

Chapter 1

Commission Delegated Regulation (EU) 2016/1075

Article 17 Quality of recovery plans

In assessing whether the recovery plan meets the requirements of the law of the United Kingdom or any part of it implementing article 5 and article 7 of Directive 2014/59/EU, which was relied upon immediately before IP completion day for that implementation, including Chapters 2, 3 and 5 of the Recovery Plans Part of the PRA Rulebook or in rules IFPRU 11.2 and 11.3 of the Recovery and Resolution Part of the FCA Handbook, and any determination under article 7(3) of the Bank Recovery and Resolution (No.2) Order 2014 as applicable, the competent authority shall review the quality of a recovery plan based on the following:

- (1) the clarity of the plan is considered to be established if:
 - (a) the plan is self-explanatory and is drafted in clear and understandable language;
 - (b) definitions and descriptions are clear and consistent throughout the plan;
 - (c) assumptions and valuations made within the plan are explained;
 - (d) references to documents not contained in the plan and any annexes supplement the plan in a way which substantially contributes to identifying options to maintain or restore the financial strength and viability of the entity or entities that it covers;
- (2) the relevance of information contained in the plan is considered to be established if such information focuses on identifying options to maintain or restore the financial strength and viability of the institution or group;
- (3) the comprehensiveness of the recovery plan is considered to be established if, taking into account in particular the nature of the business of the entity or entities covered by the plan and their size and interconnectedness to other institutions and groups and to the financial system in general:
 - (a) the plan provides a sufficient level of detail concerning the information required to be included in recovery plans pursuant to articles 7 of the Bank Recovery and Resolution (No.2) Order 2014, the Recovery Plans Part of the PRA Handbook or in rules IFPRU 11.2 and 11.3 of the Recovery and Resolution Part of the FCA Handbook;

(b) the plan contains a sufficiently wide range of recovery options and indicators, taking into account, where appropriate, the guidelines issued by the EBA before IP completion day in accordance with article 9(2) of Directive 2014/59/EU that further specify the indicators to be included in recovery plans;

(4) the internal consistency of the plan is considered to be established:

(a) in the case of an individual recovery plan, if there is internal consistency of the plan itself;

(b) in the case of a group recovery plan, if there is internal consistency of the group plan itself;

(c) where plans have been required for subsidiaries on an individual basis pursuant to article 24 of the Bank Recovery and Resolution (No.2) Order 2014, there is internal consistency between these plans and the group recovery plan.