

Question ID	2015_2332
Status	Final Q&A
Legal act	Directive 2014/59/EU (BRRD)
Topic	Resolution tools and powers
Article	37
Paragraph	7
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	Responsibility to pay expenses
Question	Article 37(7) of Directive 2014/59/EU (BRRD) provides that the resolution authority may recover the reasonable expenses incurred in resolution from the institution under resolution in a number of ways. May Member States further provide that those costs are to be paid upfront by the institution under resolution?
Background on the question	The Directive does not explicitly specify who is to be responsible for paying the expenses of the following persons: a. Special manager; b. Temporary administrator; c. Independent valuer; d. No creditor worse off valuer. There are two possibilities: - The resolution authority pays the expenses, and recovers these in one of the ways specified in Article 37 (7) of Directive 2014/59/EU (BRRD); - The institution pays the expenses directly (as would be normal for a liquidator or administrator in national law).
Final answer	Article 37(7) BRRD does not preclude Member States from providing that the reasonable expenses incurred in relation to resolution are to be directly incurred by the institution under resolution, and not only ultimately borne by it through the mechanisms referred to in that provision.

	<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 prejudice the position that the European Commission might take before the Union and national courts.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2015_2332

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