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Status	Final Q&A
Legal act	Directive 2014/59/EU (BRRD)
Topic	Resolution tools and powers
Article	40, 42
Paragraph	11, 12
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	n.a.
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Disclose name of institution / entity	No
Type of submitter	Competent authority
Subject matter	Transfer of assets, rights and liabilities to the bridge institution / asset management vehicle
Question	Why do Articles 40(11) and 42(12) of Directive 2014/59/EU (BRRD) explicitly exclude the liability of, respectively, the bridge institution's and asset management vehicle's management body or senior management vis-à-vis shareholders, creditors of the institution under resolution and other third parties whose assets, rights or liabilities are not transferred, whilst such exclusion is not provided for in Article 38(13) BRRD, when the resolution tool applied is the sale of assets?
Background on the question	Articles 40 (11) and 42 (12) of Directive 2014/59/EU (BRRD) read that shareholders or creditors whose assets, rights and liabilities are not transferred to the bridge institution / asset management vehicle, shall have no rights over the assets that are transferred to the bridge institution/asset management vehicle or its management body of senior management. Why are the management body and the senior management mentioned? Can the resolution authority transfer assets to the management body or the senior management? Or does this mean that they do not have any rights vis-à-vis the management body or the senior management? If that is the correct interpretation, why are the management body and the senior management

	not mentioned in the corresponding Article 38 (13)?
Final answer	<p>When the bridge bank or the asset separation are the tools applied, the transfer of the pool of assets, rights and liabilities is ordered by the resolution authority, which is entitled to transfer it back and forth several times. Pursuant to Articles 40(2)(a) and 42(2)(a) BRRD respectively, the bridge bank and the asset management vehicle must be at least partially owned by one or more public authorities, which may include the resolution authority or the resolution financing arrangement, and controlled by the resolution authority. The management of such vehicles is appointed or approved by the resolution authority; thus, the immunity provided for under Articles 40(11) and 42(12) BRRD is envisaged to shield from liability the management body or senior management of the bridge bank or the vehicle, which operate under the direction of the resolution authority.</p> <p>The sale of business tool, instead, consists of a private transaction that the purchaser voluntarily enters at commercial terms. Therefore, the management of such third party purchaser is not shielded from liability. Claims, if any, may arise from the contract or company law and are not barred by the BRRD.</p> <p>Disclaimer:</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>
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