

<b>Question ID</b>	2015_2311
<b>Status</b>	Final Q&A
<b>Legal act</b>	Directive 2014/59/EU (BRRD)
<b>Topic</b>	Resolution tools and powers
<b>Article</b>	41
<b>Paragraph</b>	8
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Not applicable
<b>Article/Paragraph</b>	n.a.
<b>Date of submission</b>	22/09/2015
<b>Published as Final Q&amp;A</b>	21/01/2022
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Competent authority
<b>Subject matter</b>	Winding up of a bridge institution
<b>Question</b>	With regard to the operation of the bridge institution as set out in Article 41 of Directive 2014/59/EU (BRRD), should a bridge institution be wound up even if it is not insolvent?
<b>Background on the question</b>	Article 41 (8) of Directive 2014/59/EU BRRD states that, where the operations of the bridge institution are terminated in the circumstances referred to in points (c) or (d) of Article 41 (3), the bridge institution shall be wound up under normal insolvency proceedings.
<b>Final answer</b>	Article 41(8) of Directive 2014/59/EU (BRRD) requires that, when all or substantially all the bridge institution's assets, rights or liabilities are sold to a third party or, in any event, the period specified in paragraph 5 or, where applicable, paragraph 6 of the same article has expired, the bridge institution shall be wound up under normal insolvency proceedings. As per Recital (65) BRRD, the bridge institution should be operated as a viable going concern and be put back on the market when conditions are appropriate and within the period laid down in the BRRD or wound up if not viable.

	<p>In the latter case, if the conditions for insolvency are not met, the bridge institution may cease to legally exist through voluntary winding up and/or liquidation under the applicable company law.</p> <p><b>Disclaimer:</b></p> <p>The answers clarify provisions already contained in the applicable legislation. They do not extend in any way the rights and obligations deriving from such legislation nor do they introduce any additional requirements for the concerned operators and competent authorities. The answers are merely intended to assist natural or legal persons, including competent authorities and Union institutions and bodies in clarifying the application or implementation of the relevant legal provisions. Only the Court of Justice of the European Union is competent to authoritatively interpret Union law. The views expressed in the internal Commission Decision cannot prejudge the position that the European Commission might take before the Union and national courts.</p>
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2015_2311">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2015_2311</a>

European Banking Authority, 22/05/2022  
[www.eba.europa.eu](http://www.eba.europa.eu)