

<b>Question ID</b>	2015_2455
<b>Status</b>	Final Q&A
<b>Legal act</b>	Directive 2014/59/EU (BRRD)
<b>Topic</b>	Resolution plans
<b>Article</b>	10, 12
<b>Paragraph</b>	1, 1
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Not applicable
<b>Article/Paragraph</b>	-
<b>Date of submission</b>	03/11/2015
<b>Published as Final Q&amp;A</b>	21/01/2022
<b>Disclose name of institution / entity</b>	Yes
<b>Name of institution / submitter</b>	Dino Buzzati
<b>Country of incorporation / residence</b>	Luxembourg
<b>Type of submitter</b>	Individual
<b>Subject matter</b>	Resolution plan for an institution without any critical economic functions
<b>Question</b>	Is the resolution authority under the obligation to elaborate resolution plans even for institutions without critical functions for which the waiver under Article 4(8) of Directive 2014/59/EU (BRRD) is not available? Must the resolution authority elaborate resolution plans for groups that do not have any critical functions?
<b>Background on the question</b>	“Critical functions” is a notion defined in Article (2)(1)(35) BRRD. According to Article 10(1) BRRD, “the resolution authority [...] shall draw up a resolution plan for each institution that is not part of a group subject to consolidated supervision pursuant to article 111 and 112 of Directive 2013/36/EU” and according to Article 12(1) BRRD, “group level resolution authorities [...] draw up group resolution plans”. Taking into account the aim of BRRD - maintain critical functions - such obligations seem to be very broad.

<p><b>Final answer</b></p>	<p>Pursuant to Article 10(1) and 12(1) BRRD, resolution authorities are required to draw up resolution plans for all institutions and groups. Outright waivers from resolution planning can be granted only on the basis of Article 4(8)(a) BRRD.</p> <p>Without prejudice to the above, if the resolution authority assesses that, in a given case, the conditions of Article 4(1) BRRD are met, it may apply simplified obligations. In such a case, the resolution plan may provide that the institution or the group shall be liquidated under normal insolvency proceedings.</p> <p>In any case, the content of the resolution plan should be proportionate to the systemic significance of the institution. In practice, taking into account possible resource constraints in the first stage of the elaboration of the plans, resolution authorities might consider prioritisation among institutions they are responsible for. In this respect, it should not be overlooked that the continuity of critical functions is just one of the resolution objectives that, under Article 31(2) BRRD, should be taken into account when performing the public interest assessment as per Article 32(5) BRRD.</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 prejudice the position that the European Commission might take before the Union and national courts.</p>
<p><b>Link</b></p>	<p><a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2015_2455">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2015_2455</a></p>

