and key information on legal entities	
1.1	<i>Group structure</i>	<p>An overview diagram of the material legal entities of the <i>group</i> and the ownership structure.</p> <p><i>Group</i> structure charts identifying:</p> <ul style="list-style-type: none"> the material legal entities in the <i>group</i>; the jurisdiction of those entities; the relative size of those entities, by showing amount of revenue generated in each entity, assets and total risk exposure amounts held in each entity; and the total number of material legal entities in the <i>group</i>. <p><i>Group</i> consolidated P&L and balance sheet, with the assets broken down between the <i>trading book</i> and <i>non-trading book</i>.</p>
1.2	Use of <i>branches</i> and <i>subsidiaries</i>	<p>Provide the following data and analysis for material legal entities.</p> <p>Commentary on the approach to using <i>branches</i> and/or <i>subsidiaries</i> in different geographies.</p> <p>For each key geography that represents material revenues, profits or activity for the <i>firm</i>:</p> <ul style="list-style-type: none"> a list of <i>branches</i> and <i>subsidiaries</i>; and a description of the business undertaken in each <i>branch</i> or <i>subsidiary</i>; and key business metrics and summary P&L and balance sheets on a solo basis, where applicable.
2	Business model	
2.1	<i>Core business</i>	Give an overview of the <i>firm's</i> business model. Identify

¹ Where a data item is not applicable to a firm or qualifying parent undertaking it should indicate this in its submission of resolution plan information.

	<i>lines</i>	<p>the business lines which are core to the <i>group's</i> operations and profitability and explain their activities. Highlight if a <i>branch</i> or <i>subsidiary</i> is material in the local market or critical to the <i>group</i>.</p> <p>For each <i>core business line</i>, the analysis should include the following.</p> <ul style="list-style-type: none"> • An explanation of the main operations with P&L and balance sheet for each business line. • The locations where the business line operates and corresponding analysis, eg, geographic breakdown of revenue, total operating costs, impairments, profit before tax and assets, as well as the client base and jurisdictions by level of activity. Provide an overview of the <i>branch</i> network and any services provided to <i>clients, customers</i> or other market participants. • For each material <i>branch</i> or <i>subsidiary</i>, provide an indication of the exposures to each counterparty or <i>group</i> of connected counterparties that constitute a material part of that entity's total exposures. • Provide an indication of the franchise value of each business line, eg, where a business line provides networks, international linkages or access to markets which are critical for the overall franchise of the <i>firm</i>. • An explanation of the governance structure and division of powers between <i>group</i> HQ and <i>core business lines</i>. • An explanation of how the business line is organised within the <i>group</i>, including a high-level overview of the interaction with other areas and service areas (provide metrics, eg, revenue, P&L where material cross-selling occurs). Is the business line standalone or highly interwoven with the rest of the <i>group</i>?
3	Capital and funding	
3.1	Capital allocation and mobility	<p>For each material legal entity:</p> <ul style="list-style-type: none"> • the amount of capital required to support each material legal entity; • the amount of capital currently allocated to each entity; • an explanation of the method of capital provision to each entity; and • details of any maintenance and/or repatriation back to the ultimate parent entity (dividends, coupons,

		maturity cash flows, etc).
		<p>Details of at least the following should be supplied for material legal entities:</p> <ul style="list-style-type: none"> the minimum capital required by each legal entity to meet the thresholds set by regulators; an analysis of capital by legal entity on a regulatory basis split into components (CET1, AT1, Tier 2); and an analysis of capital by legal entity on an accounting basis (permanent share capital, P&L reserves, other reserves, preference shares, subordinated debt and other intermediate capital etc).
		An explanation of the sources of capital raised for each legal entity, including sources external to the <i>group</i> .
		Quantification of capital which is surplus to regulatory requirements by each entity and in aggregate.
		Information regarding any restriction on transfers of capital to other <i>group</i> entities (dividends, capital contributions, repayments etc) and, in particular, any factors that mean surplus capital held in any entity is not transferable. For each entity, details of material holdings in other <i>financial institutions</i> .
3.2	Treasury function	An explanation of how the treasury function is organised.
		An indication of how quickly capital could be transferred to or from an entity if required and the procedures involved.
3.3	Funding	An overview of funding relationships in the <i>group</i> , including the main sources of funding for each material entity and intra- <i>group</i> flows of funding split across (i) secured and unsecured and (ii) short-term and long-term categories. ² <i>Branches</i> and <i>subsidiaries</i> which are material in intra- <i>group</i> funding should be highlighted.
		A list of current material intra- <i>group</i> balances.
		Details of where there are current and potential impediments to the transfer of liquidity between entities or jurisdictions.
		A summary of other funding sources not captured elsewhere. Examples include:

² Short-term refers to tenor of less than 1 year.

		<ul style="list-style-type: none"> • off balance sheet funding; and • other sources, including covered bonds, securitisation, repos and other short-term secured financing.
3.4	Intra-group guarantees	<p>An overview of intra-group guarantees, including:</p> <ul style="list-style-type: none"> • how, why and when intra-group guarantees are used; • the types of guarantees extended (eg, limited, unlimited guarantees) and the parties extending and receiving guarantees. • the total exposures under intra-group guarantees, categorised into different types; • an overview of when guarantees can be enforced (including cross-defaults or events of default triggered by resolution); • how intra-group guarantees are priced; • a list of the most material intra-group guarantees; and • a list of the entities that use, the entities sighted, and the underlying amounts of contracts that contain “Specified Entity” or similar clauses.
3.5	Other financial dependencies	An overview of all other material intra-group financial dependencies or exposures, including contingent exposures.
3.6	Encumbrances	<p>For each material legal entity, an overview of which assets on the balance sheet are encumbered as at the last year-end. Highlight if they are intra-group or external encumbrances.</p> <p>Information should also be provided on a <i>group</i> basis for <i>UK</i> headquartered <i>groups</i>. For international <i>firms</i> headquartered outside the <i>United Kingdom</i>, operating through <i>UK subsidiaries</i>, information should be provided at the <i>UK</i> consolidated <i>group</i> level.</p> <p>Details of what proportion of each asset class is encumbered and in what manner including:</p> <ul style="list-style-type: none"> • the proportion which is not subject to any encumbrance; • the proportion encumbered through overcollateralisation; and • an outline of the <i>firm</i>’s practice on overcollateralisation. <p>Provide an analysis of assets subject to encumbrance by</p>

		<p>type of instrument, including an approximate split across: securitisations, covered bonds, repo, collateral for OTC derivatives exposure, collateral placed at central banks and any other encumbrances (description of nature and magnitude of other encumbrances should be provided).</p> <p>The analysis should also include an assessment of the split of encumbrances between short-term and long-term encumbrances</p>
4	Activities and operations	
4.1	Access to financial market infrastructure (FMI)	<p>A brief overview of the <i>firm's</i> access to financial market infrastructure (payment schemes, central counterparties etc), including indirect access to key FMIs. Provide the legal entities that have this access and which entities within the <i>group</i> rely on this.</p> <p>To what extent does the <i>firm</i> provide market access services/clearing services to third parties globally? Please provide the number of customers.</p> <p>To what extent, globally, does the <i>firm</i> rely on other <i>firms</i> for these services?</p> <p>What agreements govern these relationships and how will they be affected in a resolution?</p> <p>If relevant and not covered under 2.1, provide an overview of global payments and clearing and settlement business, including a high-level summary on key products/services provided, types of clients serviced, geographical location of business and the FMIs relied upon.</p>
4.2	Risk-management practices	<p>An overview of the <i>firm's</i> booking practices by asset class. Does the <i>group</i> manage risk centrally from one entity (please provide main booking hubs by asset class)? To what extent is risk back-to-backed? Give an overview of the <i>firm's</i> margining and collateral management for internal trades. Provide information on any remote booking practices. Provide information on the quantum of risk booked into each material entity.</p> <p>Give an overview of the use of unregulated affiliates globally for booking trades.</p>
4.3	Counterparty risk management	<p>Give an estimate of trades which are booked through an exchange or a central counterparty (<i>CCP</i>), trades booked with a bilateral third party and the <i>firm's</i> approach to counterparty risk management. This should include a broad overview on collateral management and the use of netting, including master netting agreements.</p>

4.4	Critical shared services	<p>A summary of how operations are organised in the <i>firm</i> or <i>group</i>. Provide a high-level summary (including charts where appropriate) of how critical shared services³ are provided across legal entities, business lines and jurisdictions. At a minimum, split critical services into Treasury, Risk Management, Finance and Operations (this list is not exhaustive). These are services that are crucial to the functioning of the <i>core business lines</i> of the <i>firm</i>.</p> <p>Please consider, at a minimum (including outsourced services and joint ventures), IT services, staff, premises, licenses and intellectual property. Briefly summarise whether there are contracts which govern the provision of services across business lines, entities and jurisdictions.</p> <p>Provide a brief overview of internal support functions, such as accounting and tax, internal audit and compliance, and human resources. Provide an indication of scale and the location of these functions, including those located outside the <i>United Kingdom</i>.</p> <p>Please provide a summary of any pension arrangements within the <i>group</i>, including in which legal entity pension liabilities and administration reside. How fully-funded is any pension scheme?</p>
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Part B: Economic functions

Economic function(s)	Economic scale metrics	
Capital Markets & Investment	Trading	
	Derivatives (required report see Table 1)	<ul style="list-style-type: none"> • Total amount of notional outstanding • Total number counterparties <p>For both derivatives positions and derivatives counterparties, split the reports according to the method by which the derivatives are traded or</p>

³ For the purpose of these *rules*, a critical shared service has the following elements:

- (i) an activity, function or service is performed by either an internal line, a separate legal entity within the *group* or an external provider;
- (ii) that activity, function or service is performed for one or more business lines or legal entities of the *group*; and
- (iii) the sudden and disorderly failure or malfunction would lead to the collapse of or present a serious impediment to the performance of, *critical functions*.

		cleared/ settled, ie, (i) exchange traded, (ii) OTC cleared through <i>CCPs</i> and (iii) OTC settled bilaterally.
	Trading portfolio (required report see Table 2)	<ul style="list-style-type: none"> Balance-sheet values by asset class Risk-weighted exposure amounts
	Other	
	Asset management	<ul style="list-style-type: none"> Amount of assets under management Total number client accounts Total client money balances <p>For each of the metrics above, please provide the following information.</p> <ul style="list-style-type: none"> The legal entity and jurisdiction of clients. Segregate between institutional, retail and wealth management clients. Estimates of <i>UK</i> market share, and identify any issues surrounding replacement of the <i>firm's</i> services by other providers. <p>For investment products, identify those that are eligible and not eligible for protection by the <i>UK Financial Services Compensation Scheme (FSCS)</i>. Please provide the number of customers and total value of account balances:</p> <ul style="list-style-type: none"> up to the £50k covered by the <i>FSCS</i> above the £50k covered by the <i>FSCS</i> that are ineligible for protection by the <i>FSCS</i>.
Wholesale Funding Markets	Securities financing (required report see Table 3)	<ul style="list-style-type: none"> Balance sheet values plus aggregate values for collateral accepted and given Maturity profile Total number counterparties, including geographic distribution (number)
	Securities lending	<p>For each of the following activities, whether acting as lender or borrower:</p> <ul style="list-style-type: none"> direct securities lending; third-party securities lending (non-custodian lending) agent lending (custodian lending);

		<p>provide:</p> <ul style="list-style-type: none"> gross value of open transactions; and the total number of clients.
Payments, clearing, custody and settlement⁴	Payment services	<p>For all <i>UK</i> and material foreign payment systems⁵ used, please provide:</p> <ul style="list-style-type: none"> the legal entity which holds membership; transaction volumes (number, monthly/annual average, peak); transaction values (number, monthly/annual average, peak); flow volumes (monthly/annual average); number of agents (flow volumes for these provided separately); and market share – provide estimate of <i>UK</i> market share, as well as overseas market shares where relevant. Please identify any issues surrounding replacement of the <i>firm's</i> services by other providers.
		<p>If required, could the <i>firm</i> transition from an affiliate (intra-<i>group</i>) network to a third-party correspondent network for payments and clearing? What timeline is required?</p>

Table 1 – Derivatives (complete for each legal entity if firm performs this function)

Outstanding notional contract amounts (£m)				
	Exchange traded derivatives	Other derivatives cleared through <i>CCPs</i>	Over-the-counter derivatives settled bilaterally	Total
Equities				
Sovereign credit				
Non-sovereign				

⁴ The payments, clearing and settlement function is limited to those provided by firms to their clients.

⁵ This refers to foreign payment systems in which the *firm* has direct access. Examples include, but not limited to BACS, CHAPS, Faster Payments, cheque clearing system, Fedwire and TARGET2.

credit products				
Rates				
Foreign exchange				
Commodities				

Number of derivative counterparties		
Exchange-traded derivatives	Other derivatives cleared through <i>CCPs</i>	Over-the-counter derivatives settled bilaterally

Table 2 – Trading portfolio (complete for each legal entity if firm performs this function):

	Assets (£m)		Liabilities (£m)
	Balance-sheet values	Risk-weighted assets	Balance-sheet values
Equities			
Treasury			
Sovereign credit			
Non-sovereign credit			
Rates			
Foreign exchange			
Commodities			

Table 3 – Securities financing (complete for each legal entity if firm performs this function)

Reverse repurchase	Repurchase agreements and	Fair value of securities accepted	Fair value of securities given as
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agreements and cash collateral on securities borrowed (£m)	cash collateral on securities lent (£m)	as collateral under reverse repurchase agreements and securities borrowing transactions (£m)	collateral under repurchase agreements and securities lending transaction (£m)

continued

Table 4 – Table on economic functions split by legal entities

Where a *firm's* parent organisation is a *UK* incorporated entity, *firms* should complete this table for all material legal entities and *branches* that form part of the *group*, both domestically and internationally, where the economic functions are those that have been identified in Part B above. Where a *firm's* parent organisation is incorporated outside the *United Kingdom*, *firms* should only complete this table for:

- *UK subsidiaries* (and any associated overseas *branches*); and
- *UK branches* of any overseas *subsidiaries*.

	Legal entity/branch 1 (£mn)	Legal entity/branch 2 (£mn)	Legal Entity/branch 3 (£mn)	Aggregate across legal entities/branches (£mn)
Where the <i>United Kingdom</i> is <i>Home State</i>, <i>firms</i> should provide information on all material legal entities/<i>branches</i>, even if they do not perform any activity in the <i>United Kingdom</i>.				
Economic function 1 <i>(eg. asset management)</i>				
Economic function 2 <i>(eg, securities lending)</i>				
Where <i>United Kingdom</i> is <i>Host State</i>, <i>firms</i> should provide information on legal entities/<i>branches</i> relevant to the <i>United Kingdom</i> as stated above.				
Economic function 1				
Economic function 2				

Amend the following text.

Schedule 2 Notification and reporting requirements

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
...				
<i>IFPRU</i> 10.5.2R
<u><i>IFPRU</i></u> <u>11.2.15R</u>	<u><i>Recovery plan actions</i></u>	<u>A decision to take an action referred to in a <i>recovery plan</i> or a decision not to take action</u>	<u>The decision to take action or not to take action</u>	<u>Without delay</u>
<u><i>IFPRU</i></u> <u>11.3.17R</u>	<u><i>Group recovery plan actions</i></u>	<u>A decision to take an action referred to in a <i>group recovery plan</i> or a decision not to take action</u>	<u>The decision to take action or not to take action</u>	<u>Without delay</u>
<u><i>IFPRU</i></u> <u>11.4.4R</u>	<u><i>Resolution plan information</i></u>	<u>The change to the information in <i>IFPRU</i> 11 Annex 2R (Resolution plan information)</u>	<u>A change to the legal or organisational structure of the <i>firm or group</i>, its business or its financial situation, which could materially affect the information in <i>IFPRU</i> 11 Annex 2R (Resolution plan information)</u>	<u>Without delay</u>
<u><i>IFPRU</i></u> <u>11.5.18R</u>	<u><i>Giving group financial support using an RRD group financial support agreement</i></u>	<u>The reasoned decision of the management body in line with <i>IFPRU</i> 11.5.16R and the details of the proposed financial support including a copy of the <i>RRD group financial support</i></u>	<u>An intention to provide <i>group financial support</i> using an <i>RRD group financial support agreement</i></u>	<u>Before providing the support</u>

		<u>agreement</u>		
<u>IFPRU 11.5.21R</u>	<u>Giving group financial support using an RRD group financial support agreement</u>	<u>The decision of the management body of the RRD institution to give financial support</u>	<u>The decision to give financial support</u>	<u>Not specified</u>
<u>IFPRU 11.7.2R, and IFPRU 11.7.3R</u>	<u>Resolution notifications</u>	<u>Matters described in IFPRU 11.7.2R and IFPRU 11.7.3R</u>	<u>The occurrence of the situations described in IFPRU 11.7.2R, or IFPRU 11.7.3R</u>	<u>Immediately on the occurrence of the situations described in IFPRU 11.7.2R or IFPRU 11.7.3R</u>

Part 2: Comes into force on 1 January 2016

Please insert the following new chapter after IFPRU 11.5. The text is not underlined.

11.6 Contractual recognition of bail-in

Application

11.6.1 R This section 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) a *mixed activity holding company* of an *IFPRU 730k firm*; and
 - (b) does not hold an *RRD institution* using an *intermediate financial holding company* or *mixed financial holding company*.

11.6.2 G This section is limited to the types of *mixed activity holding company* in *IFPRU 11.6.1R(4)* because, in accordance with article 33(3) of *RRD*, it is

only these types of *mixed activity holding company* that can be subject to the bail-in provisions of *RRD*.

Contractual recognition of bail-in

- 11.6.3 R (1) If a liability meets the conditions in (2), a *firm* or *qualifying parent undertaking* must include a term in the contract governing the liability which states that the creditor or party to the agreement creating the liability:
- (a) recognises that the liability may be subject to *write-down and conversion powers*; and
 - (b) agrees to be bound by any of the following actions of a *resolution authority* in relation to that liability:
 - (i) reduction of principal or outstanding amount due; or
 - (ii) conversion; or
 - (iii) cancellation.
- (2) The contractual recognition of a bail-in requirement in (1) applies to a liability that is:
- (a) governed by the law of a *third country*;
 - (b) issued or entered into after 1 January 2016;
 - (c) of a type that is not excluded under article 44(2) of *RRD*;
 - (d) not a *deposit* of a type referred to in point (a) of article 108 of *RRD*; and
 - (e) not a liability which the *resolution authority* has determined can be subject to *write-down and conversion powers* by the *resolution authority* of an *EEA State* under:
 - (i) the law of a *third country*; or
 - (ii) a binding agreement concluded with that *third country*.

[**Note:** article 55(1) of *RRD*]

Annex C

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, except otherwise indicated.

16 Reporting requirements

16.1 Application

...

- 16.1.1 R This chapter applies to every *firm* and *qualifying parent undertaking* within a category listed in column (2) of the table in SUP 16.1.3R and in accordance with column (3) of that table.

...

- 16.1.3 R Application of different sections of SUP 16 (excluding SUP 16.13, SUP 16.15, SUP 16.16 and SUP 16.17)

(1) Sections(s)	(2) Categories of firm to which section applies	(3) Applicable rules and guidance
...		
SUP 16.18	<i>A full-scope UK AIFM and a small authorised UK AIFM</i>	SUP 16.18.3R
<u>SUP 16.20</u>	<u>An IFPRU 730k firm and a <i>qualifying parent undertaking</i> that is required to send a <i>recovery plan</i>, a <i>group recovery plan</i> or information for a <i>resolution plan</i> to the FCA.</u>	<u>Entire section</u>
...		

...

Insert SUP 16.20 after SUP 16.19. The text is all new and is not underlined.

16.20 Submission of recovery plans and information for resolution plans

Application

- 16.20.1 R This section applies to a *firm* or *qualifying parent undertaking* who is required to send any of the following types of information to the FCA:

- (1) *recovery plans* in line with *IFPRU* 11.2 (Individual recovery plans); or
- (2) *group recovery plans* in line with *IFPRU* 11.3 (Group recovery plans); or
- (3) information required for resolution plans in line with *IFPRU* 11.4 (Information for resolution plans).

Submission of recovery plans and group recovery plans

- 16.20.2 R A firm or qualifying parent undertaking must send its *recovery plan* or *group recovery plan* to the FCA within three months of the reporting reference dates specified in the table below:

Type of firm or qualifying parent undertaking	Type of plan	Total balance sheet assets (see SUP 16.20.3G)	First reporting reference date	Ongoing reporting reference date
<i>firm or qualifying parent undertaking in an RRD group that includes an IFPRU 730k firm that is a significant IFPRU firm or does not include an IFPRU 730k firm</i>	<i>group recovery plan</i>	More than £2.5 billion	30 June 2015	Every year on the same date as the first reporting reference date.
		More than £1 billion and less than £2.5 billion	30 September 2015	
		More than £500 million and less than £1 billion	31 December 2015	
		Less than £500 million	31 March 2016	
<i>significant IFPRU firm</i>	<i>recovery plan</i>	More than £2.5 billion	30 June 2015	Every year on the same date as the first reporting reference date.
		More than £1 billion and less than £2.5 billion	30 September 2015	
		More than £500 million and less than £1 billion	31 December 2015	
		Less than	31 March	

		£500 million	2016	
<i>firm or qualifying parent undertaking in an RRD group that includes an IFPRU 730k firm that is not a significant IFPRU firm (but does not include an IFPRU 730k firm that is a significant IFPRU firm)</i>	<i>group recovery plan</i>	More than £50 million and less than £500 million	30 September 2015	Every two years on the same date as the first reporting reference date.
		More than £15 million and less than £50 million	31 December 2015	
		More than £5 million and less than £15 million	31 March 2016	
		Less than £5 million	30 June 2016	
non-significant IFPRU firm	<i>recovery plan</i>	More than £50 million and less than £500 million	30 September 2015	Every two years on the same date as the first reporting reference date.
		More than £15 million and less than £50 million	31 December 2015	
		More than £5 million and less than £15 million	31 March 2016	
		Less than £5 million	30 June 2016	

[Note: articles 4(1)(b) and 6(1) of RRD]

- 16.20.3 G (1) The calculation of total balance sheet assets for IFPRU 16.20.2R should be consistent with the way this figure is calculated for determining whether a *firm* is a *significant IFPRU firm*.
- (2) For *group recovery plans*, the calculation of total balance sheet assets should be based on the assets of the largest *RRD institution* in the *group*.

Submission of information for resolution plans

- 16.20.4 R A *firm or qualifying parent undertaking* must send the information required

for a resolution plan to the *FCA* within three *months* of the reporting reference dates specified in the table below:

Type of <i>firm</i> or <i>qualifying parent undertaking</i>	First reporting reference date	Ongoing reporting reference date
<i>firm</i> or <i>qualifying parent undertaking</i> in an <i>RRD group</i> that includes an <i>IFPRU 730k firm</i> that is a <i>significant IFPRU firm</i> or does not include an <i>IFPRU 730k firm</i>	30 June 2015	Every two years on the same date as the first reporting reference date.
<i>significant IFPRU firm</i>	30 June 2015	Every two years on the same date as the first reporting reference date.
<i>firm</i> or <i>qualifying parent undertaking</i> in an <i>RRD group</i> that includes an <i>IFPRU 730k firm</i> that is not a <i>significant IFPRU firm</i> (but does not include an <i>IFPRU 730k firm</i> that is a <i>significant IFPRU firm</i>)	31 December 2015	Every three years on the same date as the first reporting reference date.
non- <i>significant IFPRU firm</i>	31 December 2015	Every three years on the same date as the first reporting reference date.

[**Note:** articles 4(1)(b), 11(1) and 13(1) of *RRD*]

Submission of information for *RRD* institutions and *RRD* groups authorised or created after the first reporting date

16.20.5 R Where an *RRD institution* is authorised or an *RRD group* is created after the first reporting reference date that would have applied to that *firm* or *qualifying parent undertaking* in line with *SUP* 16.20.2R and *SUP* 16.20.4R, the *firm* or *qualifying parent undertaking* must:

- (1) send its first *recovery plan* or *group recovery plan* and resolution plan information within three *months* of the first quarter end date which falls after six *months* of the date of the authorisation of the *RRD institution* or creation of the *RRD group*; and
- (2) send its ongoing *recovery plan* or *group recovery plan*:
 - (a) every year within three *months* of the same date as the first reporting reference date for a *significant IFPRU firm* or a *group* that includes a *significant IFPRU firm*; or

- (b) every two years within three *months* of the same date as the first reporting reference date for a *firm* that is not a *significant IFPRU firm* or a *group* that does not includes a *significant IFPRU firm*.