

<b>Question ID</b>	2015_2514
<b>Status</b>	Final Q&A
<b>Legal act</b>	Directive 2014/59/EU (BRRD)
<b>Topic</b>	Recovery plans
<b>Article</b>	6
<b>Paragraph</b>	2
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Not applicable
<b>Article/Paragraph</b>	n.a.
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<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Competent authority
<b>Subject matter</b>	References to “the group” in Articles 6 (2) and (5)
<b>Question</b>	Why do Articles 6 (2) and (5) of Directive 2014/59/EU (BRRD) make reference to “ <i>the group</i> ” although the assessment of group recovery plans is covered under Article 8?
<b>Background on the question</b>	Article 6 (2) of Directive 2014/59/EU (BRRD) states that “ [...] the implementation of the arrangements proposed in the plan is reasonably likely to maintain or restore the viability and financial position of the institution or of the group, taking into account the preparatory measures that the institution has taken or has planned to take;” Article 6 (5) of Directive 2014/59/EU (BRRD) states that: “Where the competent authority assesses that there are material deficiencies in the recovery plan, or material impediments to its implementation, it shall notify the institution or the parent undertaking of the group of its assessment and require the institution to submit, within two months, extendable with the authorities' approval by one month, a revised plan demonstrating how those deficiencies or impediments are addressed.” What is the purpose of making a reference to “the group” in this article, since the assessment of group recovery plans are covered under article 8?

<p><b>Final answer</b></p>	<p>Article 8 BRRD on the assessment of group recovery plans is very much focused on the procedural aspects leading to a joint decision. However, Article 8(1) BRRD also requires the consolidating supervisor to comply with the procedure(s) established in Article 6 BRRD.</p> <p>In that vein, Article 8(1) BRRD requires the consolidating supervisor to assess the extent to which group recovery plans satisfy the criteria laid down in Article 6 BRRD, which would also capture paragraph 2 of that article.</p> <p>As concerns Article 6(5) BRRD, reference to the parent of a group is relevant as it clarifies the need to notify groups in case deficiencies are identified.</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>
<p><b>Link</b></p>	<p><a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2015_2514">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2015_2514</a></p>

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