

# Chapter 1

## Commission Delegated Regulation (EU) 2016/1075

## Article 23 Stages of assessment

(1) Resolution authorities shall assess resolvability based on the following consecutive stages:

(a) assessment of the feasibility and credibility of the liquidation of the institution or group under normal insolvency proceedings in accordance with Article 24;

(b) selection of a preferred resolution strategy for assessment in accordance with Article 25;

(c) assessment of the feasibility of the selected resolution strategy in accordance with Articles 26 to 31;

(d) assessment of the credibility of the selected resolution strategy in accordance with Article 32.

(2) Where the resolution authority considers that it is clear that institutions or groups pose similar risks to the financial system or that the circumstances in which their liquidation is unlikely to be feasible are similar, that resolution authority may conduct the assessment of the feasibility and credibility of the liquidation of those institutions or groups in a similar or identical manner.

(3) Where a resolution authority concludes that it may not be feasible or credible to wind up the institution or group entities under normal insolvency proceedings, or that resolution action may otherwise be necessary in the public interest because winding up under normal insolvency proceedings would not meet the resolution objectives to the same extent, it shall identify a preferred resolution strategy which is appropriate for the institution or group on the basis of information provided by the institution or group pursuant to sections 83ZA or 83ZB of the Banking Act 2009 and Article 56 of the Bank Recovery and Resolution (No 2) Order 2014 and the criteria set out in this Regulation. To the extent necessary, it shall also identify variant strategies to address circumstances in which the strategy would not be feasible or credible.

(4) The assessments of the feasibility and credibility of the preferred resolution strategy shall include assessment of any variant strategies proposed as part of that strategy.

(5) Resolution authorities shall request from the institution or group in accordance with sections 83ZA or 83ZB of the Banking Act 2009 and Article 56 of the Bank Recovery

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and Resolution (No 2) Order 2014 such additional information as is necessary to carry out the assessments of the preferred and variant strategies.

(6) Where appropriate, a resolution authority shall revise the preferred resolution strategy or consider alternative strategies on the basis of a completed assessment of feasibility and of the credibility of a preferred resolution strategy referred to in paragraph 4.

(7) Where a resolution authority revises the preferred resolution strategy it shall assess the feasibility and the credibility of that revised preferred resolution strategy in accordance with Articles 26 and 27 respectively.