

Chapter 1

Commission Delegated Regulation (EU) 2016/1075

Article 36 Resolvability of the providing entity

(1) The provision of the financial support shall be considered not to undermine the resolvability of the providing entity, if the provision of the financial support does not make the implementation of the resolution strategy for the providing entity as set out in the resolution plan substantively less feasible or less credible, in accordance with the assessment under articles 60, 61 and 62 of the Bank Recovery and Resolution (No.2 Order) 2014.

That assessment shall take into account in particular the impact of the provision of the financial support on:

- (a) the potential absorption of losses within the group after the resolution conditions have been met;
- (b) the interconnectedness of the providing entity with the receiving entity;
- (c) the risk of contagion within the group;
- (d) the group's complexity increased by the provision of the financial support;
- (e) the capital and liquidity situation of the providing entity.

(2) If providing entities are not fully informed about a preferred resolution strategy, they shall perform the assessment referred to in paragraph 1 on the basis of the information available to them about the resolution plan.

(3) The competent authorities and resolution authorities responsible for the providing entity shall cooperate closely in determining the impact of the group financial support on the resolvability of the providing entity.