

Chapter 1

Commission Delegated Regulation (EU) 2016/1075

Article 20 Specific requirements for group recovery plans

When assessing the extent to which a group recovery plan satisfies the criteria set out in rules 3.8 and 3.9 of the Recovery Plans Part of the PRA Rulebook or rules IFPRU 11.3.8R to IFPRU 11.3.13R and IFPRU 11.3.20R of the Recovery and Resolution Part of the FCA Handbook, the competent authority shall review the following:

(1) the extent to which the plan can stabilise the group as a whole and any institution of the group, in particular taking into account:

(a) the availability of recovery options at the group level to restore where necessary the financial position of a subsidiary, without disturbing the group's financial soundness;

(b) whether, following the implementation of a particular recovery option, the group as a whole, and any institution within the group which would be intended to continue to carry on business under that recovery option, would still have a viable business model;

(c) the extent to which arrangements included in the plan ensure the coordination and consistency of measures to be taken at the level of the parent undertaking or of an institution subject to consolidated supervision pursuant to the law of the United Kingdom (or any part of it) implementing Chapter 3 of Title VII of Directive 2013/36/EU which was relied upon immediately before IP completion day for that implementation or at the level of individual institutions, respectively. The extent to which governance processes included in the plan take into account the governance structure of individual subsidiaries and any relevant legal restrictions shall be reviewed in particular;

(2) the extent to which the plan provides solutions to overcome any obstacles to the implementation of recovery measures within the group which are identified in relation to scenarios of severe macroeconomic and financial stress relevant to the institution's specific conditions including system-wide events and stress specific to individual legal persons and to groups if the obstacles cannot be overcome, the extent to which alternative recovery measures could achieve the same objectives;

(3) the extent to which the plan provides solutions to overcome any substantial practical or legal impediments to a prompt transfer of own funds or the repayment of liabilities or assets within the group which are identified; if the impediments cannot be overcome, the extent to which alternative recovery options could achieve the same objectives.