

Bank Recovery and Resolution Directive

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Chapter 7

Commission Implementing Regulation (EU) 2016/911

Preamble

THE EUROPEAN COMMISSION,
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Having regard to the Treaty on the Functioning of the European Union,

Having regard to 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 Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, and in particular Article 26(2) thereof,

01/01/2021

Whereas:

(1) Chapter III - Title II of Directive 2014/59/EU sets rules for group financial support agreements to provide financial support among a Union parent institution, or an entity referred to in point (b), (c) or (d) of Article 1(1) of Directive 2014/59/EU and its subsidiaries in other Member States or third countries that are institutions or financial institutions covered by the consolidated supervision of the parent undertaking, provided that the entity receiving the support meets the conditions for early intervention. This allows transfers of funding in a situation where a group entity is in severe distress. To make informed investment decisions, creditors and investors need transparency regarding risks and potential obligations resulting from these agreements and the chances of a recovery of the group resulting from the support agreement. Therefore the agreement should be in a form easily accessible to the public, comparable to financial statements.

(2) The general terms of the group financial support agreement to be disclosed should include relevant information, such as the maximum amount of support, the principles for calculation of the consideration for the provision of the support, a general description of the maturity profile and the maximum term of loans provided as support. However, the disclosure should respect the need for confidentiality of more specific information.

(3) This Regulation is based on the draft implementing technical standards submitted by the European Banking Authority to the Commission.

(4) The European Banking Authority has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder

Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council,

HAS ADOPTED THIS REGULATION:



Article B1 Definitions

Unless the contrary intention appears, all words and expressions in this Regulation shall have the same meaning as in the Bank Recovery and Resolution (No. 2) Order 2014.



Article 1 Form of disclosure

Each institution that is a party to a group financial support agreement entered into pursuant to the law of the United Kingdom (or any part of it) implementing Article 19 of Directive 2014/59/EU which was relied upon immediately before IP completion day for that implementation, shall make disclosures in accordance with Article 2 of this Regulation on its website in a form that ensures accessibility to the public.

To the extent the institution discloses financial statements of the group the disclosure shall be made in the same form as established for the non-quantitative information included in the financial statements.

Article 2 Terms to be disclosed

(1) Institutions shall disclose at least the following information:

- (a) the names of the group entities being a party to the group financial support agreement;
- (b) the form the support may take;
- (c) in case of a loan, the purposes for which the capital advanced under the loan may be used;
- (d) in case of a guarantee, which transactions and which third parties are potentially covered;
- (e) to which extent obligations to provide group financial support and entitlement to receive group financial support of each of the parties to the group financial support agreement are reciprocal; if the agreement is not fully reciprocal, the information shall differentiate between the different parties following the different terms of agreement;
- (f) the limitations of the group financial support for each form of support covered by the financial support agreement;
- (g) the principles for calculation of the consideration for the provision of the group financial support and how they relate to market conditions at the time of the support;
- (h) a general description of the seniority, the maturity profile and the maximum term of any loans provided as support;
- (i) a general description of any further repayment obligations;
- (j) a general description of the circumstances or indicators relating to the receiving entity and the providing entity that trigger the provision of the support;
- (k) a general description of collateral and margin requirements.

Disclosure shall cover the information applicable to the group entity concerned including information on the terms of the agreement relating to other group entities where that disclosure may affect the group entity concerned.

Information that is not applicable shall be indicated as "non-applicable".

(2) The disclosure shall be accompanied by a statement that the provision of the financial support is subject to the conditions set out in Chapter 4 of the Group Financial Support Part of the PRA Rulebook or in rule IFPRU 11.5.14R of the Recovery and Resolution Part of the FCA Handbook and to the right of the competent authority to prohibit or restrict the provision.



Article 3 Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.



Signature

01/01/2021	Done at Brussels, 9 June 2016.
01/01/2021	<i>For the Commission</i>
01/01/2021	<i>The President</i>
01/01/2021	Jean-Claude JUNCKER