

Single Rulebook Q&A

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Legal act	Directive 2014/59/EU (BRRD)
Topic	Resolution financing arrangements
Article	103
Paragraph	1
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Delegated Regulation (EU) 2015/63 - DR on ex ante contributions to resolution financing arrangements
Article/Paragraph	4(2)
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Disclose name of institution / entity	Yes
Name of institution / submitter	Autorité de contrôle prudentiel et de résolution
Country of incorporation / residence	France
Type of submitter	Competent authority
Subject matter	Definition of the target level for national resolution systems since 2016
Question	How should national resolution authorities continue calculating the ex-ante contributions of investment firms that do not fall in the scope of Commission Delegated Regulation (EU) 2015/63?
Background on the question	The target level for resolution ex-ante contributions shall be calculated on the basis of the covered deposits on authorised institutions in the territory. In 2016, all credit institutions will contribute to the Single resolution fund. Then, only investment firms will stay Under the scope of national resolution funds, either because they are not the subsidiaries of a credit institution or because they are not supervised by the ECB. Then, as investment firms do not have any covered deposits, how to set the target level of the national resolution fund in 2016? There are 3 alternatives: 1 - calculate the national target level as in 2015 based on the covered deposits of all the institutions authorised in the territory, including those which are affiliated to the Single

resolution fund, and deduct their contributions amounts from the national target amount so that the remaining amount is split throughout the remaining investment firms under the national fund.² - apply the lump sum amount to all investment firms and the sum up of all these lump sum will be the target level.³ - consider that the national target is zero as the population affiliated to the national system does not have any covered deposits.

Final answer

The contributions of standalone investment firms in participating Member States should, as of January 2016, continue as per the BRRD.

This means that their contributions should continue to reflect their risk-adjusted share in the total liabilities, excluding own funds and covered deposits, of all institutions subject to the BRRD established in their Member State.

This risk-adjusted pro-rata calculation should continue to be made in participating Member States on a national basis as if all BRRD institutions (which include the SRM institutions) contributed under the BRRD towards a national target level: the resulting contributions would then be raised by National Resolution Authorities only from the institutions not contributing to the Single Resolution Fund (SRF).

This would mean that the national target level for the BRRD resolution financing arrangements in participating Member States would not be met by standalone investment firms and Union branches alone in the time prescribed by the BRRD. However, it would in principle be met by their contributions together with the contributions that the SRM institutions would have paid under the BRRD had they not contributed to the SRF.

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