

# Recommendations compliance table

EBA/REC/2017/02

2 March 2017; Date of application – 1 July 2017 (Updated 14 Feb 2022)

## Recommendations on the coverage of entities in a group recovery plan

The following competent authorities\* comply or intend to comply with EBA's Recommendations on the coverage of entities in a group recovery plan:

Member State	Competent authority	Complies or intends to comply	Comments
BE	National Bank of Belgium	Yes	As at 05.02.2019, notification date. On March 21, 2018 the National Bank of Belgium published updates to the existing guidelines for institutions submitting full recovery plans and for institutions submitting simplified recovery plans. The updated documents now include references to the EBA recommendation (see the links below). "Recovery plans: guidelines for credit institutions": <a href="https://www.nbb.be/doc/cp/eng/2018/20180321_nbb_2018_10.pdf">https://www.nbb.be/doc/cp/eng/2018/20180321_nbb_2018_10.pdf</a> "Guiding principles Simplified Obligations Recovery plans": <a href="https://www.nbb.be/doc/cp/eng/2018/20180321_nbb_2018_09_recoveryplans.pdf">https://www.nbb.be/doc/cp/eng/2018/20180321_nbb_2018_09_recoveryplans.pdf</a>
BG	Българска народна банка (Bulgarian National Bank)	Intends to comply**	By the end of 1Q/2018.

		Competent authority	Complies or intends to comply	Comments
CZ	Czech Republic	Czech National Bank	Yes	As at 01.02.2018, notification date.
DK	Denmark	Danish Financial Supervisory Authority	Yes	As at 12.03.2018, notification date.
DE	Germany	Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)	Yes	As at 26.03.2018, notification date. With respect to the institutions that will be required to submit recovery plans in the future, we intend to comply with the EBA Recommendations on the coverage of entities in a group recovery plan (EBA/REC/2017/02).
EE	Estonia	Finantsinspektsioon	Yes	As at 05.03.2018, notification date. According to Estonian Financial Crisis Prevention and Resolution Act section 10 subsection 3 If a credit Institution established In Estonia Is a subsidiary of the consolidation group and the parent undertaking of the consolidation group has been established In the other EEA country, a separate recovery plan for a subsidiary need not be prepared, unless: 1) the credit Institution Is subject to direct supervision by the European Central Bank pursuant to Article 6(4) of Council Regulation (EU) No 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit Institutions (OJ L 287, 29.10.2013, p. 63-89); 2) the value of assets of the credit Institution exceeds 30 billion euros; 3) the ratio of assets of the credit Institution over the gross domestic product of Estonia exceeds 20 per cent, unless the value of the assets is below 5 billion euros. Subsection 4 of the same act stipulates that If a parent undertaking has been established In the other EEA country, the Financial Supervision Authority may require a subsidiary that is a credit Institution established In Estonia and that Is part of a consolidation group to

		<b>Competent authority</b>	<b>Complies or intends to comply</b>	<b>Comments</b>
				prepare a recovery plan. That means the EBA recommendation's "Recommendations on the coverage of entities in the group recovery plan" points 12 and 58 may not be completely in line with national legislation.
IE	Ireland	Central Bank of Ireland	<b>Yes</b>	As at 20.03.2018, notification date.
EL	Greece	Bank of Greece	<b>Intends to comply**</b>	By such time as the necessary legislative or regulatory proceedings have been completed.
HR	Croatia	Hrvatska narodna banka (Croatian National Bank)	<b>Yes</b>	As at 02.10.2020, notification date. On March 20, 2018 Croatian National Bank sent a circular letter to credit institutions informing them of the obligation to apply the Recommendation.
ES	Spain	Banco de España	<b>Yes</b>	As at 26.03.2018, notification date.
FR	France	ACPR	<b>No response</b>	No notification of compliance was received by the EBA within the two-month time limit.
IT	Italy	Banca d'Italia	<b>Yes</b>	As at 21.03.2018, notification date.
CY	Cyprus	Central Bank of Cyprus	<b>Yes</b>	As at 02.03.2018, notification date.
LV	Latvia	Financial and Capital Market Commission	<b>Intends to comply**</b>	By 30.06.2019. Implementation of the EBA Recommendation on the coverage of entities in a group recovery plan (EBA/REC/2017 /02) will be accomplished, within the update of the FCMC's Regulation No. 219 Regulations on the Contents of Information to be Included in the Recovery Plan and Reporting Procedure which currently is pending finalization and approval subject to the publication and the entering into force of the Commission Delegated Regulation (EU) No .../.. of 25.10.2018 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria for assessing the impact of an institution's failure on financial

		Competent authority	Complies or intends to comply	Comments
				markets, on other institutions and on funding conditions. The requirements of the EBA Recommendation EBA/REC/2017/02 already have been communicated by the FCMC to the supervised institutions within the assessment process of recovery plans submitted during 2018.
LT	Lithuania	Bank of Lithuania	Yes	As at 19.03.2018, notification date.
LU	Luxembourg	Commission de Surveillance du Secteur Financier (CSSF)	Yes	As at 26.03.2018, notification date.
HU	Hungary	Magyar Nemzeti Bank (The Central Bank of Hungary)	Yes	As at 22.02.2019, notification date.
MT	Malta	Malta Financial Services Authority (MFSA)	Yes	As at 12.03.2018, notification date.
NL	Netherlands	De Nederlandsche Bank	Yes	As at 06.03.2018, notification date.
AT	Austria	Austrian Financial Market Authority	Yes	As at 16.03.2018, notification date.
PL	Poland	Komisja Nadzoru Finansowego	No	Does not comply and does not intend to comply with all or parts of the Guidelines and has provided a full explanation of the extent of non-compliance together with full reasons for this, as well as other details of the partial compliance, in the Annex to this notification. My competent authority does not, and does not intend to, comply with the Guidelines and recommendations for the following reasons: 1. The coverage of entities in group recovery plans envisaged by the Recommendation is not extensive enough and does not take into account specificities of different markets. Firstly one could not agree that subsidiaries and branches should be treated in group recovery plans



		Competent authority	Complies or intends to comply	Comments
				<p>in the same way. This is because in case of branches the responsibility for protection of depositors' means stays with the country which is home for the dominant (parent) entity, while in case of subsidiaries the whole responsibility is transferred to the local deposit guarantee scheme in the jurisdiction where a subsidiary performs its activity. We believe, that when it comes to subsidiaries which are of systemic importance for the local market, individual recovery plans should be in place. This is especially important for non-SSM countries which have no access to ECB's support, and where whole responsibility remains at the local level. Having in mind that in Poland the funding for banks comes mainly from deposits, in case of an adverse scenario, the burden for the DGS would be tremendous, and the scheme could hardly accommodate the costs resulting from such an adverse scenario. Eventually the whole real economy, as well as taxpayers would be affected. This is why the KNF, being responsible for stability of financial market in Poland, is of the opinion that both management of a parent and subsidiary to be assessed as fit and proper should ensure group and individual recovery plans consistent with, and complementary to each other to be in place. A group recovery plan should describe all actions which parent foresees to undertake towards subsidiary in case of problems at group level, whereas an individual recovery plan should fulfil all conditions stemming from the Article 5 of BRRD. Having in mind what has been said above, the</p>



		Competent authority	Complies or intends to comply	Comments
				<p>KNF believes that the draft EBA Recommendation does not give enough consideration to the necessity of protecting stability of host countries' financial markets.</p> <p>2. Institutions that are not considered relevant either for the group, or for the local economy are not afforded appropriate coverage in the Recommendation. When it comes to not relevant subsidiaries we are convinced that minimal set of information should be ensured in group recovery plan. The foregoing should include at least:</p> <ol style="list-style-type: none"> <li>1. identification of core business lines and critical functions performed by a given subsidiary, in particular, those in relation to the local market, as well as essential from the group's point of view (e.g. customer service, the performance of settlements, collecting deposits-including identification of deposits guaranteed by the local deposit guarantee scheme);</li> <li>2. list of services provided by the group to a local subsidiary (outsourcing). Description of procedures and measures that enable continuation of performance of operations provided by the group in favour of the local entity in the event of stress situation of service providers;</li> <li>3. a group recovery plan should include recovery indicators defined at the level of the local subsidiary at least in the areas of capital and liquidity adequacy, efficiency / profitability and asset quality;</li> <li>4. recovery options available in the event of stress situation of the local subsidiary, aimed at defining mitigation actions taken by the group vis-a-vis the subsidiary. Recovery options that could be utilized should indicate the amount of funds that are available to be engaged and maximum timeframe</li> </ol>



		Competent authority	Complies or intends to comply	Comments
				<p>to implement the recovery options in the course of both the normal business of the entity, and in stressed conditions, as well as impact of recovery options on key indicators in the area of capital adequacy, liquidity and profitability;</p> <p>5. internal communication plan, that should be circulated to the subsidiaries (it also refers to the principles for communication in a stress situation of the parent undertaking) as well as external communication, including exchange of information with competent supervisory authorities.</p> <p>3. The Recommendation introduces a prohibition on reaching a joint decision by supervisory authorities on requesting individual recovery plans to address insufficient coverage of entities in group recovery plans.</p> <p>The Recommendation (section 58) provides that:  <i>Without prejudice to paragraph 12, the consolidating supervisor and the competent authorities involved in the joint decision process referred to in Article 8 of the BRRD should not request the submission of individual plans for the sole purpose of addressing insufficient coverage of entities in the group recovery plan as referred to in the previous paragraphs.</i></p> <p>Such prohibition is far-reaching, and is not substantiated by the BRRD. It would be hardly deasible to provide any justification for such prohibition from the prudential supervision's point of view. Supervisory authorities should be equipped with enough flexibility in assessment of group recovery plans enabling them to include insufficient coverage of a given entity as a basis for requiring an individual recovery plan. Such flexibility is afforded by the BRRD, and then unduly contradicted by</p>

		Competent authority	Complies or intends to comply	Comments
				the provisions of the Recommendation.
PT	Portugal	Banco de Portugal	Yes	As at 05.02.2019, notification date.
RO	Romania	National Bank of Romania	Yes	As at 26.03.2018, notification date.
SI	Slovenia	Bank of Slovenia	Yes	As at 15.03.2018, notification date.
SK	Slovakia	Národná Banka Slovenska	Yes	As at 23.03.2018, notification date.
FI	Finland	Finanssivalvonta	Yes	As of date of notification, 14.02.2022. There is no legal or other impediment to complying with these guidelines, which are included in the FIN-FSA's Regulations and Guidelines 2/2015: Development of recovery plans and early intervention
SE	Sweden	Finansinspektionen	Yes	As at 23.03.2018, notification date.

#### EU Institutions - Agencies

	ECB	European Central Bank (for significant institutions as defined in Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions)	Yes	As at 26.03.2018, notification date.
--	-----	---	-----	--------------------------------------

#### EEA – EFTA State

IS	Iceland	Fjármálaeftirlitið (The Financial Supervisory Authority)	Yes	As at 05.02.2019, notification date.
LI	Liechtenstein	Financial Market Authority Liechtenstein (FMA)	Intends to comply**	By the date on which the BRRD is incorporated into the EEA Agreement. The Recommendations refer to Directive 2014/59/EU (BRRD). The national BRRD legislation is already in force in the Principality of



		Competent authority	Complies or intends to comply	Comments
				Liechtenstein. The BRRD has not yet been incorporated into the EEA Agreement.
NO	Norway	Finanstilsynet	<b>Intends to comply**</b>	By 01.01.2019 when the BRRD enters into force in Norway according to the revision of the Act of financial Institutions and financial groups 2015 as approved by the Norwegian Parliament. The BRRD Directive will be included in the EEA agreement. Finanstilsynet will publish EBA's recommendation on the coverage of entities in the group recovery plan on our home page.

\*The EEA States other than the Member States of the European Union are not currently required to notify their compliance with the EBA's Guidelines. This table is based on information provided from those EEA States on a voluntary basis.

\*\* Please note that, in the interest of transparency, if a competent authority continues to intend to comply after the application date, it will be considered "non-compliant" unless (A) the Guidelines relate to a type of institution or instruments which do not currently exist in the jurisdiction concerned; or (B) legislative or regulatory proceedings have been initiated to bring any national measures necessary to comply with the Guidelines in force in the jurisdiction concerned.

## Notes

Article 16(3) of the EBA's Regulations requires national competent authorities to inform us whether they comply or intend to comply with each Guideline or recommendation we issue. If a competent authority does not comply or does not intend to comply it must inform us of the reasons. We decide on a case by case basis whether to publish reasons.

The EBA endeavours to ensure the accuracy of this document, however, the information is provided by the competent authorities and, as such, the EBA cannot accept responsibility for its contents or any reliance placed on it.

For further information on the current position of any competent authority, please contact that competent authority. Contact details can be obtained from the EBA's website [www.eba.europa.eu](http://www.eba.europa.eu).