



**REPORT ON THE APPLICATION OF SIMPLIFIED  
OBLIGATIONS AND WAIVERS IN RECOVERY  
AND RESOLUTION PLANNING**

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# Abbreviations

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<b>bps</b>	basis points
<b>BRRD</b>	Bank Recovery and Resolution Directive 2014/59/EU
<b>CA</b>	competent authority
<b>CDS</b>	credit default swap
<b>CF</b>	critical function
<b>CI</b>	credit institution
<b>CIR</b>	Commission Implementing Regulation (EU) 2018/1624
<b>COREP</b>	Common Reporting
<b>CRD</b>	Capital Requirements Directive 2013/36/EU
<b>CRR</b>	Capital Requirements Regulation (EU) 575/2013
<b>CRR II</b>	Capital Requirements Regulation II (EU) 2019/876
<b>DGS</b>	deposit guarantee scheme
<b>DR 2016/1075</b>	Commission Delegated Regulation (EU) 2016/1075
<b>DR 2019/348</b>	Commission Delegated Regulation (EU) 2019/348
<b>EBA</b>	European Banking Authority
<b>ECB</b>	European Central Bank
<b>EEA</b>	European Economic Area
<b>EU</b>	European Union
<b>FINREP</b>	Financial Information Reporting
<b>FMI</b>	financial market infrastructure
<b>GDP</b>	gross domestic product
<b>GL</b>	Guidelines
<b>G-SII</b>	global systemically important institution
<b>HP LSI</b>	high-priority less significant institution – according to credit institutions’ classification applied by the Single Supervisory Mechanism
<b>ICAAP</b>	internal capital adequacy assessment process

<b>IF</b>	investment firm
<b>IPS</b>	institutional protection scheme
<b>LSI</b>	less significant institution – according to credit institutions’ classification applied by the Single Supervisory Mechanism
<b>MiFID</b>	Markets in Financial Instruments Directive 2014/65/EU
<b>MoU</b>	memorandum of understanding
<b>MREL</b>	minimum amount of own funds and eligible liabilities
<b>MS</b>	Member State
<b>NCA</b>	national competent authority
<b>NRA</b>	national resolution authority
<b>O-SII</b>	other systemically important institution
<b>OTC</b>	over the counter
<b>RA</b>	resolution authority
<b>RTS</b>	regulatory technical standards
<b>SO</b>	simplified obligations
<b>SRB</b>	Single Resolution Board
<b>SREP</b>	supervisory review and evaluation process
<b>SRMR</b>	Single Resolution Mechanism Regulation (EU) 806/2014

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## Executive summary

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The Directive 2014/59/EU (Bank Recovery and Resolution Directive – BRRD)<sup>1</sup> entered into force in January 2015 and has the objective of equipping competent and resolution authorities with a common set of tools to deal effectively with unsound or failing institutions. The BRRD is, in principle, applicable to all credit institutions, certain investment firms and other entities listed in Article 1(1) of the BRRD. It introduces an obligation to prepare and maintain recovery and resolution plans. The framework is based on the principle of proportionality and gives competent and resolution authorities the opportunity to grant simplified obligations and waivers to institutions under their jurisdiction, provided that the institutions concerned fulfil specific eligibility criteria for simplified obligations or meet particular conditions for waivers as specified in Article 4(1) and Article 4(8)-(10) of the BRRD, respectively.

This report presents an overview of how competent and resolution authorities have applied the principle of proportionality in recovery and resolution planning, based on data collected in December 2019. This is the second EBA report outlining the results of its monitoring of the application of simplified obligations and waivers under the BRRD, following the report issued in December 2017.

First, the report provides information on the extent to which competent and resolution authorities used their discretion to grant simplified obligations and waivers to credit institutions and investment firms under their jurisdictions. Second, it analyses the methodologies used by the authorities to assess institutions' eligibility for simplified obligations. Finally, it describes what kind of reductions, compared with the full BRRD requirements for recovery and resolution planning, were allowed across the EU for institutions benefiting from simplified obligations.

### **The extent of the application of simplified obligations and waivers**

Compared with the 2017 monitoring exercise, in 2019 more competent and resolution authorities decided to apply simplified obligations to credit institutions. For recovery planning, the number of authorities applying simplified obligations has risen from 18 to 21, whereas for resolution planning the number has almost doubled (increasing from 13 jurisdictions to 25 jurisdictions). With regard to investment firms, the number of authorities granting simplified obligations since 2017 has remained stable for recovery planning (15 competent authorities) and slightly increased for resolution planning (from 9 resolution authorities to 13 resolution authorities). The number of authorities granting simplified obligations to investment firms was lower than that granting simplified obligations to credit institutions, mostly because in some EU jurisdictions there were no investment firms under the scope of the BRRD, and thus none was subject to any recovery or resolution planning requirements.

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<sup>1</sup> Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council.

The proportions of credit institutions subject to simplified obligations in particular jurisdictions varied significantly. The percentage of banks under simplified obligations (compared with the total number of banks in a given jurisdiction) for recovery planning ranged from 2% to 71%, whereas the percentage under simplified obligations for resolution planning ranged from 2% to 94%. In terms of proportions of total assets of banks benefiting from simplified obligations, the percentages were lower; for recovery planning they varied from 0.14% to 9%, whereas for resolution planning, apart from an outlying value of 32%, they ranged from 0.01% to 17%. The highest percentages were observed in countries with the largest number of credit institutions in the EU. Furthermore, many competent and resolution authorities decided to apply simplified obligations to 100% of investment firms under the scope of the BRRD.

As in the previous monitoring exercise, in 2019 waivers were not widely applied across the EU, as only six competent authorities and five resolution authorities granted them to credit institutions under their jurisdictions. In accordance with the BRRD, waivers can be granted only to IPS members (for recovery planning) or institutions affiliated to a central body (for recovery and resolution planning). Thus, this discretion was available only to authorities in countries where such regulatory frameworks were established.

The proportion of credit institutions under waivers, in terms of their relative number, for recovery planning ranged from 7% to 88%, and the proportion under waivers for resolution planning ranged from 7% to 53%. In terms of a relative amount of total assets of credit institutions subject to waivers, for recovery planning this ranged from 0.02% to 27%, whereas for resolution planning this ranged from 0.02% to 10%. The differences in the extent of waivers granted for recovery and resolution planning purposes were caused mostly by the fact that waivers for resolution planning cannot be applied to IPS members. In a few countries where waivers were granted to IPS members for recovery plans, resolution authorities applied simplified obligations to these institutions, as they also met the eligibility criteria for simplified obligations.

### **Methodologies for assessing eligibility for simplified obligations**

There was a significantly improved level of harmonisation in the eligibility assessment methodologies applied by competent and resolution authorities. In 2017, an array of approaches was used to assess eligibility for simplified obligations, with very limited use of obligatory indicators provided in the EBA GL on simplified obligations. The EBA RTS replacing these GL greatly increased the convergence of assessment practices, especially for credit institutions. For investment firms, the increase in harmonisation was lower, as the RTS gave authorities more flexibility, and there were also more authorities admitting that, as at December 2019, they had not yet conducted their eligibility assessment in accordance with the RTS.

### **Reductions in the BRRD requirements applicable to institutions under simplified obligations**

The EBA observed significant differences in the determination by competent and resolution authorities of the reduced level of BRRD requirements for recovery and resolution plans. Various practices have been applied in relation to all possible areas in which reductions could be introduced

by the authorities (i.e. a deadline for preparing the first simplified plans, the frequency of updating the plans, content of the simplified plans, information required from institutions and the simplified resolvability assessment), as the BRRD gives them full flexibility in this respect.

The deadlines for preparing the first simplified recovery and resolution plans varied from 2014 to 2020/22, reflecting the different timings of the eligibility assessments conducted by authorities, as well as delays in the transposition of the BRRD requirements (as no full recovery or resolution plans existed before the first simplified plans were developed). Moreover, different practices were adopted in relation to the possibility of reducing the annual frequency of updating recovery and resolution plans. Here, the most common solution was to request that simplified plans be updated every 2 years; however, some authorities decided to maintain an annual frequency for institutions under simplified obligations or extend the required frequency to up to 3 years.

In some Member States, the simplified requirements for recovery plans were very similar to the full BRRD obligations, whereas in other jurisdictions institutions were exempted from applying a substantial part of the relevant BRRD provisions. For resolution planning, the most common approach was to assume that liquidation was a preferred resolution strategy for all institutions under simplified obligations. Therefore, an assessment of the credibility and feasibility of liquidation under normal insolvency proceedings often constituted the main part of simplified resolution plans and reduced resolvability assessment. Despite this common trend, various approaches by resolution authorities were observed for linking liquidation to simplified obligations. Finally, with regard to granting relief from reporting obligations for resolution planning purposes, some authorities requested no additional information from institutions, whereas others requested submission of a full set of data from institutions subject to simplified obligations.

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# Introduction

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With the entry into force of the BRRD in January 2015, a new European framework for the recovery and resolution of credit institutions and investment firms was introduced in the European Union. The BRRD framework has a broad scope as it applies to all credit institutions, certain investment firms and other entities listed in Article 1(1) of the BRRD. Nevertheless, the BRRD is based on the principle of proportionality, which envisages the possibility of applying simplified obligations for recovery and resolution planning or granting waivers to specific types of institutions. This approach aims to strike the right balance between financial stability, public interests and administrative burdens imposed on both institutions and authorities.

The BRRD allows competent authorities and resolution authorities to apply simplified obligations for recovery and resolution planning provided that an institution meets the eligibility criteria specified in Article 4(1) of the BRRD. In addition, Article 4(8)-(10) of the BRRD introduces the opportunity for authorities to grant waivers from recovery and resolution planning obligations to specific types of institutions.

Under Article 4(5) of the BRRD, in 2015 the EBA issued guidelines further specifying the criteria for assessing whether an institution is eligible for simplified obligations. In 2017, in accordance with Article 4(6) of the BRRD and taking into account experience acquired in the application of these guidelines, the EBA developed the regulatory technical standards (RTS) on the same topic, which were endorsed by Commission Delegated Regulation (EU) 2019/348 of 26 October 2018 (DR 2019/348<sup>2</sup>).

The RTS, which have replaced the previous EBA Guidelines, took into account the results of the monitoring of the application of simplified obligations and waivers between 1 January 2015 and 30 April 2017. The monitoring was based on data reported in 2016 and 2017 by competent authorities and resolution authorities. Apart from informing the policy choices while the RTS were being drafted, the results of the first monitoring exercise were presented in the EBA Report on the application of simplified obligations and waivers, which was published in December 2017.

This 2017 EBA report explained that, because many competent and resolution authorities had still not made any decisions in 2017 on whether to apply simplified obligations and waivers, further developments in this regard could be expected in the next few years. One of the conclusions of the 2017 report was that the EBA should continue monitoring the application of simplified obligations and waivers for recovery and resolution planning.

The current report on the application of simplified obligations and waivers presents the results of the EBA monitoring based on data reported by competent and resolution authorities in December 2019. However, in a few cases, the report also reflects information submitted to the EBA in the first quarter of 2020, in order to capture in the analysis the results of newly finalised methodologies for

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<sup>2</sup> <https://eur-lex.europa.eu/legal-content/GA/TXT/?uri=CELEX:32019R0348>

eligibility assessment. While preparing the report, the EBA relied on data provided by the authorities, without conducting independent checks of the information received.

This report presents the outcome of the EBA monitoring in the following sections:

- an overview of the application of simplified obligations and waivers, which shows the extent to which the competent and resolution authorities have applied their discretion in this field;
- methodologies used for the assessment of institutions' eligibility for simplified obligations;
- the reduced requirements for recovery and resolution planning introduced for institutions under simplified obligations, e.g. in terms of the content and details of the recovery and resolution plans, resolvability assessment, information required from institutions and the frequency of updating the plans.

As there might be different decision-making authorities in a Member State (i.e. a competent authority for recovery planning and a resolution authority for resolution planning) as well as different addressees of these decisions (i.e. credit institutions and investment firms), the analysis in each section is presented separately for (i) recovery planning and resolution planning and (ii) credit institutions and investment firms.

# 1. Overview of the application of simplified obligations and waivers by competent and resolution authorities

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## 1.1 Overview

1. This section provides an overview of how competent and resolution authorities have applied simplified obligations and waivers, according to data reported to the EBA in December 2019.
2. Conditions for applying simplified obligations and waivers are distinct, and decisions on whether to grant them are not interdependent. However, to benefit from simplified obligations a credit institution or investment firm needs to meet the eligibility criteria outlined in Article 4(1) of the BRRD. These criteria are further specified in DR 2019/348. Nevertheless, waivers can be granted only to credit institutions (not to investment firms) that fulfil another set of conditions specified in Article 4(8)-(10) of the BRRD. In particular, competent authorities and, if relevant, resolution authorities might:
  - waive the application of recovery and resolution planning requirements<sup>3</sup> to credit institutions affiliated to a central body and wholly or partially exempted from prudential requirements in national law<sup>4</sup>; however, in this case requirements should apply on a consolidated basis to the central body and institution affiliated to it; or
  - waive the application of recovery planning requirements<sup>5</sup> to credit institutions that are members of an IPS; however, in such cases, the IPS should be required to fulfil requirements of recovery planning in cooperation with each of its waived members.

It should also be noted that the BRRD does not provide any further requirements or guidance on how institutions subject to waivers should be covered in IPS/central body plans. Therefore, a variety of approaches might be applied by authorities across the EU, ranging from very limited coverage to relatively full coverage of such institutions (similar to the group recovery or resolution plan).

3. As conditions for granting waivers are based on the type of credit institution (i.e. being either an IPS member or a credit institution affiliated to the central body and wholly or partially exempted from prudential requirements in national law), it is possible that, in some Member States, the option to grant the waivers might not be available to competent and resolution authorities, because none of the credit institutions in their jurisdictions are operating under these structures. This characteristic may explain, to a certain degree, why waivers have been applied in relatively fewer Member States compared with simplified obligations.

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<sup>3</sup> Requirements prescribed in Sections 2 and 3 of Chapter 1 of the BRRD.

<sup>4</sup> As specified in Article 10 of the CRR.

<sup>5</sup> Requirements prescribed in Section 2 of Chapter 1 of the BRRD.

4. While analysing the application of simplified obligations to investment firms compared with credit institutions, it is also necessary to keep in mind that the BRRD applies only to specific types of investment firms (i.e. those that are subject to an initial capital requirement of EUR 730 000); therefore, it is possible that, in some Member States, there are no investment firms under the BRRD's scope. Consequently, the question of whether to apply simplified obligations to investment firms is not applicable in such jurisdictions.
5. As specified later, the application of simplified obligations to credit institutions for resolution planning in 2019 was higher than that for recovery planning. This was a revision of the trend observed in 2017, when more simplifications were applied for recovery planning. This can be explained by the fact that, in 2017, resolution authorities were still in the process of transposing the BRRD and were planning their activities related to drafting resolution plans.
6. In relation to waivers, their application remained at relatively low levels, with only a few competent and resolution authorities deciding to grant them for recovery and/or resolution planning.
7. It should also be mentioned that, since the adoption of CRR II<sup>6</sup> in 2019, granting simplified obligations or waivers for recovery and resolution planning has started to have a broader impact beyond the BRRD framework. This has happened because one of the necessary conditions in the definition of a small and non-complex institution, specified in Article 4 point (145)(c) of CRR II, is that an institution 'is not subject to any obligations, or is subject to simplified obligations, in relation to recovery and resolution planning in accordance with Article 4 of the BRRD'. In this context, it should be noted that the classification of an institution as small and non-complex under CRR II allows it to benefit from less strict regulatory requirements, such as reduced obligations for reporting and Pillar 3 disclosures.

## 1.2 Recovery planning

### Credit institutions

#### Application of simplified obligations

8. Table 1 presents the competent authorities that have decided to grant simplified obligations to credit institutions for recovery planning. For comparative purposes, the table shows data collected both in December 2019 and in April 2017.

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<sup>6</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R0876>

**Table 1. Overview of the application of simplified obligations for recovery planning to credit institutions**

	April 2017			December 2019		
	Jurisdictions	Total	% of 29 CAs	Jurisdictions	Total	% of 29 CAs
SO applied	AT, BE, DK, EE, ES, FI, FR, HR, HU, IE, IT, LT, LU, LV, NL, PT, SE, SK	18	62%	AT, BE, DE, DK, EE, ES, FI, FR, HR, IE, IT, LU, LV, MT, NL, NO, PT, RO, SE, SI, SK	21	72%
SO not applied	BG, CY, CZ, DE, EL, MT, PL, RO, SI, UK, ECB	11	38%	BG, CY, CZ, EL*, HU**, LT, PL***, ECB	8	28%

\*Greece is considering introducing simplified obligations in the future.

\*\*However, in Hungary the competent authority applies proportionality in the assessment of recovery plans.

\*\*\*Poland is currently developing a methodology to apply simplified obligations to credit institutions.

9. In 2019, 21 out of 29 competent authorities decided to grant simplified obligations to credit institutions in their jurisdictions. This represented a slight increase compared with data reported in 2017, when 18 competent authorities applied them<sup>7</sup>. Between 2017 and 2019, five additional authorities decided to apply simplified obligations (Germany, Malta, Norway, Romania, Slovenia), whereas two authorities (Hungary, Lithuania) stopped applying them.
10. Table 2 presents information on the number and total assets of credit institutions that benefited from simplified obligations for recovery planning in 2019. To increase its readability, the table includes data only from those countries where simplified obligations have been granted.

**Table 2. Application of simplified obligations for recovery planning to credit institutions**

	Total number of CIs	Number of CIs to which SO apply	% of all CIs in the jurisdiction	Total assets of CIs in the jurisdiction (EUR million)	Assets of CIs to which SO apply (EUR million)	% of total assets in the jurisdiction
AT	443	122	28%	950 050	50 204	5%
BE	31	11	35%	104 210 000	19 400	2%
DE	1 545	131	8%	7 584 923	329 730	4%
DK	64	45	70%	862 642	18 442	2%
EE	9	3	33%	37 672	528	1%
ES	71	47	66%	3 553 333	64 700	2%
FI	225	4	2%	778 040	12 402	2%
FR	332	72	22%	8 096 000	82 400	1%
HR	25	9	36%	55 868	2 339	4%
IE	24	4	17%	476 000	8 500	2%
IT*	250*	121	48%	2 979 261	166 655	6%
LU	138	24	17%	822 522	17 476	2%
LV	16	8	50%	23 300	1 800	8%

<sup>7</sup> It should be noted that there was a small change in the composition of the competent authorities reflected in the analysis, with 2019 submissions including data reported by Norway but excluding data reported by the United Kingdom.

	Total number of CIs	Number of CIs to which SO apply	% of all CIs in the jurisdiction	Total assets of CIs in the jurisdiction (EUR million)	Assets of CIs to which SO apply (EUR million)	% of total assets in the jurisdiction
MT	24	10	42%	43 590	2 180	5%
NL	34	18	53%	2 355 374	72 916	3%
NO	193	112	58%	955 942	88 759	9%
PT	131	19	15%	384 689	8 074	2%
RO	72	2	3%	103 660	145	0.14%
SE	138	98	71%	1 120 481	80 989	7%
SI	13	4	31%	47 403	2 945	6%
SK	12	2	17%	69 585	1 270	2%
			Min 2% Max 71%			Min 0.14% Max 9%

\*In Italy, after the reference date, the total number of credit institutions strongly decreased, as a significant number of cooperative banks joined a significant group, taking into account such an event, the percentage of credit institutions under simplified obligations would be about 80%.

11. There were significant differences among jurisdictions in the relative number of credit institutions under simplified obligations with respect to the total number of credit institutions (on an individual basis). The percentages ranged from 2% in Finland to 71% in Sweden. However, in terms of total assets of institutions under simplified obligations (both in absolute values and in percentages), the differences were much lower, and in all countries the relative value did not exceed 9%. Moreover, in 11 out of 21 jurisdictions only 2% or less of total assets in the national banking sectors were benefiting from simplifications.

### Application of waivers

12. Table 3 presents the competent authorities that decided to grant waivers to credit institutions for recovery planning, based on data collected in December 2019 and April 2017.

**Table 3. Overview of the application of waivers for recovery planning**

	April 2017			December 2019		
	Jurisdiction	Total	% of 28 CAs	Jurisdiction	Total	% of 28 CAs
Waivers applied	AT, BE, ES, FI, HU, LU, PT	7	25%	AT, DE, ES, FI, PL, PT	6	21%
Institutions affiliated to a central body	BE, ES, FI, LU, PT			ES, FI, PT		
Institutions that are members of an IPS	AT, HU			AT, DE, PL		
No waivers applied	BG, CY, CZ, DE, DK, EE, EL, FR, HR, IE, IT, LT, LV, NL, MT, PL, RO, SE, SI, SK, UK	21	75%	BE, BG, CY, CZ, DK, EE, EL, FR, HR, HU, IE, IT, LT, LU, LV, MT, NL, NO, RO, SE, SI, SK	22	79%

13. In 2019, waivers were applied in six Member States (Germany, Spain, Austria, Poland, Portugal, Finland). In comparison with the previous reporting in 2017, three countries

(Belgium, Luxembourg, Hungary) have stopped granting waivers, whereas two others have commenced granting them (Germany, Poland).

14. With regard to the basis for granting waivers, in 2019 there was an equal distribution of Member States that applied them to IPS members and institutions affiliated to a central body and wholly or partially exempted from prudential requirements in national law. However, in 2017 the waivers were most frequently based on the fact that institutions were affiliated to a central body.
15. Table 4 presents detailed information on the number and total assets of credit institutions that were subject to waivers for recovery planning in the Member States that decided to grant them in 2019.

**Table 4. Application of waivers for recovery planning to credit institutions**

MS	Total number of CIs	Number of CIs to which waivers apply	% of all CIs in the MS	Total assets of CIs in the MS (EUR million)	Assets of CIs to which waivers apply (EUR million)	% of total assets
AT	443	295	67%	950 050	90 756	10%
DE	1 545	1 258	81%	7 584 923	2 058 379	27%
ES	71	5	7%	160 100	690	0.02%
FI	225	51	23%	778 040	16 115	2.1%
PL	581	514	88%	424 954	27 784	6.5%
PT	131	81	62%	384 689	14 729	3.8%
			Min 7% Max 88%			Min 0.02% Max 27%

16. In terms of the numbers of credit institutions, the proportions of entities that benefited from waivers ranged from 7% (Spain) to 81%/88% (Germany/Poland, respectively). In terms of total assets, these proportions ranged from 0.02% (Spain) to 27% (Germany).

#### Combined effect of the application of simplified obligations and waivers for credit institutions

17. To obtain a complete picture of the extent to which reduced obligations for recovery planning for credit institutions apply in various Member States, we should combine data on the application of simplified obligations and waivers. Table 5 presents data on the percentages of credit institutions across Europe that are:
  - subject to waivers (i.e. exempted from recovery planning obligations on an individual basis but included in the recovery plan of an IPS/central body);
  - subject to simplified obligations for recovery planning;
  - subject to full obligations (i.e. required to submit recovery plans fulfilling all BRRD requirements on either an individual or a group basis, when applicable).

It should be noted that the third subcategory represents the maximum percentage of credit institutions that can be subject to full-scope recovery planning obligations taking into

account decisions applied by national authorities. The statistics for this subcategory may also include subsidiaries that are covered by a group recovery plan and that are therefore not required to submit their own recovery plan. Moreover, in the Banking Union this subcategory also includes significant institutions that are under the remit of the ECB-SSM supervision and that are therefore not under the jurisdictions of national competent authorities.

**Table 5. Proportion of credit institutions subject to waivers, simplified obligations and full obligations for recovery planning**

MS	Number of CIs			Total assets of CIs		
	Waivers applied (%)	SO applied (%)	Full obligations (%)	Waivers applied (%)	SO applied (%)	Full obligations (%)
AT	67%	28%	6%	10%	5%	85%
BE	–	35%	65%	–	0.02%	99.98%
BG	–	–	100%	–	–	100%
CY	–	–	100%	–	–	100%
CZ	–	–	100%	–	–	100%
DE	81%	8%	11%	27%	4%	69%
DK	–	70%	30%	–	2%	98%
EE	–	33%	67%	–	1%	99%
EL	–	–	100%	–	–	100%
ES	7%	66%	27%	0.02%	2%	97.98%
FI	23%	2%	75%	2%	2%	96%
FR	–	22%	78%	–	1%	99%
HR	–	36%	64%	–	4%	96%
HU	–	–	100%	–	–	100%
IE	–	17%	83%	–	2%	98%
IT	–	48%	52%	–	6%	94%
LT	–	–	100%	–	–	100%
LU	–	17%	83%	–	2%	98%
LV	–	50%	50%	–	8%	92%
MT	–	42%	58%	–	5%	95%
NL	–	53%	47%	–	3%	97%
NO	–	58%	42%	–	9%	91%
PL	88%	–	12%	7%	–	93%
PT	62%	15%	23%	3.8%	2%	94.2%
RO	–	3%	97%	–	0.14%	99.86%
SE	–	71%	29%	–	7%	93%
SI	–	31%	69%	–	6%	94%
SK	–	17%	83%	–	2%	98%
ECB	–	–	100%	–	–	100%
			Min 6%			Min 69%

18. With regard to the number of credit institutions, the lowest relative proportions of banks to which full BRRD requirements for recovery planning applied were 6% (Austria), 11% (Germany) and 12% (Poland). In all of these Member States, these percentages were driven primarily by the application of waivers and the fact that these countries' banking sectors have the largest numbers of credit institutions in Europe (443, 581 and 1 545 in Austria, Poland and Germany, respectively). In accordance with DR 2019/348, the quantitative part of the eligibility assessment for simplified obligations is based on relative values; therefore, countries with the least concentrated banking sectors are expected to have more banks eligible for simplified obligations. However, it should be kept in mind that, to grant waivers, competent authorities do not apply DR 2019/348 but specific conditions outlined in Article 4(8) of the BRRD (i.e. being an IPS member or an institution affiliated to a central body). Therefore, the highest cumulative effect of applying simplified obligations and waivers in these countries was driven by the national banking regulation frameworks rather than DR 2019/348.
19. In terms of assets of credit institutions, after applying the supervisory discretion of Article 4 of the BRRD, the lowest proportions of entities subject to full BRRD requirements for recovery planning were 69% (Germany) and 85% (Austria). In all remaining jurisdictions, the percentage of total assets of banks under the full requirements for recovery planning were above 91%.

## Investment firms

### Application of simplified obligations

20. Table 6 presents the competent authorities that applied simplified obligations to investment firms for recovery planning in 2019, compared with 2017.

**Table 6. Overview of the application of simplified obligations for recovery planning to investment firms**

	April 2017			December 2019		
	Jurisdictions	Total	% of 28 CAs	Jurisdictions	Total	% of 28 CAs
SO applied	DK, EE, ES, FI, FR, HR, HU, IE, IT, LT, NL, PL, PT, SE, UK	15	54%	BE, BG, DE, DK, EE, ES, FI, FR, HR, IE, IT, LU, PL, PT, SE	15	54%
SO not applied	AT, BE, BG, CZ, CY, DE, EL, LU, LV, MT, RO, SI, SK	13	46%	AT*, CY, CZ, EL, HU, LT, LV*, MT, NL, NO, RO, SI, SK*	13	46%

\*In Austria, no investment firms have been established. In Latvia and Slovakia, there are no investment firms under the BRRD's scope.

21. In 2019, similar to 2017, 15 out of 28 competent authorities decided to grant simplified obligations to investment firms in their jurisdictions<sup>8</sup>. Between 2017 and 2019, four authorities

<sup>8</sup> It should be noted that there was a small change in the composition of competent authorities reflected in the analysis, with 2019 submissions including data reported by Norway but excluding data reported by the United Kingdom.

(Belgium, Bulgaria, Germany, Luxembourg) decided to start applying simplified obligations, whereas three other authorities (Hungary, Lithuania, the Netherlands) stopped applying them.

22. Table 7 presents information on the number and total assets of investment firms that benefited from simplified obligations for recovery planning in 2019.

**Table 7. Application of simplified obligations for recovery planning to investment firms**

MS	Total number of IFs	Number of IFs under the BRRD's scope	Number of IFs to which SO apply	% of total number of IFs in the MS	% of IFs under the BRRD's scope	Total assets of IFs in the MS (EUR million)	Total assets of IFs under the BRRD's scope	Assets of IFs to which SO apply (EUR million)	% of total assets of all IFs in the MS	% of total assets of IFs under the BRRD
BE	17	7	4	24%	57%	1 300	973	325	25%	33%
BG	12	12	12	100%	100%	33	33	33	100%	100%
DE	726	37	37	5%	100%	25 954	6 449	6 449	25%	100%
DK	46	12	12	26%	100%	557	456	456	82%	100%
EE	5	5	5	100%	100%	66	66	66	100%	100%
ES	92	30	30	33%	100%	4 804	4 381	4 381	91%	100%
FI*	51	11	9	18%	82%	299	111	88	29%	79%
FR	79	54	54	68%	100%	380 300	350 400	350 400	92%	100%
HR	7	2	2	29%	100%	10	7	7	70%	100%
IE	86	17	17	20%	100%	24 300	22 500	22 500	93%	100%
IT	64	13	13	20%	100%	2 028	777	777	38%	100%
LU	92	3	3	3%	100%	875	59	59	7%	100%
PL	40	12	7	18%	58%	1 542	760	217	14%	29%
PT	16	2	2	13%	100%	194	113	113	58%	100%
SE	109	58	58	53%	100%	1 036	771	771	74%	100%
				Min 57%	Max 100%				Min 29%	Max 100%

\*In Finland, one investment firm that is not subject to simplified obligations is new and therefore no decision on applying simplified obligations has been made yet. Another investment firm is part of the group and not individually subject to any simplified obligations decisions.

23. In 12 out of 15 jurisdictions in which simplified obligations were applied to investment firms, the simplified obligations were granted to all investment firms under the scope of the BRRD. Only in Belgium and Poland did a portion of the investment firms remain subject to full BRRD requirements for recovery planning after simplifications were applied to 57% and 58% of firms under the scope of the BRRD (in terms of their number), respectively, and 33% and 29% of firms (in terms of total assets), respectively.

## 1.3 Resolution planning

### Credit institutions

#### Application of simplified obligations

24. Table 8 presents the resolution authorities that have decided to grant simplified obligations to credit institutions for resolution planning, based on data collected in December 2019 and April 2017.

**Table 8. Overview of the application of simplified obligations for resolution planning for credit institutions**

	April 2017			December 2019		
	Jurisdictions	Total	% of 29 RAs	Jurisdictions	Total	% of 29 RAs
SO applied	AT, CZ, DE, ES, FI, HR, HU, IE, LV, LT, PL, RO, SK, UK	14	48%	AT, BE, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, LU, LV, MT, NL, PL, PT, RO, SE, SI, SK, SRB	25	86%
SO not applied	BE, BG, CY, DK, EE, EL, FR, LU, MT, NL, IT, PT, SE, SI, SRB	15	52%	BG, CY, LT, NO*	4	14%

\* Until the resolution authority draws up a methodology/approach for determining institutions' eligibility for simplified obligations, Norway will follow the methodology applied by the competent authority to an extent deemed appropriate.

25. In 2019, 25 out of 29 resolution authorities decided to grant simplified obligations to credit institutions in their jurisdictions. This represented a significant increase (almost double) compared with data reported in 2017, when 14 resolution authorities applied them<sup>9</sup>. Between 2017 and 2019, 13 additional authorities decided to apply simplified obligations (Belgium, Denmark, Estonia, France, Greece, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovenia, SRB, Sweden), whereas one authority (Lithuania) stopped applying them.
26. More detailed information on how resolution authorities have applied simplified obligations to credit institutions for resolution planning is presented in Table 9.

**Table 9. Application of simplified obligations for resolution planning to credit institutions**

	Total number of CIs	Number of CIs to which SO apply	% of all CIs in the jurisdiction	Total assets of CIs in the jurisdiction (EUR million)	Assets of CIs to which SO apply (EUR million)	% of total assets in the jurisdiction
AT	443	418	94%	950 050	137 313	14%
BE	31	9	29%	1 042 102	11 120	1%
CZ	33	12	36%	283 392	9 837	3%
DE	1 545	1 382	89%	7 584 923	2 396 091	32%
DK	64	52	81%	862 642	52	0.01%
EE	9	1	11%	37 672	148	0.39%

<sup>9</sup> It should be noted that there was a small change in the composition of competent authorities reflected in the analysis, with 2019 submissions covering data reported by Norway but excluding data reported by the United Kingdom.

	Total number of CIs	Number of CIs to which SO apply	% of all CIs in the jurisdiction	Total assets of CIs in the jurisdiction (EUR million)	Assets of CIs to which SO apply (EUR million)	% of total assets in the jurisdiction
EL	15	3	20%	231 858	577	0.25%
ES	71	47	66%	3 553 333	60 350	2%
FI	225	4	2%	778 040	12 402	2%
FR	332	72	22%	8 096 000	95 00	1%
HR	25	11	44%	55 868	3 259	6%
HU	23	14	61%	103 732	8	0.01%
IE	24	4	17%	476 000	13 100	3%
IT	250*	115	46%*	2 979 261	119 305	4%
LU	138	26	19%	822 522	21 760	3%
LV	16	10	63%	23 300	3 970	17%
MT	24	10	42%	43 590	2 180	5%
NL	34	26	76%	2 355 374	395 207	17%
PL	580	511	88%	390 810	25 475	7%
PT	126	18	14%	381 955	8 453	2%
RO	72	3	4%	103 660	562	0.5%
SE	138	96	70%	1 120 481	80 989	7%
SK	12	2	17%	69 585	1 270	2%
SI	13	4	31%	47 403	2 945	6%
SRB	N/A	4	N/A	N/A	236 000	N/A
			Min 2% Max 94%			Min 0.01% Max 32%

\*In Italy, after the reference date, the total number of credit institutions strongly decreased, as a significant number of cooperative banks joined a significant group; taking into account such an event, the percentage of credit institutions under simplified obligations would be about 80%.

27. There were significant differences in the relative number of credit institutions under simplified obligations in particular jurisdictions, ranging from 2% in Finland to 94% in Austria. However, in terms of total assets of institutions under simplified obligations the differences were much smaller. One outlier (Germany) had 32% of total assets of credit institutions subject to simplified obligations. In all other countries, the relative value of total assets did not exceed 17%. It should be also noted that, in 11 out of 25 jurisdictions, only 2% or less of total assets in the national banking sectors were benefiting from simplifications.

#### Application of waivers

28. Table 10 presents the competent authorities that have decided to grant waivers to credit institutions for resolution planning. For comparative purposes, the table shows data collected both in December 2019 and in April 2017.

**Table 10. Overview of the application of waivers to resolution planning**

	April 2017			December 2019		
	Jurisdictions	Total	% of 28 RAs	Jurisdictions	Total	% of 28 RAs
Waivers applied	FI, LU, RO	3	11%	ES, FI, HU, PT, RO	5	18%
Waivers not applied	AT, BE, BG, CY, CZ, DK, DE, EE, EL, ES, FR, HR, HU, IE, IT, LT, LV, MT, NL, PL, PT, SE, SI, SK, UK	25	89%	AT, BE, BG, CY, CZ, DK, DE, EE, EL, FR, HR, IE, IT, LT, LU, LV, MT, NL, NO, PL, SE, SI, SK	23	82%

29. In 2019, waivers were applied in five Member States (Spain, Hungary, Portugal, Romania Finland). In comparison with the previous reporting in 2017, one country (Luxembourg) has stopped granting waivers, whereas three others have commenced granting them (Spain, Hungary, Portugal).
30. When it comes to the basis for granting waivers, it should be mentioned that, contrary to recovery planning, under Article 4(8)(b) of the BRRD, resolution authorities are not given the discretion to waive resolution planning requirements for institutions that are members of an IPS. Therefore, they may grant waivers only to institutions affiliated to a central body and wholly or partially exempted from prudential requirements in national law in accordance with Article 10 of the CRR.
31. Table 11 presents detailed information on the number and total assets of credit institutions that were subject to waivers for resolution planning in the Member States that decided to grant them in 2019.

**Table 11. Application of waivers for resolution planning to credit institutions**

MS	Total number of CIs	Number of CIs to which waivers apply	% of all CIs in the MS	Total assets of CIs in the MS (EUR million)	Assets of CIs to which waivers apply (EUR million)	% of total assets
ES	71	5	7%	3 553 333	690	0.02%
FI	225	51	23%	778 040	16 115	2.1%
HU	55*	19	35%	103 732	10 870	10%
PT	126	80	63%	381 955	15 919	4.2%
RO	72**	38	53%	103 660	282	0.3%
			Min 7% Max 63%			Min 0.02% Max 10%

\*In Hungary, there are 55 credit institutions on an individual basis; this includes 23 credit institutions on a highest consolidation basis, 13 domestic subsidiaries and 19 credit institutions belonging to a consolidated group and subject to waivers.

\*\*In Romania, there are 27 credit institutions, 7 branches of foreign banks and 38 cooperative banks affiliated to Banca Centrala Cooperatista CREDITCOOP SA.

32. In terms of the number of credit institutions, the proportion of entities that benefited from waivers ranged from 7% (Spain) to 63% (Portugal). However, in terms of total assets, these

proportions were significantly lower, ranging from 0.02% (Spain) to 10% (Hungary). The overall effect of granting waivers for resolution planning was lower than that of granting waivers for recovery planning, because, in the three jurisdictions (Germany, Austria, Poland) that have applied them to the largest extent for recovery planning, the BRRD does not allow a similar opportunity to be granted to IPS members for resolution planning.

### Cumulative effect of the application of simplified obligations and waivers

33. Table 12 combines data on the application of simplified obligations and waivers in various Member States (as described in the previous subsections) and compares the percentages of institutions that, in terms of their number and total assets, were:

- subject to waivers (i.e. exempted from resolution planning obligations on an individual basis and included in only the resolution plan of an IPS/central body);
- subject to simplified obligations for resolution planning; or
- required to submit resolution plans meeting full BRRD requirements (at the individual or group level, if applicable).

**Table 12. Proportion of credit institutions subject to waivers, simplified obligations and full obligations for resolution planning**

	Number of CIs			Total assets of CIs		
	Waivers applied (%)	SO applied (%)	Full obligations (%)	Waivers applied (%)	SO applied (%)	Full obligations (%)
AT	–	94%	6%	–	14%	86%
BE	–	25%	75%	–	1.07%	99%
BG	–	–	10%	–	–	100%
CY	–	–	100%	–	–	100%
CZ	–	36%	64%	–	3%	97%
DE	–	89%	11%	–	32%	68%
DK	–	81%	19%	–	0.01%	99.99%
EE	–	11%	89%	–	0.39%	99.61%
EL	–	20%	80%	–	0.25%	99.75%
ES	7%	66%	27%	0.02%	2%	97.98%
FI	23%	2%	75%	2.1%	2%	96%
FR	–	22%	78%	–	1%	99%
HR	–	44%	56%	–	6%	94%
HU	35%	25%	40%	10%	0.01%	89.99%
IE	–	17%	83%	–	3%	97%
IT*	–	46%	54%	–	4%	96%
LT	–	–	100%	–	–	100%
LU	–	19%	81%	–	3%	97%
LV	–	63%	38%	–	17%	83%
MT	–	42%	58%	–	5%	95%
NL	–	76%	24%	–	17%	83%

	Number of CIs			Total assets of CIs		
NO	–	–	100%	–	–	100%
PL	–	88%	12%	–	7%	93%
PT	63%	14%	23%	4.2%	2%	93.4%
RO	53%	4%	43%	0.3%	0.5%	99.2%
SE	–	70%	30%	–	7%	93%
SI	–	31%	69%	–	6%	94%
SK	–	17%	83%	–	2%	98%
			Min 6%			Min 68%

\*In Italy, after the data reporting deadline, the total number of credit institutions strongly decreased, as a significant number of cooperative banks joined a significant group; taking into account such an event, the percentage of credit institutions under simplified obligations would be about 80%.

34. With regard to the number of credit institutions, the lowest relative proportions of entities to which the full BRRD requirements for resolution planning were applicable were 6% (Austria), 11% (Germany) and 12% (Poland). These were exactly the same jurisdictions and the same proportions as those for recovery planning. This confirms that, in Austria, Germany and Poland, due to a lack of opportunity to apply waivers for resolution planning, simplified obligations have been granted instead. In all of these Member States, the proportions were driven primarily by the fact that the countries' banking sectors have the largest numbers of credit institutions in Europe (Austria, Poland and Germany).
35. In terms of assets of credit institutions, after applying the supervisory discretion of Article 4 of the BRRD, the lowest proportion of entities subject to full BRRD requirements for recovery planning was 68% (Germany). In the remaining jurisdictions, the percentages of total assets of banks under the full requirements for recovery planning were 83% or higher.

## Investment firms

### Application of simplified obligations

36. Table 13 presents the resolution authorities that applied simplified obligations to investment firms for resolution planning in 2019, compared with 2017.

**Table 13. Overview of the application of simplified obligations for resolution planning to investment firms**

	April 2017			December 2019		
	Jurisdictions	Total	% of 28 RAs	Jurisdictions	Total	% of 28 RAs
SO applied	BG, CZ, ES, HR, HU, IE, LT, PL, UK	9	32%	BE, BG, CZ, DK, EE, ES, FI, FR, HR, HU, IE, PL, PT, SE	14	50%
SO not applied	AT, BE, CY, DE, DK, EE, EL, FI, FR, IT, LU, LV, MT, NL, PT, RO, SE, SI, SK	19	68%	AT*, CY**, DE, EL, IT***, LT, LU, LV*, MT***, NL***, NO, RO*, SI***, SK*	14	50%

\*In Austria, no investment firms have been established. In Latvia, Romania and Slovakia, there are no investment firms under the BRRD's scope.

\*\*In Cyprus, the drafting process of resolution plans commenced during 2020 for the largest investment firms, but it has not been finalised yet.

\*\*\*In Italy, Malta, the Netherlands and Slovenia, work on simplified obligations for investment firms is ongoing.

37. In 2019, 14 out of 28 resolution authorities decided to grant simplified obligations to investment firms in their jurisdiction, which constituted a slight increase compared with 2017, when nine authorities did so. Between 2017 and 2019, seven resolution authorities (Belgium, Denmark, Estonia, France, Portugal, Finland, Sweden) decided to start applying simplified obligations, whereas one authority (Lithuania) stopped applying them.

38. More detailed information on how resolution authorities applied simplified obligations to investment firms for resolution planning purposes is presented in Table 14.

**Table 14. Application of simplified obligations for resolution planning to investment firms**

MS	Total number of IFs	Number of IFs under the BRRD's scope	Number of IFs to which SO apply	% of the total number of IFs in the MS	% of IFs under the BRRD's scope	Total assets of IFs in the MS (EUR million)	Total assets of IFs under the BRRD's scope	Assets of IFs to which SO apply (EUR million)	% of total assets of all IFs in the MS	% of total assets of IFs under the BRRD
BE	17	7	4	24%	57%	1 300	973	325	25%	33%
BG	12	12	12	10%	100%	33	33	33	100%	100%
CZ*	22	12	8	36%	67%	997	956	597	60%	62%
DK	46	12	12	26%	100%	557	397	397	71%	100%
EE	5	2	1	20%	50%	66	65	17	26%	26%
ES	92	30	30	33%	100%	4 806	4 381	4 381	91%	100%
FI**	51	11	10	20%	91%	299	111	109	36%	98%
FR	79	54	32	41%	59%	380 300	350 400	54 900	14%	16%
HR	7	2	2	29%	100%	10	7	7	70%	100%
HU	12	12	10	83%	83%	335	335	312	93%	93%
IE	86	11	3	3%	27%	24 300	22 700	295	1%	1%
PL	41	18	9	22%	50%	1 541	1 343	412	27%	31%
PT	14	2	2	14%	100%	231	146	146	64%	100%

MS	Total number of IFs	Number of IFs under the BRRD's scope	Number of IFs to which SO apply	% of the total number of IFs in the MS	% of IFs under the BRRD's scope	Total assets of IFs in the MS (EUR million)	Total assets of IFs under the BRRD's scope	Assets of IFs to which SO apply (EUR million)	% of total assets of all IFs in the MS	% of total assets of IFs under the BRRD
SE	101	52	52	51%	100%	1 036	771	771	74%	100%
					Min					Min 1%
					27%					Max
					Max					100%
					100%					100%

\*In Czechia, the 12 investment firms under the scope of the BRRD include eight firms that are stand-alone entities and four firms that are members of groups with one or more credit institutions.

\*\*In Finland, the remaining investment firm is new and therefore no decision on applying simplified obligations has been taken yet.

39. In 6 out of 14 jurisdictions where simplified obligations have been applied to investment firms, the simplified obligations were granted to all firms under the scope of the BRRD. This was a different practice from that observed for recovery planning, in which in almost all countries using this discretion all investment firms were subject to simplified obligations. This also confirms that various eligibility assessment methodologies were applied to investment firms for recovery and resolution planning purposes.

## 1.4 Comparison between recovery planning and resolution planning

### Credit institutions

40. Table 15 compares the extents to which competent and resolution authorities used their discretion to grant simplified obligations in the same jurisdictions.

**Table 15. Comparison between the application of simplified obligations and waivers to credit institutions for recovery planning and that for resolution planning**

	Recovery planning				Resolution planning			
	Number of CIs		Total assets of CIs		Number of CIs		Total assets of CIs	
	Waivers applied (%)	SO applied (%)						
AT	67%	28%	10%	5%	–	94%	–	14%
BE	–	35%	–	2%	–	25%	–	1%
BG	–	–	–	–	–	–	–	–
CY	–	–	–	–	–	–	–	–
CZ	–	–	–	–	–	36%	–	3%
DE	81%	8%	27%	4%	–	89%	–	32%
DK	–	70%	–	2%	–	81%	–	0.01%

	Recovery planning				Resolution planning			
	Number of CIs		Total assets of CIs		Number of CIs		Total assets of CIs	
EE	–	33%	–	1%	–	11%	–	0.39%
EL	–	–	–	–	–	20%	–	0.25%
ES	7%	66%	0.02%	2%	7%	66%	0.02%	2%
FI	23%	2%	2%	2%	23%	2%	2%	2%
FR	–	22%	–	1%	–	22%	–	1%
HR	–	36%	–	4%	–	44%	–	6%
HU	–	–	–	–	35%	25%	10%	0.01%
IE	–	17%	–	2%	–	17%	–	3%
IT	–	48%	–	6%	–	46%	–	4%
LT	–	–	–	–	–	–	–	–
LU	–	17%	–	2%	–	19%	–	3%
LV	–	50%	–	8%	–	63%	–	17%
MT	–	42%	–	5%	–	42%	–	5%
NL	–	53%	–	3%	–	76%	–	17%
NO	–	58%	–	9%	–	–	–	–
PL	88%	–	7%	–	–	88%	–	7%
PT	62%	15%	1.2%	2%	63%	14%	4.2%	2%
RO	–	3%	–	0.14%	53%	4%	0.3%	0.5%
SE	53%	100%	74%	100%	51%	100%	74%	100%
SI	–	31%	–	6%	–	31%	–	6%
SK	–	17%	–	2%	–	17%	–	2%

41. In 13 countries, the extents of granting simplified obligations and waivers to credit institutions for recovery and resolution planning purposes were exactly the same (Bulgaria, Spain, France, Cyprus, Lithuania, Malta, Slovenia, Slovakia, Finland), or there were only marginal differences that did not exceed 1% or 2% in terms of relative numbers of institutions (Ireland, Italy, Luxembourg, Sweden) and that could be explained by slight differences in the data used for conducting eligibility assessments. In this group, authorities in three jurisdictions (Bulgaria, Cyprus, Lithuania) have not applied simplified obligations or waivers.
42. With regard to the remaining 15 jurisdictions where different approaches were applied for recovery and resolution planning, the following observations were made:
- Waivers were applied only for recovery planning and not for resolution planning in three countries (Germany, Austria, Poland). In all these countries, this was because IPS members cannot benefit from waivers for resolution planning and therefore resolution authorities decided to grant simplified obligations to them instead.
  - In two Member States, waivers were applied solely for resolution planning purposes but not for recovery planning (Hungary, Romania).
  - In 12 jurisdictions, more credit institutions benefited from simplified obligations for resolution planning purposes than from simplified obligations for recovery planning (Czechia, Denmark, Germany, Greece, Croatia, Latvia, Hungary, the Netherlands,

Austria, Poland, Romania). This group included three countries where resolution authorities granted simplified obligations instead of waivers to IPS members (Germany, Austria, Poland) and three other jurisdictions where no simplified obligations were granted for recovery purposes (Czechia, Greece, Hungary).

- In three countries (Belgium, Estonia, Norway), more banks were under simplified obligations for recovery planning than under simplified obligations for resolution planning. Norway granted simplified obligations only for recovery planning.

## Investment firms

43. Table 16 includes information that enables a comparison of the extents to which competent and resolution authorities decided to apply simplified obligations to investment firms.

**Table 16. Comparison between the application of simplified obligations to investment firms for recovery planning and that for resolution planning**

	Recovery planning				Resolution planning			
	% of the total number of IFs in the jurisdiction	% of IFs under the BRRD's scope	% of total assets of all IFs in the jurisdiction	% of total assets of IFs under the BRRD	% of the total number of IFs in the jurisdiction	% of IFs under the BRRD's scope	% of total assets of all IFs in the jurisdiction	% of total assets of IFs under the BRRD
AT	–	–	–	–	–	–	–	–
BE	24%	57%	25%	33%	24%	57%	25%	33%
BG	100%	100%	100%	100%	100%	100%	100%	100%
CY	–	–	–	–	–	–	–	–
CZ	–	–	–	–	36%	100%	60%	62%
DE	100%	100%	100%	100%	–	–	–	–
DK	26%	100%	82%	100%	26%	100%	71%	100%
EE	100%	100%	100%	100%	20%	50%	26%	26%
EL	–	–	–	–	–	–	–	–
ES	33%	100%	91%	100%	33%	100%	91%	100%
FI	18%	82%	29%	79%	20%	91%	36%	98%
FR	68%	100%	92%	100%	41%	59%	14%	16%
HR	29%	100%	70%	100%	29%	100%	70%	100%
HU	–	–	–	–	83%	83%	93%	93%
IE	20%	100%	93%	100%	3%	27%	1%	1%
IT	20%	100%	38%	100%	–	–	–	–
LT	–	–	–	–	–	–	–	–
LU	3%	100%	7%	100%	–	–	–	–
LV	–	–	–	–	–	–	–	–
MT	–	–	–	–	–	–	–	–
NL	–	–	–	–	–	–	–	–
NO	–	–	–	–	–	–	–	–
PL	18%	58%	14%	29%	22%	50%	27%	31%

	Recovery planning				Resolution planning			
PT	13%	100%	58%	100%	14%	100%	64%	100%
RO	–	–	–	–	–	–	–	–
SE	53%	100%	74%	100%	51%	100%	74%	100%
SI	–	–	–	–	–	–	–	–
SK	–	–	–	–	–	–	–	–

44. In 16 jurisdictions, competent and resolution authorities made the same decisions in relation to granting simplified obligations to investment firms for recovery planning purposes and resolution planning purposes. These included three countries where simplified obligations were granted for both types of planning (Bulgaria, Spain, Croatia) and 11 countries where investment firms were neither subject to simplified obligations for recovery planning nor subject to simplified obligations for resolution planning (Austria, Cyprus, Greece, Lithuania, Latvia, Malta, the Netherlands, Norway, Romania, Slovenia, Slovakia).
45. Among the jurisdictions in which different decisions were taken by competent and resolution authorities in relation to simplified obligations for investment firms, there was a trend towards applying more simplified obligations for recovery planning purposes:
- In two other jurisdictions (Germany, Luxembourg), simplified obligations were applied only for recovery planning and not for resolution planning purposes. In Italy, simplified obligations were granted for recovery planning while the eligibility assessment on resolution planning was ongoing. However, in three Member States (Estonia, France, Ireland) relatively more investment firms benefited from simplified obligations for recovery planning than from simplified obligations for resolution planning.
  - In two jurisdictions (Czechia, Hungary), simplified obligations were granted only for resolution planning and not for recovery planning. In two other countries (Poland, Finland), more investment firms benefited from simplified obligations for resolution planning than from simplified obligations for recovery planning. In Portugal, the same number of investment firms were under simplified obligations, but a difference in their total assets was caused by different reference dates for conducting eligibility assessments by competent and resolution authorities.

## 2. Methodology and indicators used to assess eligibility for simplified obligations

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### 2.1 Overview

46. Article 4(1) of the BRRD provides a set of criteria that should be used by competent and resolution authorities in determining whether simplified obligations may be applied to institutions under their jurisdictions. In particular, the BRRD requires that the following criteria are taken into account when assessing the impact of an institution's failure on financial markets, other institutions, funding conditions and the wider economy – size, interconnectedness in terms of other institutions or the financial system in general, scope and the complexity of activities, risk profile, nature of business, shareholding structure, legal form, legal status, membership of an IPS or other cooperative mutual solidarity systems as referred to in Article 113(7) of the CRR and any exercise of investment services or activities as defined in point (2) of Article 4(1) of Directive 2014/65/EU.
47. DR 2019/348 promotes convergence of practices among competent and resolution authorities by creating a common framework for assessing institutions' eligibility for simplified obligations. It requires that the authorities should have regard to the eligibility criteria by following a two-stage assessment approach:
  - Stage 1 – They should select institutions that could potentially benefit from simplified obligations based on a number of quantitative criteria measured on the basis of a set of quantitative indicators.
  - Stage 2 – They should verify whether institutions selected as potentially eligible for simplified obligations in stage 1 also meet the qualitative criteria.
48. It should be underlined that, for investment firms, DR 2019/348 provides more flexibility to authorities in designing the assessment process, which nevertheless must be based on a two-stage process and take into account the quantitative indicators and qualitative considerations specified in that Delegated Regulation.
49. As part of stage 1 of the eligibility assessment, credit institutions should be assessed against a number of quantitative criteria: size, interconnectedness, scope and complexity of activities, and nature of business. DR 2019/348 contains a number of indicators to be used in assessing the quantitative criteria; these indicators are equally weighted (apart from the indicator of total assets). Those indicators and the weights assigned to them are identical to those used in the EBA Guidelines on O-SII identification<sup>10</sup>; this is so the assessment can be made as easy and as practicable as possible for the authorities concerned and to avoid

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<sup>10</sup> EBA Guidelines on the criteria to determine the conditions of application of Article 131(3) of Directive 2013/36/EU (CRD) in relation to the assessment of other systemically important institutions (O-SIIs) (EBA/GL/2014/10).

creating an additional reporting burden for credit institutions. The assessment of these indicators follows the O-SII methodology and leads to the calculation of a total quantitative score for each credit institution. If the total quantitative score of a credit institution is equal to or higher than 25 basis points (bps), the credit institution is ineligible for simplified obligations, and authorities should stop their assessment there and not move on to stage 2.

50. For credit institutions, the authorities may raise or lower the threshold of 25 bps (even to a different extent established by competent and resolution authorities in the same Member State), provided that the new threshold is set between 0 bps and 105 bps.
51. For investment firms, DR 2019/348 specifies only the indicators that should be used by the authorities to assess the criterion of size and allows them to add other quantitative indicators to assess the eligibility criteria; it also requires the authorities to assign weights to quantitative indicators that they use in the eligibility assessment. Moreover, for investment firms, authorities have the discretion to set their own threshold for the total quantitative score.
52. DR 2019/348 also provides a short and exhaustive list of exclusions applicable to stage 1, which are as follows:
  - The authorities may exclude from simplified obligations global systemically important institutions (G-SIIs), O-SIIs and other Category 1 institutions identified under the supervisory review and evaluation process (SREP)<sup>11</sup>, as the SREP assessment criteria overlap to a significant extent with the simplified obligations eligibility criteria.
  - For credit institutions whose total assets do not exceed 0.02% of the aggregate amount of total assets of all credit institutions in the Member State, authorities may move directly to the qualitative assessment under stage 2, without the need to assess the remainder of the quantitative criteria to calculate a total quantitative score. This is to streamline the assessment of small credit institutions, for which indicator values are often not available in relation to most of the quantitative criteria, with the exception of the criterion of size.
  - For promotional banks and credit institutions subject to an orderly winding-up process, the authorities have to conduct the stage 1 assessment, but the threshold for the total quantitative score is not applicable. Therefore, authorities should calculate the institution's total quantitative score; however, they are free to decide how to assess it, namely whether to move on to the next stage of the assessment or to stop there and conclude that the institution is ineligible for simplified obligations.
53. Those institutions passing stage 1 should be assessed against a number of qualitative criteria: shareholding structure, legal form, legal status, membership of an IPS or other cooperative solidarity systems, risk profile and exercise of investment services or activities. Those investment firms passing stage 1 should be assessed against the qualitative criteria of interconnectedness, scope and complexity of activities, nature of business, shareholding structure, legal form, legal status, membership of an IPS or other cooperative solidarity systems, risk profile and exercise of investment services or activities. DR 2019/348 contains

<sup>11</sup> EBA Guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP) (EBA/GL/2014/13).

a minimum list of considerations that the authorities should take into account in assessing those qualitative criteria. If necessary, authorities may take into account additional considerations to cater for the specificities of their national financial sectors.

54. This section of the report provides an overview of methodologies used by competent and resolution authorities to assess eligibility for simplified obligations. It analyses how the authorities have applied the quantitative indicators and qualitative considerations in conducting institutions' eligibility assessments as specified in DR 2019/348, as well as describing how they used the flexibility they were given in assessing the eligibility criteria.

## 2.2 Credit institutions

### Stage 1 quantitative assessment

55. For the quantitative assessment of credit institutions, DR 2019/348 provides a specific eligibility assessment methodology that must be followed by competent and resolution authorities. This methodology is based on 10 quantitative indicators with specific weights assigned to them. The authorities must follow the calculation methodology, and they are allowed only some flexibility in relation to lowering or increasing the 25 bps threshold for a total quantitative score (with the permitted range being between 0 bps and 105 bps). In the same jurisdictions, competent authorities may set thresholds for recovery planning purposes that are different from those set by resolution authorities for resolution planning purposes.
56. Table 17 shows the thresholds for the total quantitative score applied in various jurisdictions for recovery and resolution planning.

**Table 17. Thresholds for the total quantitative score used by authorities for credit institutions**

	Recovery planning		Resolution planning	
	Thres hold (bps)	Rationale for applying a threshold that is different from the 25 bps threshold for a total quantitative score	Thres hold (bps)	Rationale for applying a threshold that is different from the 25 bps threshold for a total quantitative score
AT	50	Taking into account the specificities of the banking sector, the 50 bps threshold strikes the right balance between total assets of institutions that are not eligible for simplified obligations and those that are eligible for simplified obligations. Under the current approach, 94% of the credit institutions are subject to simplified obligations in recovery and resolution planning; however, those institutions combined represent only 14% of the aggregated total assets.	50	Striking the right balance between the cumulative value of total assets of credit institutions that could be eligible for simplified obligations and the cumulative value of those that are not eligible. The threshold was increased due to the specificities of the Austrian banking sector. Under the current approach, 94% of the credit institutions are subject to simplified obligations in recovery and resolution planning; however, those institutions combined represent only 14% of the aggregated total assets.
BE	50	A highly concentrated banking sector.	28	A highly concentrated banking sector.
BG	0	Only one CI falls below 25 bps and does not simultaneously have critical functions; therefore, we decided not to maintain a separate supervisory	25	A standard threshold of 25 bps is applied.

		Recovery planning	Resolution planning	
		framework for a single small credit institution, as this would have a fully negligible effect on the market and would entail material costs for the supervisor.		
CY	N/A	Full requirements applied to all CIs.	N/A	Full requirements applied to all CIs.
CZ	N/A	Full requirements applied to all CIs.	105	A highly concentrated banking sector – measured by market shares of large banks.
DE	20	This is the lowest concentration in the banking sector in Europe. The 20 bps threshold ensures that the systemic relevance of the institutions is adequately reflected, taking into account the structure of the banking sector.	20	This is the lowest concentration in the banking sector in Europe. The choice of the threshold value of 20 bps ensures that the systemic relevance of the institutions is adequately reflected, taking into account the structure of the German banking sector.
DK	25	A standard threshold of 25 bps is applied.	80	A simplified resolution model is employed for all non-systematically important institutions (GSIs) that operates with lending, deposit accounts and payment services. Therefore, there is no need for normal data requirements. However, CIs cannot violate the executive order in the resolution plans. Banks subject to simplified obligations also have to adhere to the requirements in the Danish Executive Order on Resolution Planning and Resolution Preparedness (and can also be selected for a test of resolution preparedness).
EE	105	The threshold takes into account the size and concentration of the Estonian market. Setting a threshold of below 105 bps would be unreasonably burdensome on smaller CIs and disproportionate to the size of the CIs in Estonia.	105	The threshold takes into account the size and concentration of the Estonian market. Setting a threshold of below 105 bps would be unreasonably burdensome on smaller CIs and disproportionate to the size of the CIs in Estonia.
EL	N/A	Full requirements applied to all CIs.	25	A standard threshold of 25 bps is applied.
ES	25	A standard threshold of 25 bps is applied.	25	A standard threshold of 25 bps is applied.
FI	70	A high level of concentration and a low number of institutions in the banking sector.	70	A high level of concentration and a low number of CIs in the banking sector.
FR	25	A standard threshold of 25 bps is applied.	25	A standard threshold of 25 bps is applied.
HR	80	A highly concentrated banking sector; a calibration supported by the results of a quantitative analysis, the purpose of which was to establish a threshold under which there were no undue fluctuations between CIs that were not likely to have to a significant negative effect on financial markets, other institutions or funding conditions and those that were.	25	A standard threshold of 25 bps is applied.
HU	N/A	Full requirements applied to all CIs.	105	Expert judgement based on the ability of the threshold to differentiate between groups of

	Recovery planning		Resolution planning	
				institutions with different risk characteristics and financial stability impact.
IE	105	The number of CIs to which simplified obligations can potentially apply is relatively small. Therefore, setting the quantitative threshold at 105 bps allows for a greater number of institutions to be assessed under both the qualitative criteria and the quantitative criteria, resulting in a more cohesive assessment. Therefore, a higher threshold was deemed appropriate, given the relative size and nature of the local banking sector.	105	Applying the 105 bps threshold results in approximately 4% of the total assets of LSIs in Ireland falling within the scope of SO based on the quantitative assessment. It is also an NRA assessment based on qualitative metrics, which are viewed as more appropriate, given the varying business models in Ireland (for example captive banks and international banks providing EU products to non-EU customers).
IT	25	A standard threshold of 25 bps is applied.	25	A standard threshold of 25 bps is applied.
LT	105	A highly concentrated banking sector.	105	No SO applied, as the total quantitative score for the smallest bank was 190 bps.
LU	25	A standard threshold of 25 bps is applied.	25	A standard threshold of 25 bps is applied.
LV	N/A	The eligibility assessment was not conducted in accordance with DR 2019/348.	N/A	The most recent eligibility assessment was conducted in accordance with EBA GL on SO.
MT	80	The Maltese banking sector consists of a number of institutions, some of which (i) have a limited connection with the Maltese banking system, (ii) are small and/or (iii) do not perform any critical functions. In this regard, the NCA deems it appropriate to request only simplified obligations from such institutions, rather than full obligations.	80	Malta has a concentrated banking sector. With a threshold of 25 bps, there will be a significant number of small low-priority LSIs that would qualify for full obligations.
NL	50	For proportionality reasons, De Nederlandsche Bank (DNB) chose to apply a higher threshold than 25 bps. All HP LSIs are not eligible for simplified obligations (via the qualitative criteria).	105	Proportionality reasons and a high concentration of the banking sector. With the threshold of 105 bps, SO are applicable to all LSIs. DNB can apply proportionality on a case-by-case basis, depending on, for example, the resolution strategy. Moreover, resolution planning is conducted (despite the application of SO) when material changes (e.g. having an impact on the business model of the bank) demand substantive alterations to the resolution plan.
NO	40	The threshold is set to allow what the competent authority regards as small and non-complex institutions to have a somewhat simplified recovery plan. The increase in the threshold to 40 bps affects nine institutions, of which seven are eligible for simplified obligations after the qualitative assessment has been carried out.	N/A	A standard threshold of 25 bps is applied.

Recovery planning			Resolution planning	
PL	N/A	No simplified obligations have been granted.	25	A standard threshold of 25 bps is applied.
PT	105	Banco de Portugal has been applying simplified obligations since 2016. The choice of the threshold provided continuity to the institutions and the supervisory teams regarding the frequency and content of recovery plans. Moreover, one additional qualitative criterion was applied in addition to the threshold (cross-border groups were not granted simplified obligations).	105	The application of a 105 bps threshold captures the four largest CIs in quantitative terms, under the NRA's direct remit, that were excluded from SO. However, taking into consideration the bipolarisation of the Portuguese financial system, these four CIs represent 81%, in asset terms, of the financial sector under NRA's direct remit.
RO	25	A standard threshold of 25 bps is applied.	65	The average of 25 bps and 105 bps (the minimum and maximum levels allowed by DR 2019/348).
SE	N/A	The eligibility assessment was not conducted in accordance with DR 2019/348.	105	A highly concentrated banking system with a small number of CIs constituting a large part of the system. Institutions with an O-SII score of 105 or lower are relatively small compared with the large institutions.
SI	25	A standard threshold of 25 bps is applied. SO also applied to CIs if the resolution strategy envisages regular insolvency procedures.	25	A standard threshold of 25 bps is applied. SO also applied to CIs if the resolution strategy envisages regular insolvency procedures.
SK	105	Specific structure of the Slovak banking market.	No data	Specific structure of the Slovak banking market.
ECB	N/A	Full requirements applied to all CIs.	N/A	N/A
SRB	N/A	N/A	Various	To ensure consistency of treatment of CIs in the same Member State and to acknowledge the different sizes and structures of different national markets, the SRB used for its assessment the same threshold as that applied by the NRA to the LSIs.

57. For recovery planning, seven competent authorities decided to use the 25 bps threshold, as proposed in DR 2019/348. However, 12 authorities decided to increase the threshold, with five of them using the highest possible threshold of 105 bps. The most popular rationale for using a threshold that was higher than the 25 bps threshold was having a highly concentrated banking sector. A few competent authorities in their justifications also made references to the desired end results of the eligibility assessment. However, only two competent authorities decided to set up lower thresholds (20 bps in Germany, due to it having the lowest concentration of the banking sector in Europe; and 0 bps in Bulgaria, in order to eliminate the need to introduce a separate regime of simplified obligations for one institution that potentially could be eligible for simplifications if the 25 bps threshold is applied).
58. For resolution planning, the majority of resolution authorities (from 13 jurisdictions) also decided to set up a threshold that was higher than the 25 bps threshold for the total quantitative score (with eight authorities applying the highest possible threshold of 105 bps). As a justification for using an increased threshold, the authorities also mentioned a highly

concentrated banking sector and the desired outcome of the eligibility assessment (i.e. an optimal proportion of banks under simplified obligations in the resolution authorities' view). Nine resolution authorities applied the 25 bps threshold and only one established a lower threshold of 20 bps (Germany).

59. Among 17 jurisdictions where simplified obligations were applied for both recovery planning and resolution planning, competent and resolution authorities in 11 Member States (Germany, Estonia, Ireland, France, Italy, Lithuania, Luxembourg, Malta, Austria, Portugal Finland) set up the same threshold, whereas in six other Member States (Belgium, Bulgaria, Denmark, Croatia, the Netherlands, Romania) different thresholds were established (in four cases, the competent authority used a lower threshold than that used by the resolution authority).

#### *Reporting of quantitative indicators*

60. Among 21 competent authorities that granted simplified obligations, 16 authorities (Belgium, Germany, Estonia, Ireland, Spain, Croatia, Italy, Latvia, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovakia, Finland, Sweden) submitted to the EBA data collection templates filled with all obligatory indicators. Three authorities submitted data for almost all obligatory indicators, apart from only one or two metrics (Denmark, Norway, Romania). However, for resolution planning, all 25 resolution authorities reported data on all quantitative indicators specified in DR 2019/348. It should be noted that two competent authorities (Latvia, Norway) and two resolution authorities (Latvia, Poland) informed the EBA that they have not conducted their eligibility assessment in accordance with DR 2019/348; however, they still submitted data to the EBA on quantitative indicators included in that regulation.
61. This indicates a significant increase in the level of harmonisation in the eligibility assessment practices applied across the EU compared with the previous EBA monitoring exercise completed in 2017. Before the introduction of DR 2019/348, there had been large divergences in the eligibility assessment methodologies for simplified obligations applied across the EU, with a very limited usage of obligatory indicators provided in the EBA Guidelines on simplified obligations.
62. Table 18 presents more detailed information on the usage of the quantitative indicators specified in DR 2019/348 among 21 competent authorities and 25 resolution authorities that applied simplified obligations to credit institutions for recovery planning and resolution planning, respectively.

**Table 18. Reporting on quantitative indicators for credit institutions**

Quantitative indicators	Recovery planning	Resolution planning
<b>Size</b>		
Total assets	21 CAs (100%)	25 RAs (100%)
<b>Interconnectedness</b>		
Intra-financial system liabilities	21 CAs (100%)	25 RAs (100%)
Intra-financial system assets	21 CAs (100%)	25 RAs (100%)
Debt securities outstanding	20 CAs, apart from RO (95%)	25 RAs (100%)

<b>Scope and complexity of activities</b>		
Value of OTC derivatives (notional)	19 CAs, apart from NO and RO (90%)	25 RAs (100%)
Cross-jurisdictional liabilities	20 CAs, apart from DK (95%)	25 RAs (100%)
Cross-jurisdictional claims	29 CAs, apart from DK (95%)	25 RAs (100%)
<b>Nature of business</b>		
Private sector deposits from depositors in the EU	21 CAs (100%)	25 RAs (100%)
Private sector loans to recipients in the EU	21 CAs (100%)	25 RAs (100%)
Value of domestic payments	21 CAs (100%)	25 RAs (100%)

63. In addition to the data presented above, it should be also noted that only a few competent and resolution authorities decided to apply the possible exceptions allowed by DR 2019/348. Namely, three competent authorities (Denmark, Ireland, the Netherlands) and eight resolution authorities (Czechia, Germany, Luxembourg, the Netherlands, Poland, Romania, Sweden, the SRB) conducted a simplified version of the quantitative eligibility assessment (which could be based solely on one quantitative indicator – total assets) for some of their small-size credit institutions. However, only one competent authority (the Netherlands) and five resolution authorities (Czechia, Germany, the Netherlands, Sweden, the SRB) applied an exception to the assessment rules that is available to promotional banks. None of the supervisors or resolution authorities used the third exception available to credit institutions that, during the eligibility assessment, were subject to an ongoing orderly winding-up process.

#### *Reporting of qualitative considerations*

64. For recovery planning, 20 out of 21 competent authorities reported data for all qualitative considerations, whereas one authority (Malta) did not reflect one consideration in its eligibility assessment. For resolution planning, 22 out of 25 resolution authorities assessed all considerations, and three authorities missed a couple of considerations (Denmark, Germany, Malta).
65. Table 19 provides more detailed information on the usage of the qualitative considerations specified in DR 2019/348 among 21 competent authorities and 25 resolution authorities that applied simplified obligations for recovery planning and resolution planning, respectively.

**Table 19. Reporting on qualitative considerations for credit institutions**

<b>Qualitative considerations</b>	<b>Recovery planning</b>	<b>Resolution planning</b>
The extent to which the credit institution performs critical functions in one or more Member States	21 CAs (100%) - The majority of CAs granted SO only to institutions that do not perform any CFs. - Three CAs also granted SO to one or a few CIs performing CFs (AT, NO, NL).	24 RAs, apart from DE (96%) - The majority of RAs granted SO only to institutions that do not perform any CFs. - Two RAs also granted SO to CIs performing CFs (DK, NL).

Qualitative considerations	Recovery planning	Resolution planning
Whether the credit institution's covered deposits would exceed the available financial means of the relevant deposit guarantee scheme and the deposit guarantee scheme's capacity to raise extraordinary ex-post contributions, as referred to in Article 10 of Directive 2014/49/EU of the European Parliament and of the Council	<p>21 CAs (100%)</p> <ul style="list-style-type: none"> <li>- None of the CIs under SO had covered deposits exceeding DGS available funds (AT, DK, MT, NO, PT, RO, SE); one CA explicitly mentioned excluding one of its LSI from SO because its covered deposits were exceeding DGS funds.</li> <li>- For some CIs under SO, the amount of their covered deposits exceeded DGS available funds (NL), but a few CAs assured that it was lower than the possible extraordinary contributions to the DGS fund (EE, ES, SK)</li> </ul>	<p>24 RAs, apart from DK (96%)</p> <ul style="list-style-type: none"> <li>- In most jurisdictions, none of the CIs under SO had covered deposits exceeding DGS available funds.</li> <li>- In DE and NL, there were some CIs under SO that had covered deposits exceeding DGS available funds, with three RAs from IT, FR and NL assuring that their covered deposits did not exceed the target level and the possible extraordinary contributions. RAs from SE and NL highlighted that their DGS can borrow an unlimited amount from the national government if needed.</li> </ul>
Whether the credit institution's shareholding structure is highly concentrated, highly dispersed or not sufficiently transparent in a way that could negatively affect the availability or timely implementation of the institution's recovery or resolution actions	<p>20 CAs, apart from MT (95%)</p> <p>The majority of CAs have not raised any concerns in this regard, reporting both concentrated and dispersed but transparent shareholding structures.</p>	<p>22 RAs, apart from DE, DK and MT (88%)</p> <p>The majority of RAs have not raised any concerns in this regard, reporting both concentrated and dispersed but transparent shareholding structures. CZ, EL, and IT concluded that the shareholding structure is not relevant to CIs for which the preferred resolution strategy is liquidation.</p>
Whether the credit institution that is a member of an IPS, as referred to in Article 113(7) of the CRR, provides critical functions to other IPS members, including clearing, treasury or other services	<p>21 CAs (100%)</p> <ul style="list-style-type: none"> <li>- For almost all CAs, this was not the case. Only one CA (AT) granted SO to an institution that was a member of an IPS but that did not perform any critical functions to other IPS members.</li> </ul>	<p>24 RAs, apart from DE (96%)</p> <ul style="list-style-type: none"> <li>- For all RAs, this was not the case.</li> </ul>
Whether the credit institution is affiliated to a central body, as referred to in Article 10 of the CRR, and the mutualisation of losses among affiliated institutions would constitute a substantive impediment to normal insolvency proceedings	<p>21 CAs (100%)</p> <p>For almost all CAs, this was not the case. Only one CA (ES) granted SO to an institution affiliated to a central body; however, as the preferred resolution strategy is liquidation, it considered that granting full obligations to that CI would not be beneficial.</p>	<p>25 RAs (100%)</p> <p>For almost all RAs, this was not the case. Only one RA (ES) granted SO to an institution affiliated to a central body; however, as the preferred resolution strategy is liquidation, it considered that granting full obligations to that CI would not be beneficial.</p>
<b>Additional qualitative considerations</b>	<p>Six CAs (25%)</p> <p>EE (the nature of business; legal form; risk profile; legal status; whether a CI provides any investment services)</p> <p>IE (overall probability risk rating)</p> <p>IT and NL (qualification as a HP LSI – which excludes the application of SO)</p> <p>NO (all CIs under SO are SREP Category 3 or 4)</p>	<p>Five RAs (21%)</p> <p>CZ (total assets &gt; EUR 30 billion; total assets &gt; 20% of GDP; O-SII/G-SII; SREP Category 1; subsidiary ineligible for SO non-CZ; designation as institution with significant branch abroad)</p> <p>EE (the nature of business; legal form; risk profile; legal status; whether the credit institution provides any investment services)</p> <p>IE (SREP score; resolution plans and resolvability assessments deemed</p>

Qualitative considerations	Recovery planning	Resolution planning
	SE (the business's nature; risk profile; size and complexity; interconnectedness in terms of other institutions and the financial system and possible activities pursuant to the MiFID)	normal insolvency proceedings to be both credible and feasible)  PT (risk profile of a CI in accordance with SREP guidelines (25%); nature of the business (5%); complexity of internal risk (credit, market and operational) models (5%))  SE (loans to private housing (limit market share $\geq$ 5%); number of active transaction accounts (limit $\geq$ 100 000))

## 2.3 Investment firms

### Stage 1 quantitative assessment

66. Due to a low level of harmonisation across the EU in terms of supervisory and regulatory reporting for investment firms, DR 2019/348 gives the authorities a lot of discretion in performing the quantitative part of the simplified obligations eligibility assessment. The DR 2019/348 provides a set of four indicators measuring the criterion of size that should be used by the authorities in the quantitative assessment if they are available in their jurisdictions. The authorities are allowed to use additional quantitative metrics and have flexibility in specifying weights applied to every quantitative indicator used in their assessment.
67. DR 2019/348 requires the competent and resolution authorities to calculate a total quantitative score for each investment firm; however, in contrast to providing a fixed calculation method for credit institutions, it allows the authorities to use discretion in determining how to compute that score. Furthermore, DR 2019/348 does not provide any predetermined threshold for a total quantitative score, but rather requires the authorities to set it up in line with their own assessment methodologies.
68. Table 20 shows the key aspects of a quantitative assessment of investment firms' eligibility for simplified obligations for recovery and resolution planning.

**Table 20. Quantitative assessment of investment firms – basis for determining eligibility for simplified obligations**

	Recovery planning	Resolution planning
AT	There are no IFs established.	There are no IFs established.
BE	Weights: 50% (total assets); 16.67% (total liabilities); 16.67% (fees and commission income); 16.67% (assets under management). Threshold: 50 bps. Other: All IFs except one have total assets that amounted to less than 0.02% of the sector.	Weights: 50% (total assets); 16.67% (total liabilities); 16.67% (fees and commission income); 16.67% (assets under management). Threshold: 50 bps.

	Recovery planning	Resolution planning
BG	The eligibility assessment was not conducted in accordance with DR 2019/348. Other: Multiple quantitative indicators were used in the assessment.	The eligibility assessment was not conducted in accordance with DR 2019/348. Other: Multiple quantitative indicators were used in the assessment.
CY	Full requirements applied to all IFs under the scope of the BRRD.	Full requirements applied to all IFs under the scope of the BRRD.
CZ	Full requirements applied to all IFs under the scope of the BRRD.	Weights: 25% (total assets); 25% (total liabilities) 25% (fees and commission income); 25% (assets under management). Threshold: 400 bps.
DE	The assessment methodology for IFs has not yet been developed. Germany plans to establish the methodology regarding IFs as soon as the IF regulation is in place and data quality allows an adequate final methodology to be set up.	The assessment methodology for IFs has not yet been developed. Full requirements applied to all IFs under the scope of the BRRD.
DK	Weights: 100% (total assets). Threshold: 100 bps. Other: The assessment methodology has not yet been finalised, but the methodology is 100 % based on total assets. The threshold is DKK 1 billion to apply simplified obligations. This threshold is considered to comply with the methodology in DR 2019/348. All IFs under the scope of the BRRD have been granted SO, because they are small and do not exceed the mentioned threshold. No IFs in Denmark perform systemic activities, and they are considered unlikely to affect financial stability in the event of their failure. The business model is relatively simple, and all firms will be handled under a normal insolvency procedure.	Weights: 25% (total assets); 25% (total liabilities); 25% (fees and commission income); 25% (assets under management). Threshold: 25 bps.
EE	Weights: 25% (total assets); 25% (total liabilities); 25% (fees and commission income); 25% (assets under management). Threshold: 105 bps.	Weights: 25% (total assets); 25% (total liabilities); 25% (fees and commission income); 25% (assets under management). Threshold: 105 bps.
EL	Full requirements applied to all IFs under the scope of the BRRD.	Full requirements applied to all IFs under the scope of the BRRD.
ES	Weights: 100% (total assets). However, the analysis also takes into account other metrics, such as total liabilities, fees, assets under management and qualitative aspects. Threshold: Not established yet.	Weights: 100% (total assets). However, the analysis also takes into account other metrics, such as total liabilities, fees, assets under management and qualitative aspects. Threshold: Not established yet.
FI	The eligibility assessment was not conducted in accordance with DR 2019/348.	Weights: 50% (total assets); 50% (assets under management). Threshold: 100 bps; however, this is to be updated in the near future.
FR	Weights: 25% (total assets); 25% (total liabilities), 25% (fees and commission income), 25% (assets under management). Threshold: 100 bps.	Weights: 25% (total assets); 25% (total liabilities); 25% (fees and commission income); 25% (assets under management). Threshold: 100 bps.

	Recovery planning	Resolution planning
	Other: The exercise conducted by the French RA with a 100 bps threshold showed that all IFs would be below the determined threshold.	
HR	Weights: 25% (total assets); 25% (total liabilities); 25% (fees and commission income); 25% (assets under management). Threshold: Not yet established. Other: Besides the quantitative indicators set by DR 2019/348, the assessment also took into account additional criteria for significant IFs (average total assets in the past 3 years; average total income in the past 3 years) that could not exceed pre-defined values.	Weights: 25% (total assets); 25% (total liabilities); 25% (fees and commission income); 25% (assets under management). Threshold: EUR 50 million. Besides the quantitative indicators set by DR 2019/348, the Croatian Capital Market Act also proscribes other criteria for significant IFs, which were taken into account in the assessment and reflected in the total quantitative score.
HU	Full requirements applied to all IFs under the scope of the BRRD.	Weight: (100%) assets under management. Threshold: 500 bps.
IE	Weights: 10% (total assets); 5% (total liabilities); 20% (total fees and commission income); 20% (assets under management); 25% (total client assets); 20% (membership of trading venues). Threshold: 5 000 bps.	Category 1: These IFs are stockbrokers, and they therefore generally have a small balance-sheet size, due to client assets being held off the balance sheet, and are largely driven by fees and commission income. Weights: 10% (total assets); 10% (total liabilities); 40% (total fees and commission income); 40% (assets under management). Category 2: These IFs range from broker dealers, operators of multi-lateral trading facilities, trading on own account, etc. These IFs are typically balance-sheet driven. Weights: 35% (total assets); 35% (total liabilities); 29% (total fees and commission income); 1% (assets under management). Threshold: 1 000 bps.
IT	Weights: 25% (total assets); 25% (total liabilities); 25% (fees and commission income); 25% (assets under management). Threshold: 1 430 bps (this threshold corresponds to the 98th percentile of the distribution of the scores calculated on the entire system of Italian IFs).	Full requirements applied to all IFs under the scope of the BRRD, but the assessment methodology is under development.
LT	Full requirements applied to all IFs under the scope of the BRRD.	Full requirements applied to all IFs under the scope of the BRRD.
LU	Weights: 25% (total assets); 25% (total liabilities); 25% (fees and commission income); 25% (assets under management). Threshold: 5 000 bps.	Full requirements applied to all IFs under the scope of the BRRD, but the assessment methodology is under development.
LV	No IFs are under the scope of the BRRD.	No IFs are under the scope of the BRRD.
MT	Full requirements applied to all IFs under the scope of the BRRD.	Full requirements applied to all IFs under the scope of the BRRD, but the assessment methodology is under development.
NL	There has been no SO assessment conducted yet.	Work on resolution planning for IFs is ongoing. No policy on SO has been determined yet.

	Recovery planning	Resolution planning
NO	Full requirements applied to all IFs under the scope of the BRRD.	No policy on SO has been determined yet.
PL	<p>The eligibility assessment was not conducted in accordance with DR 2019/348.</p> <p>Other: The assessment methodology, based on DR 2019/348, has not been finalised yet. For the purposes of this data collection, equal weights have been assumed.</p> <p>For all IFs that have received consent for the application of SO, the following criteria have been taken into account: (i) the impact of the cessation of an IF's operations on financial markets, other institutions or the economy as a whole; (ii) the impact of an IF's failure and subsequent winding up under normal insolvency proceedings on financial markets, other institutions and the economy as a whole; (iii) the nature of an IF's operations, its scope and complexity of activities, and an IF's ownership structure, legal form, risk profile, size or interconnectedness with other entities; and (iv) the scope of the investment services performed by the IF.</p>	<p>The assessment has been carried out for the purpose of EBA data collection. A formal decision on SO eligibility was adopted before the DR entered into force.</p> <p>Weights: 15% (total assets); 20% (total liabilities); 15% (total fees and commission income); 25% (assets under management); 25% (client's money versus total client's money of all the IFs).</p> <p>Threshold: 20 bps.</p>
PT	<p>The eligibility assessment was not conducted in accordance with DR 2019/348.</p> <p>Other: No threshold was established, and a simplified quantitative assessment was carried out, since both IFs' total assets were lower than 0.02% of the banking system's total assets.</p>	<p>Weights: 35% (total assets); 35% (total liabilities); 10% (total fees and commission income); 20% (assets under management).</p> <p>Threshold: 105 bps.</p> <p>Other: One additional quantitative indicator was used – client's money versus total client's money of all IFs.</p>
RO	There are no IFs under the scope of recovery and resolution planning in accordance with the BRRD transposed into Romanian law by Law 312/2015.	There are no IFs under the scope of recovery and resolution planning in accordance with the BRRD transposed into Romanian law by Law 312/2015.
SE	<p>The eligibility assessment was not conducted in accordance with DR 2019/348.</p> <p>Weights: 33.3% (total assets); 33.3% (total liabilities); 33.3% (fees and commission income).</p>	<p>The eligibility assessment was not conducted in accordance with DR 2019/348.</p> <p>Weights: 100% (score in O-SII assessment, using the limit <math>\geq</math> 20 bps).</p>
SI	Full requirements applied to all IFs under the scope of the BRRD.	Full requirements applied to all IFs under the scope of the BRRD.
SK	There are no IFs under the scope of the BRRD.	There are no IFs under the scope of BRRD.

69. Only 9 out of 15 competent authorities that granted simplified obligations to investment firms conducted the eligibility assessment in accordance with DR 2019/348. However, five supervisors (Bulgaria, Finland, Poland, Portugal, Sweden) based their eligibility decisions on an assessment that was not aligned with DR 2019/348. One supervisor (Germany) granted simplified obligations to all investment firms without developing an assessment methodology, stating that it would develop one as soon as the EU regulation for investment firms enters into force and data quality allows an adequate final methodology to be set up. For resolution planning, 3 out of 14 resolution authorities that granted simplified obligations

based their decisions on eligibility assessments that were not aligned with DR 2019/348 (Bulgaria, Poland, Sweden).

70. Among the competent authorities conducting their assessments in accordance with DR 2019/348 and providing specific information on weights assigned to quantitative indicators, five authorities (Belgium, Denmark, Estonia, France, Italy) used, in their eligibility assessment methodologies, all four indicators specified in Annex II of that Delegated Regulation (i.e. total assets, total liabilities, total fees and commission income, assets under management). Two other competent authorities (Ireland, Croatia), apart from using all these indicators, while calculating a total quantitative score, also used additional indicators. For resolution planning, six resolution authorities applied all four indicators from DR 2019/348 (Belgium, Czechia, Denmark, Estonia, Ireland, France – for Category 2 investment firms), and three authorities applied only some of them (Spain, Hungary, Finland) without providing proxies or replacements for the missing ones. Three resolution authorities, apart from using all the indicators from DR 2019/348, also incorporated additional quantitative metrics (Ireland for Category 1 investment firms, Croatia, Portugal).
71. The thresholds for the total quantitative score established for investment firms are not comparable, because authorities have flexibility in assigning weights to quantitative indicators and in the manner in which they calculate these scores (e.g. some authorities used thresholds expressed in bps, whereas others used thresholds expressed in absolute values).

#### *Reporting of qualitative considerations*

72. DR 2019/348 specified a set of qualitative considerations that authorities had to use while determining investment firms' eligibility for simplified obligations. These considerations were different from the ones specified for credit institutions.
73. For recovery planning, 13 out of 15 competent authorities reported data for all qualitative considerations, whereas two supervisors (Bulgaria, Poland) have not reported on a couple of considerations, as their eligibility assessment was not aligned with DR 2019/348. For resolution planning, 10 out of 14 resolution authorities assessed all considerations, and four authorities missed some considerations (Belgium, Czechia, Portugal, Sweden).
74. Table 21 provides more detailed information on the usage of the qualitative considerations specified in DR 2019/348 among 15 competent authorities and 14 resolution authorities that applied simplified obligations for recovery planning and resolution planning, respectively.

**Table 21. Reporting on qualitative considerations for investment firms**

Qualitative considerations	Recovery planning	Resolution planning
The extent to which the investment firm performs critical functions in one or more Member States	15 CAs (100%) - All CAs granted SO only to IFs that do not perform any CFs.	14 RAs (100%) - All RAs granted SO only to IFs that do not perform any CFs.
Whether the investment firm's shareholding structure is highly concentrated, highly dispersed or not sufficiently transparent in a way that could negatively affect the availability or timely implementation of the	15 CAs (100%) None of the CAs raised any concerns in this regard, reporting both concentrated and dispersed but transparent shareholding structures.	13 RAs, apart from SE (93%) - None of the CAs raised any concerns in this regard, reporting both concentrated and dispersed but transparent shareholding structures.

institution's recovery or resolution actions		- CZ considered this consideration not relevant, as the number of shareholders does not adversely affect the feasibility of orderly liquidation.
Whether an investment firm that is a member of an IPS, as referred to in Article 113(7) of the CRR, provides critical functions to other IPS members, including clearing, treasury or other services	14 CAs, apart from BG (93%) For 14 CAs, this was not the case.	14 RAs (100%) For all RAs, this was not the case.
Whether the majority of the investment firm's clients are retail or professional	14 CAs, apart from BG (93%) In almost all countries, IFs under SO had mostly retail clients, with only a few IFs serving exclusively professional clients.	10 RAs, apart from CZ, PT and SE (77%) The assessment generated various results, but in all cases no concerns were expressed by RAs.
The extent to which money and financial instruments held by the investment firm on its clients' behalf would not be fully protected by an investor compensation scheme, as referred to in Directive 97/9/EC of the European Parliament and of the Council	14 CAs, apart from PL (93%). - Only some CAs explicitly confirmed that money and financial instruments held by IFs would be fully protected. - Some CAs only recalled general rules about investor compensation applicable in their jurisdictions. - One CA (IE) confirmed that, for some IFs, the protection was not complete due to high balances.	11 RAs, apart from BE, PT, SE (79%) - Only some RAs explicitly confirmed that money and financial instruments held by IFs would be fully protected. - Some CAs only recalled general rules about investor compensation applicable in their jurisdictions. - One RA (IE) confirmed that, for some IFs, the protection is not complete due to high balances.
Whether the investment firm's business model is complex, including the scale of its investment activities	15 CAs (100%) The vast majority of CAs considered the business models of IFs under SO to be simple, and one CA claimed that the complexity of business models does not jeopardise the implementation of the recovery plans.	12 RAs apart from PT, SE (86%) The vast majority of RAs considered the business models of IFs under SO to be simple. One RA (CZ) used quantitative metrics to assess this consideration (in the criterion 'Scope and complexity of activities'): notional value of OTC derivatives (40%); cross-jurisdictional liabilities (30%); cross-jurisdictional claims (30%) with a quantitative assessment threshold of 40 bps.
<b>Additional qualitative considerations</b>	Four CAs (27%)  BG (multiple additional considerations)  EE (the nature of business; legal form; risk profile; legal status)  IE (overall probability risk rating)  SE (the business's nature, risk profile, size and complexity, interconnectedness in terms of other institutions and the financial system and possible activities pursuant to the MiFID)	Five RAs (36%)  BG (multiple additional considerations)  CZ (total assets > EUR 30 billion; total assets > 20% of GDP; O/G-SII; SREP Category 1; subsidiary ineligible for SO non-CZ)  EE (the nature of business; legal form; risk profile; legal status)  IE (PRISM - overall probability risk rating; results of a resolvability assessment that deemed national insolvency proceedings credible and feasible)

		SE (100% Score in O-SII assessment (limit $\geq 20$ ))
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## 3. Reduced BRRD requirements for institutions under simplified obligations

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### 3.1 Overview

76. To have a complete picture of the application of simplified obligations across the EU, it is necessary to complement the analysis of the results of the eligibility assessment (i.e. how many institutions can benefit from simplified treatment in various Member States) with information on the actual scope of the simplifications applied across jurisdictions (i.e. reduced obligations in comparison with the full scope of the BRRD requirements for recovery and resolution planning).
77. The information to be included in the non-simplified recovery plans is set out in Section A of the Annex to the BRRD and is further specified in Commission Delegated Regulation 2016/1075<sup>12</sup>. Article 10(7) and Article 12(3) of the BRRD specify the information to be included in resolution plans for institutions and groups, respectively; this is further specified in Commission Delegated Regulation 2016/1075, which was developed on the basis of the EBA's draft RTS on resolution plan requirements. Article 11 and Section B of the Annex to the BRRD list the information resolution authorities may request for the purposes of drawing up and maintaining resolution plans. The BRRD further requires resolution authorities to carry out resolvability assessments for institutions and groups (Article 10(2), Article 12(4) and Articles 15 and 16 of the BRRD).
78. In accordance with Article 4(1) of the BRRD, competent and resolution authorities may apply simplified obligations with regard to:
- the content and details of recovery and resolution plans, as provided for in Articles 5-12 of the BRRD;
  - the date by which the first recovery and resolution plans are to be drawn up and the frequency of updating the recovery and resolution plans, which may be lower than that provided for in Article 5(2), Article 7(5), Article 10(6) and Article 13(3) of the BRRD;
  - the content and details of the information required from institutions, as provided for in Article 5(5), Article 11(1) and Article 12(2) and in Sections A and B of the Annex to the BRRD;
  - the level of detail for the assessment of resolvability, as provided for in Articles 15 and 16 and Section C of the Annex to the BRRD.

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<sup>12</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1468424758476&uri=CELEX%3A32016R1075>.

79. Competent and resolution authorities should decide on the level of detail regarding these requirements for institutions, having regard to the impact that the failure and subsequent winding up of the institutions under normal insolvency proceedings would have on financial markets, other institutions, funding conditions or the wider economy, and taking account of the criteria set out in Article 4(1) of the BRRD.
80. This section provides an overview of the scope of simplified obligations applied by competent authorities and resolution authorities for recovery planning and resolution planning, respectively.

## 3.2 Date of the first plan and frequency of updating the plan

81. The BRRD does not set a fixed date by which the first recovery plan or resolution plan should be drawn up by institutions or resolution authorities, respectively. With regard to the update frequency, Articles 5(2) and 10(6) of the BRRD establish a general rule that plans should be updated at least annually or after a material change to the legal or organisational structure of the institution, its business or its financial situation. If competent or resolution authorities decide to apply simplified obligations to a credit institution or an investment firm, they can change the frequency of updating its recovery plan and/or resolution plan.

### 3.2.1 Recovery planning

#### Credit institutions

82. Table 22 presents deadlines established by competent authorities for preparing the first simplified recovery plans for credit institutions and the required frequency of the updating of these plans.

**Table 22. Deadlines for preparing the first simplified recovery plans for credit institutions and frequency of updating these simplified plans**

MS	Date of the first simplified recovery plan	Update frequency
AT	September 2015 (Category 2 and Category 3); November 2015 (Category 1)	Annual (Category 2 and Category 3); biennial (Category 1)
BE	December 2015	Annual
DE	December 2020 (20 CIs); no date specified yet* but estimated October 2021 (137 CIs)	No fixed frequency
DK	January 2016	Annual (Category 1); no fixed frequency (Category 2)
EE	June 2016 (one CI); July 2016 (one CI); January 2020 (one CI)	Annual
ES	September 2016	Biennial
FI	April 2017 (one CI); 2021 (three CIs)	Biennial
FR	March 2017	Annual
HR	December 2014	Annual

MS	Date of the first simplified recovery plan	Update frequency
IE	2015	Every 18 months
IT	June 2017	Biennial
LU	2015; 2016; 2017; April 2019	Biennial
LV	June 2016	Biennial
MT	December 2015	No fixed frequency (non-HP LSIs); annual (HP LSIs)
NL	2016	Annual
PT	December 2015; November 2016; November 2017	Biennial or every 3 years (depending on SREP assessment frequency)**
RO	2019	Annual
SE	January 2017	Annual
SI	November 2022	Biennial
SK	March 2016; June 2016	Biennial

\*In Germany, no date has been specified yet due to the Covid-2019 pandemic.

\*\*However, for a small subset of credit institutions, the recovery plans should also be updated every 2 years or every 3 years, although no reporting to the competent authority is envisaged unless there is a material update to the current recovery plan.

83. The dates by which the first recovery plans had to be drawn up varied significantly across the EU – from 2014 to 2022, which was related to the timing of the national transposition of the BRRD and the moment when authorities conducted the eligibility assessment for simplified obligations. When various deadlines were established in the same jurisdiction, this was because either different categories of institutions were benefiting from simplified obligations or new institutions had been established and were being subject to an eligibility assessment at a later stage. It should also be noted that, according to data reported in December 2019, some credit institutions still had not developed a recovery plan, because the deadline for preparing their first simplified recovery plan was 2020/21 (Germany) or 2022 (Slovenia).
84. Ten competent authorities have not granted more favourable conditions to all banks under simplified obligations, requiring them to apply the standard annual frequency for updating recovery plans (Belgium, Denmark – Category 1, Estonia, France, Croatia, Malta – HP-LSIs, the Netherlands, Austria – Category 2 and Category 3, Romania, Sweden). However, the most common simplification in that area, applied by eight authorities (Spain, Italy, Luxembourg, Latvia, Austria, Slovenia, Slovakia, Finland), was to allow institutions to submit updated plans every 2 years. One authority (Ireland) requested that institutions update recovery plans every 18 months. However, in Portugal the frequency of updating simplified recovery plans (every 2 or 3 years) is aligned with the full SREP assessment frequency. There were also supervisors that did not establish any fixed frequency of updating recovery plans, apart from a general BRRD requirement to update them in the event of substantial changes in the institutions’

situation (in Germany this applied to all banks under simplified obligations; in Denmark and Malta, this applied to less complex banks).

### Investment firms

85. Table 23 presents deadlines established by competent authorities for preparing the first simplified recovery plans for investment firms and the required frequency of the updating of these plans.

**Table 23. Deadlines for preparing the first simplified recovery plans for investment firms and frequency of updating these simplified plans**

MS	Date of the first simplified recovery plan	Update frequency
BE	June 2019	Annual
BG	June 2018	Biennial
DE	No request made yet (37 IFs)	No fixed frequency
DK	January 2016	No fixed frequency
EE	May 2016 (one IF); June 2016 (two IFs); October 2018 (one IF); November 2018 (one IF)	Annual
ES	June 2016	Biennial
FI	2017	Biennial
FR	March 2017	Annual
HR	September 2015	Annual
IE	No information provided	No information provided
IT	2017	Biennial
LU	March 2018; Q1 2020 (a new IF)	Biennial
PL	April 2017	Annual
PT	November 2016	Every 3 years*
SE	January 2017	Annual

\*Although no reporting to the competent authority is envisaged unless there is a material update to the current recovery plan.

86. In the majority of Member States, the first recovery plans for investment firms were prepared by 2017; in only three countries (Belgium, Bulgaria, Luxembourg) were they drafted between 2018 and 2019 (without taking into account isolated cases of simplified recovery plans for newly established firms). It should be also noted that, according to the data reported in December 2019, some investment firms still had not developed a recovery plan, and the request to prepare one had not been made yet (Germany).

87. In relation to the required frequency of updating simplified recovery plans, the standard annual frequency was maintained in six jurisdictions (Belgium, Estonia, France, Croatia, Poland, Sweden), whereas the most common simplification of biennial frequency was introduced in five Member States (Bulgaria, Spain, Italy, Luxembourg, Finland). Only one supervisor (Portugal) allowed investment firms to update simplified recovery plans every 3 years.

### 3.2.2 Resolution planning

88. Tables 24 and 25 present data submitted by resolution authorities regarding the deadlines for preparing the first resolution plans for credit institutions and investment firms, respectively. The tables also provide an overview of the required frequency of updating of simplified resolution plans.

#### Credit institutions

**Table 24. Deadlines for preparing the first simplified resolution plans for credit institutions and frequency of updating these simplified plans**

MS	Date of the first simplified resolution plan	Update frequency
AT	2017	Annual
BE	December 2018	Biennial
CZ	December 2017	Biennial
DE	December 2018 (one CI from Category 1 and 600 CIs from Category 2); December 2019 (590 CIs from Category 2); no deadline set up yet (27 CIs from Category 1 and 164 CIs from Category 2)	Annual (Category 1) Biennial (Category 2)
DK	December 2017	Annual
EE	2017; January 2018 (a new CI)	Annual
EL	2019	Biennial
ES	September 2016	Biennial
FI	2018	Biennial
FR	2017	Biennial
HR	2017	Annual
HU	December 2016	Biennial
IE	2018	No update as long as SO are granted*
IT	2019	Biennial
LU	May 2019	Biennial
LV	2015-2019	Biennial
MT	2019	Biennial
NL	2018-2019	Biennial
PL	October 2017	Every 3 years
PT	Q4 2020 (type 1 simplifications); 2019, February 2020 (type 2 simplifications)	Biennial
RO	2016	Biennial**
SE	2017	Biennial
SI	November 2022	Biennial

MS	Date of the first simplified resolution plan	Update frequency
SK	December 2016	Biennial
SRB	January 2019 (three CIs); February 2019 (one CI)	Biennial

\*Ireland – if simplified obligations have been applied, the resolution plan will not be updated and the assessment itself will serve as the annual review. Institutions that have met the requirements for simplified obligations will be assessed annually to ensure that they continue to meet the requirements. Once an institution no longer meets the requirements for simplified obligations, the resolution plan will be updated.

\*\*The simplified obligations eligibility assessment is performed annually. The update frequency is then every 2 years, unless, in the second year, a credit institution that was eligible initially is no longer eligible, in which case a resolution plan in standard format would be drafted for it.

**Table 25. Deadlines for preparing the first simplified resolution plans for investment firms and frequency of updating these simplified plans**

MS	Date of the first simplified resolution plan	Update frequency
BE	December 2019	Biennial
BG	June 2018	Biennial
CZ	December 2017	Biennial
DK	December 2017	Annual
EE	December 2019	Annual
ES	January 2017	Biennial
FI	2018	Biennial
FR	2017	Biennial
HR	2018	Annual
HU	December 2016	Biennial
IE	2018	No update as long as SO are granted*
PL	February 2017	Annual
PT	June 2019	Biennial
SE	2017	Biennial

\*Ireland – if simplified obligations have been applied, the resolution plan will not be updated, and the assessment itself will serve as the annual review. Institutions that have met the requirements for simplified obligations will be assessed annually to ensure that they continue to meet the requirements. Once an institution no longer meets the requirements for simplified obligations, the resolution plan will be updated.

### 3.3 Content and details of recovery and resolution plans

89. In accordance with Article 4(1)(a) of the BRRD, if the relevant authority decides to apply simplified obligations, the content and details of recovery and resolution plans provided for in Articles 5-12 can be simplified. This also applies to Commission Delegated Regulation (EU) 2016/1075 (DR 2016/1075)<sup>13</sup>, which further specifies the content of recovery and

<sup>13</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R1075>.

resolution plans. The BRRD gave Member States full flexibility in this area, and it only required the authorities to report to the EBA on the way in which they used this discretion.

90. Considering all the information received, it can be concluded that a variety of approaches were applied by competent and resolution authorities in determining reduced content and/or a lower level of detail for recovery and resolution plans for institutions benefiting from simplified obligations.

### 3.3.1 Recovery planning

91. Table A in Annex 1 presents a full overview of responses received from competent authorities in relation to the reduced scope of requirements for the content of a simplified recovery plan applied for credit institutions and investment firms under their jurisdictions. However, some key observations are outlined in the subsequent sections.

#### Credit institutions

92. Table 26 presents an overview of the introduction of reduced obligations to the main sections of banks' recovery plans by competent authorities that submitted data to the EBA. As some authorities applied different levels of reductions to various categories of institutions or granted tailor-made relief to each institution, the table indicates cases in which any relief has been applied to at least one institution in that jurisdiction.

**Table 26. Simplifications applied to particular sections of recovery plans of credit institutions**

Sections of recovery plan	Countries introducing reduced obligations with regard to specific sections of a recovery plan																				
	AT	BE	DE	DK	EE	ES	FI	FR	HR	IE	IT	LU	LV	MT*	NL	NO	PT	RO	SE	SI	SK
Governance																					
Indicators																					
Description of entities**																					
Recovery options																					
Scenarios																					
Communication plan																					
Preparatory measures																					
Explicit reference to the principle of proportionality																					
No simplifications, apart from a lower frequency of updating a plan																					

\*In Malta, the content of the simplified recovery plans has not been specified yet.

\*\* The description of entities also includes the following elements: critical functions, core business lines, interconnectedness, mapping of entities onto critical functions and core business lines.

93. As presented in Table 26, scenarios were most frequently subject to simplified obligations, as reduced requirements for this section were introduced in 15 jurisdictions (usually by reducing the number of recovery scenarios to one systemic scenario, by waiving a

requirement to describe a detailed quantitative impact of scenarios or by completely eliminating the need to include scenarios in the recovery plan). Recovery indicators constituted the second most frequently simplified part of the recovery plan, as 11 out of 21 authorities allowed institutions to reduce the number of recovery indicators, without needing to provide any justification for why certain metrics or the whole categories of indicators are not relevant to these particular banks. Most often, supervisors automatically exempted banks under simplified obligations from including macroeconomic and market-based indicators, and so banks did not have to provide any rationale for their exclusion<sup>14</sup>. Furthermore, six competent authorities granted relief in relation to the description of a bank in its recovery plan, for instance by removing the requirement to describe critical functions or by allowing banks to include only a basic description of their structure and activities. With regard to relief for recovery options, some authorities allowed banks to present a simplified assessment of recovery options, compared with the full requirements of DR 2016/1075 (for instance by including only capital raising options, describing fewer categories of options with a justification or requiring only an assessment of the effectiveness of recovery options when used in a possible recovery scenario). One supervisor asked banks to consider possible partners for a merger to compensate for a simpler approach to recovery options.

94. It is worth noting that two competent authorities (Ireland, Finland) have not granted any relief in relation to the content of recovery plans for credit institutions, and they only allowed a lower than annual update of the recovery plans under simplified obligations. Furthermore, some supervisors have not specified reduced requirements for simplified recovery plans but have referred to a general concept of proportionality (France, the Netherlands) or have mixed granting specific relief measures with the general principle of proportionality.

### Investment firms

95. Table 27 presents an overview of the introduction of reduced obligations to the main sections of investment firms' recovery plans by competent authorities that submitted data to the EBA.

**Table 27. Simplifications applied to particular sections of recovery plans of investment firms**

Sections of recovery plan	Countries introducing reduced obligations with regard to specific sections of a recovery plan														
	BE	BG	DE*	DK	EE	ES	FI	FR	HR	IE	IT	LU	PL	PT	SE
Governance															
Indicators															
Description of entities**															
Recovery options															
Scenarios															
Communication plan															
Preparatory measures															

<sup>14</sup> According to the EBA Guidelines on the minimum list of recovery indicators (EBA-GL-2015-02), institutions may exclude the whole categories of macroeconomic and market-based indicators from their recovery plans; however, they need to provide a justification rebutting the presumption that these indicators are relevant to them.



## Credit institutions

99. The common trends observed among resolution authorities that granted simplified obligations for credit institutions were as follows:

- Assuming that all banks under simplified obligations would have liquidation as a preferred resolution strategy (Austria, Belgium, Croatia, Czechia, Luxembourg, Latvia, Malta, Sweden, Slovakia, Spain, the SRB). In fact, an assessment of the credibility and feasibility of liquidation under normal insolvency proceedings often constituted the main part of a simplified resolution plan.
- Significantly reducing the scope of simplified resolution plans compared with the fully fledged ones (Belgium, France, Latvia, Malta, Sweden for Category 1 banks). Even if simplified resolution plans covered all the main sections outlined in Level 1 and Level 2 legislation, they provided fewer details and were considerably shorter (e.g. in one jurisdiction, they were only three pages long). This was caused by a lower complexity of banks under simplified obligations and/or the fact that some sections of a resolution plan are less relevant when liquidation is the preferred resolution strategy.
- Preparing highly standardised simplified resolution plans, sometimes based on a template filled in with institution-specific quantitative information derived from databases of resolution authorities and supplemented by a short qualitative description often referring to a whole category of institutions (Denmark, Germany – Category 2 institutions, Luxembourg, Hungary, Austria).
- In the Banking Union, some resolution authorities (Greece, Italy) for LSIs under their jurisdictions were following the SRB template/guidance on the content of simplified resolution plans developed for significant institutions.
- Most of the resolution authorities applied the same reductions to all banks subject to simplified obligations under their jurisdictions. Only Germany, Portugal and Sweden decided to grant various types of reductions to different categories of banks (in all these jurisdictions, two different sets of simplifications were established).

100. Other practices less frequently observed in relation to the content of simplified resolution plans of banks were as follows:

- No other simplifications were applied, apart from a lower frequency for updating a resolution plan (Ireland).
- The resolution strategy of simplified resolution plans envisaged a brief takeover by the Danish Financial Stability Company, followed by a restructuring of the failing institution through the sale of business wherever eligible (Denmark).
- The assessment of banks' eligibility for simplified obligations constituted an integral part of their simplified resolution plan (France, Luxembourg).
- Specifying that the content and details of a resolution plan could be simplified only for banks with a liquidation strategy. However, for LSIs with resolution strategies, only the element of update frequency has been reduced to every second year. In respect of the

other resolution planning obligations, normal proceedings/requirements apply (the Netherlands).

101. Responses provided by resolution authorities suggested that, in some jurisdictions, the choice of liquidation as a preferred resolution strategy was treated as a criterion for granting simplified obligations, even though DR 2019/348 did not list it among the criteria for eligibility for simplified obligations. However, in other countries liquidation appeared to be a result of applying simplified obligations for resolution planning.

### Investment firms

102. Similar observations to those made for banks were made for investment firms; this was partially caused by the fact that six resolution authorities applied the same approach to the content of simplified plans for both types of institutions (Belgium, Czechia, Ireland, France, Hungary, Finland). The main trends for investment firms were:
- assuming that all investment firms under simplified obligations would have liquidation as a preferred resolution strategy (Belgium, Czechia, Denmark, Spain);
  - significantly reducing the scope of the simplified resolution plans compared with the fully fledged ones (Belgium, France, Portugal);
  - preparing resolution plans with content that is close to that of the fully fledged plans (Estonia, Spain, Poland), as only some of the Level 1 and Level 2 provisions were not applicable to them.

## 3.4 Content and details of the information from institutions

103. Article 4(1)(a) of the BRRD provides that competent and resolution authorities may also decide to apply simplified obligations by setting reduced requirements for the content and details of the information required from institutions in accordance with:
- Article 5(5) and Section A of the Annex to the BRRD (information for recovery planning);
  - Article 11(1), Article 12(2) and Section B of the Annex to the BRRD (information for resolution planning).

### 3.4.1 Recovery planning

104. Based on data reported by competent authorities, it can be seen that there are no separate rules established in any Member State that would limit *ex ante* the scope of information that competent authorities may request from institutions, pursuant to Article 5(5) of the BRRD and Section A of the Annex to the BRRD (i.e. information in addition to the ongoing submission of recovery plans). However, it should be noted that institutions provide a vast amount of information in their recovery plans, and the opportunity given to supervisors to request additional information, in accordance with Article 5(5) of the BRRD, plays only an ancillary role, even for fully fledged recovery plans.

### 3.4.2 Resolution planning

105. On the contrary, information submitted from institutions pursuant to Articles 11 and 12 of the BRRD is meant to constitute the main basis for developing resolution plans. Therefore, many resolution authorities granted significant relief in that respect to institutions subject to simplified obligations.
106. A full overview of approaches applied by resolution authorities with regard to information required from credit institutions and investment firms is provided in Table C in Annex 2. However, some key observations are described in the subsequent sections.

#### Credit institutions

107. The main trends observed in 2019 in relation to information required from banks subject to simplified resolution plans were as follows:
- Seven resolution authorities did not request that credit institutions submit any additional information for the purpose of resolution planning (Czechia, Denmark, Germany for Category 2, France, Croatia, Italy, Austria). Instead, in preparing resolution plans these authorities relied on information that had already been collected from banks via CRD/CRR regulatory reporting or central bank statistical reporting. The resolution authorities received this information via supervisors; in some cases, they received it on the basis of a MoU concluded between these authorities. One authority (France) also explicitly mentioned using recovery plans as a source of information for resolution planning purposes. Some resolution authorities, despite granting full relief measures, kept the right to request more information from banks under simplified obligations if needed (Denmark, Italy, Austria).
  - At the other end of the spectrum, seven resolution authorities did not grant any relief to credit institutions regarding the information requested from them for resolution planning purposes (Germany – Category 1, Ireland, Greece, Spain, Luxembourg, Portugal – Type 1, Slovakia). However, in some countries simplified resolution plans were updated less frequently than once per year, which resulted in operational relief being granted to institutions in submitting data for the resolution planning purposes.
  - The remaining authorities have introduced either significant (Latvia, Portugal – Type 2 simplifications, Sweden) or moderate (Belgium, Estonia, Finland, Italy, Malta, Poland, the SRB) relief in relation to resolution reporting required from institutions.
  - Most of the resolution authorities applied the same resolution reporting relief measures to all banks subject to simplified obligations, apart from Germany, Portugal and Sweden, which introduced separate rules for different categories of banks (namely they introduced two distinct sets of rules).

#### Investment firms

108. Similar observations were made for resolution reporting from investment firms under simplified obligations, partially because seven resolution authorities applied the same

approach as that applied for credit institutions (Belgium, Czechia, Denmark, Ireland, France, Poland, Sweden). The main trends observed for investment firms were as follows:

- Four resolution authorities did not request that credit institutions submit any additional information for the purpose of resolution planning (Czechia, Spain, France, Croatia) and relied merely on data received from supervisors.
- Two resolution authorities did not grant any relief to investment firms regarding the resolution reporting (Ireland, Finland).
- Four resolution authorities granted some reductions to institutions in relation to resolution reporting obligations (Belgium, Estonia, Portugal, Sweden). For instance, in Portugal the resolution authority requested from investment firms only data strictly necessary for conducting a public interest assessment and the study of the impact of normal insolvency proceedings.

### 3.5 Resolvability assessment

109. When preparing simplified resolution plans, resolution authorities pursuant to Article 4(1)(d) of the BRRD may decide to apply simplified obligations with regard to the level of detail for the assessment of resolvability provided for in Articles 15 and 16, and Section C of the Annex to the BRRD.
110. A full overview of approaches applied by resolution authorities with regard to the resolvability assessment of credit institutions and investment firms under simplified obligations is provided in Table D in Annex 2. However, some key observations are described in the subsequent sections.

#### Credit institutions

111. The following observations were made among resolution authorities that applied simplified obligations for banks for resolution planning purposes:
- In the vast majority of jurisdictions, the resolvability assessment was limited to the assessment of the credibility and feasibility of normal insolvency proceedings (Belgium, Czechia, Germany, Estonia, Greece, Croatia, Latvia, Luxembourg, Austria, Poland, Finland, Sweden). This was connected to the fact that, in those countries, liquidation was a preferred resolution strategy for banks under simplified obligations.
  - Some resolution authorities indicated that they conducted the BRRD eligibility assessment but in a proportional/shorter manner without providing any further details (Germany – Category 2, France, Italy, Portugal – Type 1). However, a few other resolution authorities reported which specific provisions of the BRRD rules on the eligibility assessment they were not applying in their jurisdictions for banks under simplified obligations (Spain, the SRB).

- Two resolution authorities (Germany, Ireland) have not applied any simplified obligations in relation to the resolvability assessment, apart from lowering the annual frequency of updating simplified resolution plans.
- One resolution authority (the Netherlands) said that any simplifications in relation to the level of detail in the resolvability assessment can be granted only to banks having liquidation as a preferred resolution strategy.
- One authority (Portugal for Type 2 simplifications) said that it did not perform any resolvability assessment for banks under simplified obligations, since it expected the majority of them to be liquidated, but indicated that it could conduct such an assessment if the resolution authority decides to choose another preferred resolution strategy. Another resolution authority, which expected liquidation as a preferred resolution strategy for all banks under simplified obligations, anticipated that, for institutions, which in a systemic crisis scenario most likely have to be resolved, further analyses in conjunction with the resolvability assessment would be needed. However, none of these two authorities mentioned that they establish official variant resolution strategies for banks under simplified obligations.

### Investments firms

112. For investment firms under simplified obligations, very similar practices to those observed for credit institutions have been observed; this is partially because eight resolution authorities applied the same approaches for both types of institutions (Belgium, Czechia, Estonia, Ireland, France, Poland, Finland, Sweden):
- Most often, the resolvability assessment was limited to the assessment of the credibility and feasibility of normal insolvency proceedings or was not conducted at all (Belgium, Bulgaria, Czechia, Estonia, Croatia, Poland, Portugal, Finland, Sweden), as liquidation was the preferred resolution strategy for all investment firms under simplified obligations.
  - Only one resolution authority (Spain) reported that it conducted a standard resolvability assessment with some simplifications for investment firms under simplified obligations.
  - One resolution authority (Ireland) has not applied any simplified obligations in relation to the resolvability assessment, apart from lowering the annual frequency of updating simplified resolution plans.

## Conclusions

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113. The monitoring of the application of simplified obligations and waivers gives the EBA an opportunity to examine if the European rules are consistently applied across EU jurisdictions. Moreover, it allows the EBA to see how the BRRD framework for recovery and resolution planning is applied among all institutions in the EU, not just the large cross-border banking groups. It gives a more complete picture of the implementation of the crisis preparedness regulatory regime in various jurisdictions both by institutions drafting recovery plans and by resolution authorities preparing resolution plans. The BRRD established a general crisis management framework, giving discretion to competent and resolution authorities so that they can adjust its application to institutions under their jurisdiction according to predefined conditions and without posing a threat to financial stability.
114. Compared with the 2017 monitoring exercise, in 2019 more competent and resolution authorities decided to grant simplified obligations to credit institutions, especially for resolution planning, for which the number of jurisdictions applying simplified obligations almost doubled. It has changed the trend observed in the past whereby more jurisdictions applied simplified obligations for recovery planning than for resolution planning. This could be explained by the fact that, in 2017, in many Member States there were delays in the transposition of the BRRD into the national legal framework and/or execution of the national requirements for resolution planning. Moreover, the overall increase might be caused by the fact that some authorities have been waiting for the 2017 RTS simplified obligations to replace the 2015 EBA Guidelines on simplified obligations before conducting their eligibility assessments.
115. For investment firms, since 2017 there has been only a slight increase observed in the application of simplified obligations for resolution planning, whereas for recovery planning purposes the number of jurisdictions granting simplified obligations has remained stable.
116. Furthermore, similar to 2017, waivers for recovery and resolution planning have not been widely applied in the European Union. This is because the BRRD sets precise conditions for credit institutions that need to be fulfilled to be subject to waivers. In particular, for recovery plans credit institutions need to be members of an IPS or affiliated to a central body and wholly or partially exempted from prudential requirements in national law in accordance with Article 10 of the CRR. The possibility of applying waivers in resolution planning is restricted even further, as they can be granted only to credit institutions affiliated to a central body and cannot be applied to IPS members. Consequently, waivers could be applied only in Member States where certain legal structures exist. Among those jurisdictions, the discretion to grant them was widely used by competent and resolution authorities. To date, the EBA has not collected from the authorities information on how institutions subject to waivers have been covered in IPS/central body plans. In the future, it would also be beneficial to

analyse this aspect and compare it with the coverage of entities in group recovery and resolution plans.

117. In terms of the proportion of institutions that were subject to simplified obligations or waivers for recovery and resolution planning, significant differences were observed across the European Union, especially in relation to the relative number of institutions in national banking sectors. These differences can be explained by the number of institutions operating in particular Member States and the different level of concentration of national banking sectors. These factors influenced the assessment of the relative importance of institutions and determined the potential impact of their failure in specific jurisdictions.
118. It should be noted that, with the introduction of the CRR II definition of small and non-complex institutions, granting simplified obligations or waivers might affect institutions' other regulatory requirements outside the BRRD framework. This new link might influence authorities' willingness to grant them and affect the extent of their application expressed in terms of number and total assets of institutions subject to them. This aspect might be analysed in the future, because at the moment it is difficult to draw any definitive conclusions in this regard.
119. There was a significantly improved level of harmonisation in the eligibility assessment methodologies applied by the authorities. In 2017, an array of approaches was used to assess the eligibility for simplified obligations, with very limited use of obligatory indicators provided in the EBA Guidelines on simplified obligations. The RTS replacing these guidelines greatly increased the convergence of assessment practices, especially for credit institutions. For investment firms, the increase in harmonisation was lower, as the RTS gave authorities more flexibility, and there were also more authorities admitting that, as at December 2019, they had not yet conducted their eligibility assessment in accordance with the RTS.
120. It is reasonable to expect that, in the future, there will be further application of the simplified obligations and an increase in the convergence of eligibility assessment methodologies. First, in 2019 some competent and resolution authorities were still in the process of finalising their methodologies for assessing eligibility for simplified obligations or indicated that they plan to apply simplified obligations in the future. Second, in relation to investment firms, some authorities mentioned that they are waiting for the introduction of more harmonised EU rules on investment firms before amending or developing their simplified obligations eligibility assessment methodologies.
121. Finally, the EBA observed significant differences in the determination by authorities of the reduced level of BRRD requirements in relation to the content of simplified plans, as the BRRD gives them full flexibility in this respect. As a result, in some Member States the simplified requirements for recovery plans were very similar to the full BRRD obligations, whereas in other Member States institutions were exempted from applying a substantial part of the relevant BRRD provisions. There were also different practices observed for resolution planning, in particular in relation to choosing liquidation as a preferred resolution strategy

for all institutions under simplified obligations. Some resolution authorities appeared to use liquidation as an additional criterion for granting simplified obligations, whereas other authorities seemed to create an automatic link between these two concepts by assuming that all institutions assessed as eligible for simplified obligations had liquidation as a preferred resolution strategy<sup>15</sup>. Furthermore, there were significant differences in granting relief from reporting obligations for resolution planning purposes, with some authorities requesting no additional information from institutions and others requiring the submission of a full set of data.

122. The aspect of a divergent decision on what it means to grant simplifications in relation to recovery and resolution planning could not be addressed by DR 2019/348, as it was outside the legal mandate. Without issuing additional guidelines specifying the scope of simplified recovery and resolution plans, these divergences are expected to remain.

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<sup>15</sup> Although recital (2) of the DR 2019/348 stipulated that the assessment of eligibility for simplified obligations 'should be distinct from, and should not predetermine, any other assessment to be made by resolution authorities, including, in particular, any assessment of the resolvability of an institution or group, or of whether the conditions for resolution referred to in Directive 2014/59/EU and Regulation (EU) No 806/2014 of the European Parliament and of the Council (2) are satisfied'.

# Annex 1 – Recovery planning

**Table A. Overview of reduced requirements with regard to the content of recovery plans**

MS	Reduced requirements with regard to the content of recovery plans of institutions subject to simplified obligations
AT	<p><u>Credit institutions:</u></p> <p>For Category 1 entities, the following simplified obligations apply: (a) scenarios: the recovery plan has to contain a systemic scenario; (b) indicators: the recovery plan has to contain the following recovery indicators: Common Equity Tier 1 capital ratio, Tier 1 capital ratio, total capital ratio, liquidity coverage ratio, return on total assets or return on equity, and growth rate of non-performing loans.</p> <p>For Category 2 entities, the following simplified obligations apply: (a) scenarios: the recovery plan has to contain a systemic scenario and an idiosyncratic scenario; (b) indicators: the recovery plan has to contain the following recovery indicators: Common Equity Tier 1 capital ratio, Tier 1 capital ratio, total capital ratio, liquidity coverage ratio, return on total assets or return on equity, and growth rate of non-performing loans.</p> <p>For Category 3 entities, the following simplified obligations apply: (a) scenarios: no simplified obligations (i.e. the recovery plan has to contain a systemic scenario, an idiosyncratic scenario and a combined scenario); (b) indicators: the recovery plan has to contain the following recovery indicators: Common Equity Tier 1 capital ratio, Tier 1 capital ratio, total capital ratio, liquidity coverage ratio, return on total assets or return on equity, and growth rate of non-performing loans; as well as one additional indicator in each of the categories of liquidity, profitability and asset quality.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
BE	<p><u>Credit institutions:</u> For simplified recovery plans, there is no requirement to develop detailed quantitative scenarios. Rather, the bank must identify its key vulnerabilities (expected to be small in number, such as a run-off of deposits and major losses in real estate loans). The bank then develops a simple scenario/narrative relating to each of its vulnerabilities, with a quantitative estimate of the impact of that scenario on its capital and liquidity. It must then provide estimates of the recovery capacity for each of its recovery options.</p> <p><u>Investment firms:</u> The simplified recovery plans must be drafted in line with the ‘Guiding Principles Simplified Obligations Recovery Plans’ set out by the National Bank of Belgium (NBB) Communication NBB_2018_09. The simplified recovery plans should include the following components: (i) a brief summary of the plan and of the institution’s own assessment of its recovery capacity; (ii) a description of the institution’s key vulnerabilities and relevant scenarios that could severely affect the institution; (iii) a description of recovery options that could be used to address an extreme solvency or liquidity shock; (iv) information regarding the activation of the recovery plan.</p>
BG	<p><u>Credit institutions:</u> No simplified obligations have been applied.</p> <p><u>Investment firms:</u> The preparation of recovery/resolution plans by investment intermediaries that are classified as being subject to resolution under the simplified requirements is based on the identification of at least one crisis scenario integrating systematic and non-systematic risk in the context of at least one recovery option proposed by the company, including recapitalisation with external aid, sale of assets, subsidiaries, business units or the institution as a whole, voluntary resolution of eligible liabilities, reduction in balance-sheet size and strengthening of the liquidity position.</p>

MS	<b>Reduced requirements with regard to the content of recovery plans of institutions subject to simplified obligations</b>
	In the recovery/restructuring schemes of O-SIs and intermediaries identified under the EBA Guidelines as not eligible for the simplified conditions under the Bulgarian Recovery and Resolution of Credit Institutions and Investments Firms Act (RRCIIFA), at least three scenarios should be analysed, and for each of them a theoretical assessment of the potential impact should be prepared and an appropriate recovery/resolution option based on an impact assessment, risk assessment and decision-making process assessment should be proposed.
CY	<u>Credit institutions and investment firms</u> : No simplified obligations have been applied.
CZ	<u>Credit institutions and investment firms</u> : No simplified obligations have been applied.
DE	<p><u>Credit institutions</u>: Institutions under simplified obligations (i) do not have to identify and describe critical functions; (ii) have to define at least one indicator for each category (capital, liquidity, profitability and asset quality); however, paragraph 15 of the EBA Guidelines on the minimum list of recovery indicators (EBA/GL/2015/02) still applies; and (iii) do not have to test their recovery plans against a range of scenarios of severe macroeconomic and financial distress. It is possible to adjust the obligations and apply less extensive simplified obligations if necessary.</p> <p><u>Investment firms</u>: No request has been made yet; therefore, no simplified obligations have been applied yet.</p>
DK	<p><u>Credit institutions</u>:</p> <p>Category 1 – The institution must consider which scenarios of stress are appropriate for that particular institution but is only obligated to include two scenarios. It is sufficient for the institution to use indicators relating to capital, liquidity, profitability and asset quality. Market-based and macroeconomic indicators are optional. The institution must always describe critical functions, and they must consider the possibility of a merger with other credit institutions and also make an assessment of recovery options but at a simplified level compared with DR 2016/1075. Moreover, this category of institutions must consider possible partners for a merger to compensate for a simpler approach to recovery options than that provided in DR 2016/1075. All areas of Annex A to the BRRD are covered; however, a more simplified approach is accepted.</p> <p>Category 2 – The institution must provide a contingency plan for capital acquisition along with a capital indicator, and the institution must consider merger options. Moreover, points (4) and (20) of Section A of the BRRD Annex, need to be completed but only regarding capital. However, the plan must contain proposed partners for a merger to compensate for the simplified obligations</p> <p><u>Investment firms</u>: The institution must provide a plan for solvent liquidation. The institution can also choose to make a recovery plan that provides actions and measures to acquire capital. If they chose to make a recovery plan, they must also provide capital indicators.</p>
EE	<p><u>Credit institutions</u>: Reduced requirements tailored to institutions eligible for simplified obligations:</p> <p>Credit institution 1 – The institution does not need to comply with the following articles of the BRRD Annex, Section A: (7) identification of critical functions; (14) arrangements and measures to restructure business lines; (15) arrangements and measures necessary to maintain continuous access to financial markets infrastructures; (17) preparatory arrangements to facilitate the sale of assets or business lines in a timeframe appropriate for the restoration of financial soundness; (18) other management actions or strategies to restore financial soundness and the anticipated financial effect of those actions or strategies; and (19) preparatory measures that the institution has taken or plans to take in order to facilitate the implementation of the recovery plan, including those necessary to enable the timely recapitalisation of the institution. In addition, the institution does not need to comply with the second sentence of BRRD Article 7(5) and the second paragraph of BRRD Article 7(4).</p>

**MS**
**Reduced requirements with regard to the content of recovery plans of institutions subject to simplified obligations**

Credit institution 2 – The institution does not need to comply with the following articles of the BRRD Annex, Section A: (7) identification of critical functions; (14) arrangements and measures to restructure business lines; (17) preparatory arrangements to facilitate the sale of assets or business lines in a timeframe appropriate for the restoration of financial soundness; (18) other management actions or strategies to restore financial soundness and the anticipated financial effect of those actions or strategies. In addition, the institution does not need to comply with Article 7(5) the second sentence of BRRD Article 7(5) and the second paragraph of Article 7(4) of the BRRD.

Credit institution 3 – The institution does not need to comply with the following articles of BRRD Annex, Section A: (7) identification of critical functions; (11) arrangements and measures to ensure that the institution has adequate access to contingency funding sources, including potential liquidity sources, an assessment of available collateral and an assessment of the possibility to transfer liquidity across group entities and business lines, to ensure that it can continue to carry out its operations and meet its obligations as they fall due; (15) arrangements and measures necessary to maintain continuous access to financial markets infrastructure; (17) preparatory arrangements to facilitate the sale of assets or business lines in a timeframe appropriate for the restoration of financial soundness; (18) other management actions or strategies to restore financial soundness and the anticipated financial effect of those actions or strategies.

Investment firms:

Investment firm 1 – The company can omit the following two components from its recovery plan: (i) arrangements and measures to restructure business lines, and (ii) an analysis of how and when an institution may apply for the use of central bank facilities. The company must produce a recovery plan with content that is close to that of a full recovery plan.

Investments firm 2 – The company can omit the following four components from its recovery plan: (i) arrangements and measures to restructure business lines; (ii) preparatory arrangements to facilitate the sale of assets or business lines; (iii) other management actions or strategies to restore financial soundness; and (iv) an analysis of how and when an institution may apply for the use of central bank facilities.

Investments firm 3 – The company can omit the following nine components from its recovery plan: (i) identification of critical functions; (ii) a detailed description of the processes for determining the value and marketability of the core business lines, operations and assets of the institution; (iii) a detailed description of how recovery planning is integrated into the corporate governance structure of the institution, as well as the policies and procedures governing the approval of the recovery plan, and identification of the persons in the organisation responsible for preparing and implementing the plan; (iv) arrangements and measures to ensure that the institution has adequate access to contingency funding sources, including potential liquidity sources, an assessment of available collateral and an assessment of the possibility to transfer liquidity across group entities and business lines, to ensure that it can continue to carry out its operations and meet its obligations as they fall due; (v) arrangements and measures to restructure business lines; (vi) arrangements and measures necessary to maintain continuous access to financial markets infrastructure; (vii) preparatory arrangements to facilitate the sale of assets or business lines in a timeframe appropriate for the restoration of financial soundness; (viii) other management actions or strategies to restore financial soundness and the anticipated financial effect of those actions or strategies; and (ix) an analysis of how and when an institution may apply for the use of central bank facilities.

Investment firm 4 – The company can omit the following five components from its recovery plan: (i) specification of critical functions; (ii) arrangements and measures to reduce risk and leverage; (iii) arrangements and measures to restructure liabilities; (iv) arrangements and measures to restructure business lines; and (v) arrangements and measures necessary to maintain continuous access to financial markets infrastructure. In addition, the company can compose just one scenario of severe macroeconomic and financial stress instead of a range of scenarios.

<b>MS</b>	<b>Reduced requirements with regard to the content of recovery plans of institutions subject to simplified obligations</b>
	<p>Investment firm 5 – The company can omit the following 11 components from its recovery plan: (i) a summary of the material changes to the credit institution since the most recently filed recovery plan; (ii) arrangements and measures to ensure that the credit institution has adequate access to contingency funding sources, including potential liquidity sources, an assessment of available collateral and, if applicable, an assessment of the possibility to transfer liquidity across consolidation group entities or business lines, to ensure that the credit institution can continue to carry out its operations and meet its obligations as they fall due; (iii) arrangements and measures to reduce risk and leverage; (iv) arrangements and measures to restructure liabilities; (v) arrangements and measures to restructure business lines; (vi) arrangements and measures necessary to maintain continuous access to financial markets infrastructure; (vii) preliminary arrangements to facilitate the sale of assets or business lines in a timeframe appropriate for the restoration of financial soundness; (viii) other management actions or strategies to restore financial soundness and the anticipated financial effect of those actions or strategies; (ix) a wide range of recovery options and actions, considering the analysed scenarios; (x) measures that could be taken by the credit institution if the conditions for early intervention are met; and (xi) an analysis of the options for applying for the facilities of the central bank, including the emergency liquidity loan, and identification of those assets that would be expected to qualify as collateral. In addition, the company can compose just one scenario of severe macroeconomic and financial stress instead of a range of scenarios.</p>
<b>EL</b>	<u>Credit institutions and investment firms</u> : No simplified obligations have been applied.
<b>ES</b>	<p><u>Credit institutions</u>: In accordance with Article 5.2(a) of Royal Decree 1012/2015, the supervisor may determine the content and details of the recovery plans. In accordance with Recommendation BCE/2016/NP8, the inclusion of all the parts specified in DR 2016/1075 should be required. Those parts are as follows: (i) summary of the fundamental elements of the recovery plan; (ii) government information (integration and coherence; preparation and approval of the recovery plan; process of raising matters to higher bodies; consistency with the general risk management framework); (iii) strategic analysis (description; interconnection; description of recovery options: capital and liquidity actions required, conservation or restoration of the entity's own funds, access to contingency financing, risk and leverage reduction, and voluntary restructuring of liabilities; impact evaluation; risks evaluation; important obstacles to the implementation of the recovery plan; important obstacles to the application of recovery options; solutions to potential obstacles; recovery indicators; financial stress scenarios); (iv) communication and dissemination plan; and (v) analysis of preparatory measures. Spanish credit institutions granted with simplified obligations must comply with all the main sections of the recovery plan. However, they must include at least one scenario and at least one indicator for each category (capital, liquidity, profitability and asset quality), according to the list of quantitative indicators established in the EBA Guidelines on the minimum list of recovery indicators. In addition, they must include a market and macroeconomic indicator, unless the entity justifies that these two categories are not relevant to the legal structure, risk profile, size and/or complexity of the entity. The inclusion of qualitative criteria will not be mandatory, unless the entity considers that it is relevant to any of the categories.</p> <p><u>Investment firms</u>: Having regard to the EBA's RTS 2014/11, these elements are not required: Article 5(a)(i, ii, iv), (b)(i), (e); Article 6(1), (2), (3)(a)(ii, iii, iv), (b), (c)(i, iii, iv), (d), (4), (5)(c)(ii, iii), (d)(v), (6); and Article 7(1)(c), (2), (3).</p>
<b>FI</b>	<u>Credit institutions and investment firms</u> : No simplifications regarding the content of the recovery plan, only a lower frequency for updating the plan.
<b>FR</b>	<u>Credit institutions and investment firms</u> : The CA has decided not to define any <i>ex ante</i> simplified obligations regime (as for content and details, as well as frequency of updating recovery plans) but to apply proportionality <i>ex post</i> in the assessment of the plans, by taking into account size, business models, complexity, etc.

MS	<b>Reduced requirements with regard to the content of recovery plans of institutions subject to simplified obligations</b>
HR	<p><b>Credit institutions:</b> Credit institutions (i) may reduce the number of recovery options by leaving out some of the categories of activities, agreements or measures listed in Article 11(2) ‘Decision on recovery plans of credit institutions’ (Article 9 of DR 2016/1075) but must provide a detailed explanation of why these have been left out; (ii) may reduce the number of events when making stress scenarios by using a single scenario that comprises several systemic events and several scenario events that are specific to a credit institution or a group for which the recovery plan is being drawn up; and (iii) may reduce the requirements under which the persons responsible for drawing up the recovery plan may not be the persons responsible for stress testing the recovery plan.</p> <p><b>Investment firms:</b> Firms are not obliged to include Articles 4, 6, 8, 15, 17, 19, 20 of Section A of the Annex to the BRRD. In addition, according to the Croatian Financial Services Supervisory Agency’s (CFSSA) Ordinance on investment firms recovery plans (Official Gazette No 110/2018), only significant investment firms are obliged to provide all details prescribed in Sections A, B and C of the Annex to the BRRD. Currently, no firm fulfils the conditions prescribed in the above-mentioned ordinance for significant investment firms in Croatia.</p>
HU	<p><b>Credit institutions and investment firms:</b> No simplified obligations have been applied.</p>
IE	<p><b>Credit institutions:</b> Only a lower frequency of updating simplified recovery plans has been applied.</p> <p><b>Investment firms:</b> Institutions to which simplified obligations apply are required to address all recovery plan content requirements (as listed in Section A of the Annex to the BRRD and the EBA regulatory standards and guidelines); however, the level of detail required is proportionate to the firm’s risk and complexity.</p>
IT	<p><b>Credit institutions:</b> As for the content and details of the simplified recovery plans, Banca d’Italia is compliant with the SSM’s Joint Supervisory Standard on Recovery Planning for LSIs, which was adopted by the ECB on 5 January 2016. This standard requires that simplified recovery plans contain a description of the so-called core components of a recovery plan, as specified in its annex. The content of simplified recovery plans comprises core components as defined in Section I of the Annex to the ECB Joint Supervisory Standard on Recovery Planning for LSIs. LSIs subject to simplified obligations are allowed to provide, as a minimum, one recovery indicator for each risk profile and only one stress scenario.</p> <p><b>Investment firms:</b> With regard to the content and details of the simplified recovery plans, we have followed the Joint Supervisory Standard on Recovery Planning for LSIs, which was adopted by the ECB in January 2016. The same simplifications have been adopted for investment firms. In addition, investment firms’ simplified plans may include only one scenario of financial stress and do not include asset quality indicators, as credit activity is not exercised.</p>
LT	<p><b>Credit institutions and investment firms:</b> No simplified obligations have been applied.</p>
LU	<p><b>Credit institutions:</b> The simplified obligations mainly concern the following content: (i) governance section: summary of policies and procedures for approval of the plan (taking into account existing documentation); (ii) governance section: activation of the plan (internal escalation procedures, monitoring of indicators reflecting main vulnerabilities, weaknesses and threats); (iii) indicators: capital – Common Equity Tier 1, liquidity – liquidity coverage ratio, profitability – one forward-looking indicator, and asset quality – net non-performing loans/equity; (iv) strategic analysis: (a) description of the institution covered in the plan (overall global business, business model and plan, main jurisdictions (if any), main exposures (top 10 only)); (b) identification of business lines and key vulnerabilities; (c) financial, legal and operational interconnectedness (only internal); (d) only one scenario – system-wide event.</p> <p><b>Investment firms:</b> (i) Summary: information on governance, strategic analysis, material changes to the institution or group since the submission of the last plan, the communication and disclosure plan, and preparatory measures; (ii) governance: description of who is involved in updating, preparing and</p>

MS	<b>Reduced requirements with regard to the content of recovery plans of institutions subject to simplified obligations</b>
	<p>implementing the plan; overall responsibility; policies and procedures for approval of the plan (summary is sufficient; take into account documentation that already exists); activation of the plan (internal escalation procedures, monitoring of indicators reflecting main vulnerabilities, weakness and threats – capital position, liquidity situation, profitability and risk profile of covered entities); qualitative and quantitative indicators to be used; capital (Common Equity Tier 1); liquidity (liquidity coverage ratio); profitability; asset quality indicators; threshold to be set above capital and liquidity regulatory requirements; (iii) strategic analysis: description of the entities covered in the plan (main exposures (top 10 only)) (take into account existing documentation, e.g. for risk management); identification of business lines and key vulnerabilities; financial, legal and operational interconnectedness; consistency with general risk management framework, and scenario and recovery options (linked to key vulnerabilities); (iv) system-wide event; impact assessment of recovery options that threaten the main identified vulnerabilities; assessment of impact on capital/solvency, funding/liquidity, profitability and operations; and a simple quantitative assessment; (v) communication plan: highlight when competent authority is informed; and (vi) preparatory measures: it is sufficient to mention them in the summary of the plan.</p>
LV	<p><u>Credit institutions:</u> The only two simplified obligations regarding the content and details of the recovery plan are (i) the number of scenarios to be included in the recovery plan – including fewer scenarios is allowed (at least one scenario for a system-wide event is required; all other scenarios are optional); and (ii) the number of indicators to be included in the recovery plan – including fewer profitability and asset quality indicators is allowed (at least one indicator from each of these two categories is required), and market-based indicators and macroeconomic indicators are also optional.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
MT	<p><u>Credit institutions:</u> Not specified yet, as the CA is currently working on the identification of the scope of simplified obligations.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
NL	<p><u>Credit institutions:</u> The differences between full obligations and the applicable simplified obligations for recovery plans are as follows: (i) the institutions eligible for simplified obligations have to comply with the EBA recovery plan assessment template (simplified obligations version); and (ii) there is more focus on recovery plan indicators, recovery options and the effectiveness of each recovery option.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
NO	<p><u>Credit institutions:</u> Institutions under simplified obligations have to comply with the relevant requirements and guidelines, with some exceptions. The institutions may have fewer recovery indicators (all the capital indicators and liquidity indicators are mandatory, as well as at least one indicator for profitability and one indicator for asset quality). For institutions under simplified obligations, there is no requirement of specific scenarios; however, the institution must demonstrate the total recovery capacity using a reverse stress test or a simplified near default scenario. These institutions are not obliged to have a summary. The recovery plan may be part of the ICAAP. The simplified obligations concern Article 4(a),(b),(d), Article 7(1)(a)(iii)-(iv), Article 7(1)(b) and (d)(ii), Article 7(2), Article 10(2)-(3), Article 12(2)(d), and Article 14(2)-(3) of DR 2016/1075, only if the existing crisis communication plan is sufficient. All other requirements must be met in full. Moreover, the institution must provide information on potential merger partners should the institution fail. All institutions are obligated to test the recovery plan regularly by using dry-run tests, to evaluate and document the dry-run exercises, and to use the results to improve their recovery plans.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
PL	<p><u>Credit institutions:</u> No simplified obligations have been applied.</p>

MS

### Reduced requirements with regard to the content of recovery plans of institutions subject to simplified obligations

**Investment firms:** Having in mind the overall size of the Polish investment firms sector and the marginal impact it has not only on the common EU market but also on the internal Polish financial market, the Polish supervisor – Komisja Nadzoru Finansowego (KNF) requires only the most indispensable information on the investment firms. There are only 12 investment firms in Poland that are legally obliged to put forward a recovery plan, out of which 7 have been granted the opportunity to prepare such recovery plans in a simplified form. The KNF, from an organisational perspective, has no need for extensive descriptions of general matters concerning, for example, corporate organisation schemes or interconnectedness, as first the supervised investment firms do not boast complex internal structures and second most information is already available and well known by the staff in the KNF department dealing with the supervision of these entities. Therefore, the KNF decided to require only the most important information on the potential recovery actions, stressing that the actions put forward in the recovery plans should be justifiable, proven with a viability analysis and exhibiting real potential for the restoration of the investment firms' profitability, liquidity, capital adequacy.

Recovery plans subject to simplification are limited to the following information in comparison with full recovery plans, which must comply with DR 2016/1075: (i) strategy analysis and management – elementary information on the investment firm, offered services and main business lines, personnel operating actions designated in the recovery plan, decision-making process and the rules of executing the provisions of the recovery plan (Article 5 (3)(a), Article 7(1)(a)(ii)-(iii), Article 7(1)(c)(iv) and Article 7(1)(d)(ii) of DR 2016/1075); (ii) recovery plan indicators and action implementation – description of adopted indicators triggering the execution of the recovery plan, including a detailed description of the process of monitoring indicator levels, plans for the adoption and execution of recovery actions (Article 5 (3)(b) of the Regulation); (iii) integration of the recovery plan with internal risk management – information on how the recovery plan has been integrated into the firms' system of risk management, adopted early warning indicators and planned actions targeting negative factors influencing critical areas of operation (Article 5 (4) of the Regulation); and (iv) recovery actions – a description of anticipated crisis scenarios with designated potential recovery actions, including an analysis of the influence of undertaken actions on critical areas of operation of the investment firm, such as profitability, liquidity, and capital adequacy, as well as the scope of services provided by the investment firm. The recovery actions are to include the adopted assumptions justifying the recovery actions' viability as well as anticipated hazards threatening the successful implementation of the given actions (Article 8 (2-4), Article 9(1)(a)-(c), Article 10, Article 11 and Article 12(3) of the Regulation).

PT

**Credit institutions and investment firms:** Institutions eligible for simplified obligations were waived from complying with the requirements set out in the following articles of DR 1075/2016: Article 7(1)(a)(ii) and (iv); Article 7(1)(c)(iii), Article 7(1)(d)(ii), Article 9(2), Article 10(2)-(3), Article 14(1)(c), Article 14(2) and Article 14(3). Moreover, the following was partially waived: the requirements of Article 5(5), Article 5(3)(b) regarding the description of market, macroeconomics and qualitative indicators, Article 7(1)(a)(i), requiring only a basic description of the overall business and risk strategy, Article 7(1)(a)(iii) and Article 7(1)(b), requiring only a description and mapping of core business lines, Article 7(1)(d)(iii), Article 12, requiring only an assessment of the effectiveness of recovery options when used in a possible financial stressed event, and Article 14(1)(b), requiring only a communication and disclosure plan to be given to the competent authority.

RO

**Credit institutions:** Reduced requirements tailored to credit institutions under simplified obligations:

Credit institution 1 – The following information does not need to be included in the recovery plan: (i) a summary of the key elements of the plan as well as a summary of the material changes to the institution since the most recently filed recovery plan, which are requirements set out in (a) and (b) of Section A of the Annex to Law 312/2015 (corresponding to points (1) and (2) of Section A of the Annex to the BRRD), given that the level of detail of the information contained therein is usually low, in accordance with the nature, extent and complexity of the risks inherent in the business model and the activities carried out by the credit institution; and (ii) identification of critical functions, a requirement stipulated in (g) of Section A of

**MS Reduced requirements with regard to the content of recovery plans of institutions subject to simplified obligations**

Law 312/2015 (corresponding to point (7) of Section A of the Annex to the BRRD), considering that both the credit institution and the resolution authority have not identified critical functions.

Credit institution 2 – The following information does not need to be included in the recovery plan: (i) a summary of the material changes to the credit institution since the most recently filed recovery plan; (ii) a detailed description of any material impediment to the effective and timely execution of the plan, including consideration of the impact on the rest of the group, customers and counterparties; (iii) a detailed description of the processes for determining the value and marketability of the core business lines, operations and assets of the institution; (iv) a detailed description of how recovery planning is integrated into the corporate governance structure of the institution, as well as the policies and procedures governing the approval of the recovery plan, and identification of the persons in the organisation responsible for preparing and implementing the plan; (v) other management actions or strategies to restore financial soundness and the anticipated financial effect of those actions or strategies; and (vi) preparatory measures that the institution has taken or plans to take in order to facilitate the implementation of the recovery plan, including those necessary to enable the timely recapitalisation of the institution; these requirements are set out in points (b), (f), (h), (i), (r) and (s) of Section A of Law 312/2015 (corresponding to points (2), (6), (8), (9), (18) and (19) of Section A of the Annex to the BRRD).

Investment firms: No simplified obligations have been applied.

Credit institutions and investment firms: Instead of following the specifications set forth in Section A of the Annex to the BRRD, a recovery plan should contain the following elements: (i) a summary of the plan and a concluding assessment of the institution's total recovery capacity; (ii) a description of the changes that have been made in the plan since the last update; (iii) a description of the institution's operations, risk strategy, business model and business plan, with an emphasis on which parts of the operations are especially important for its earnings and profitability and an analysis of what functions are important to society and its interconnectedness in terms of the financial system; (iv) a description of how the plan was made and how it will be updated; (v) a detailed description of the qualitative and quantitative indicators concerning capital, liquidity, financing, profitability and asset quality that indicate when decisions should be made according to the plan and how those indicators align with the institution's general risk strategy; (vi) a description of the measures that, according to the plan, must be taken to maintain or recover the institution's profitability, asset quality and financial position; (vii) a description of how the institutions is affected by certain scenarios; (viii) a description of the preparations that have been made in order for the plan to be feasible and an analysis of the impediments that still may exist; and (ix) an analysis of the need for preparations in order for the plan to be effectively executed.

Credit institutions: The content of the simplified recovery plans: (i) a summary of the key elements of the recovery plan; (ii) governance: the identification of the person who has the overall responsibility for keeping the recovery plan up to date, a description of the updating process, a description of how the plan is integrated into corporate governance and the overall risk management framework, a description of the policies and procedures governing approval of the plan, and a description of the internal escalation and decision-making process; (iii) a detailed description of the recovery indicators; (iv) a description of entities covered by the recovery plan: a general description of the overall global business and risk strategy, and legal interconnectedness of entities of a group; (v) a description of recovery options; (vi) a description of actions, arrangements and measures under recovery options; (vii) impact assessment: only a description of a financial and operational impact assessment; (viii) a feasibility assessment; (ix) continuity of operations: a description of the expected timeframe for the implementation and effectiveness of the recovery option and a description of the effectiveness of the recovery option and the adequacy of indicators in a range of scenarios of financial stress; (x) communication and disclosure: a description of internal and external communication; and (xi) a description of preparatory measures.

Investment firms: No simplified obligations have been applied.

**MS Reduced requirements with regard to the content of recovery plans of institutions subject to simplified obligations**

**Credit institutions:** The content of the full recovery plan with respect to banks (Article 33(o) Section 2 of Act No. 483/2001 of Coll.): (i) a summary of the key elements of the plan and a summary of overall recovery capacity; for the purposes of Act No. 381/2001 Coll., ‘recovery capacity’ means the capability of a bank to restore its financial position subsequent to a marked deterioration in its financial situation; (ii) a summary of the material changes made at the bank since the most recently submitted recovery plan; (iii) a communication and information disclosure plan outlining how the bank intends to manage any potentially negative market reaction; (iv) the range of capital and liquidity actions required to maintain or restore the bank’s viability and financial position; (v) an estimation of the timeframe for executing each material aspect of the recovery plan; (vi) a detailed description of any material impediment to the effective and timely execution of the recovery plan, including an assessment of the impact on the rest of the group, clients and counterparties; for the purposes of Articles 33(o) to 33(z) of Act No. 381/2001 of Coll., ‘group’ means a parent undertaking and its subsidiaries; (vii) identification of the bank’s critical functions; (viii) a detailed description of the procedures to be followed in determining the bank’s critical functions, core business lines, and the value and marketability of its assets; (ix) a detailed description of how recovery planning is integrated into the bank’s corporate governance structure, as well as the policies and procedures governing the approval of a recovery plan, and identification of the persons responsible for preparing and implementing the bank’s recovery plan; (x) arrangements and measures designed to conserve and restore the bank’s own funds; (xi) arrangements and measures to ensure that the bank has adequate access to contingency funding sources to ensure that it can carry on with its operations and meet its obligations as they fall due, in particular an assessment of potential liquidity sources, available collateral and the possibility to transfer liquidity across group entities and business lines; (xii) arrangements and measures to reduce risk and leverage; (xiii) arrangements and measures to restructure the bank’s liabilities; (xiv) arrangements and measures to restructure the bank’s business lines; and (xv) arrangements and measures necessary to maintain continuous access to financial market infrastructure.

SK

**Investment firms:** No simplified obligations have been applied.

## Annex 2 – Resolution planning

**Table B. Overview of reduced requirements with regard to the content of resolution plans**

MS	Summary of the simplified content of resolution plans
AT	<p><u>Credit institutions</u>: The plan in this category will be highly standardised and will require a minimum amount of information regarding the bank. This may include master data and standard information and text blocks. It is to be taken under consideration that the same text and information blocks will be used for institutions with similar structures. It is most likely feasible and credible for the resolution authority to liquidate most of the institutions in this category under normal insolvency proceedings (additional credibility and feasibility tests are performed independently from granting simplified obligations).</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
BE	<p><u>Credit institutions and investment firms</u>: The plans have simplified content. The structure of the simplified resolution plan is similar to the structure of a fully fledged resolution plan. However, some sections are less developed, either because the groups are less complex or because the sections are less relevant when the resolution strategy is taken into account. For instance, in most simplified plans, the strategic business analysis remains relatively limited, given the simplicity of banking groups under simplified obligations. In addition, sections on continuity in resolution are less relevant if the simplified plan establishes that liquidation is feasible.</p>
BG	<p><u>Credit institutions</u>: No simplified obligations have been applied.</p> <p><u>Investment firms</u>: The preparation of recovery/resolution plans by investment intermediaries that are classified as being subject to resolution under simplified obligations is based on the identification of at least one crisis scenario integrating systematic and non-systematic risk in the context of at least one recovery option proposed by the company, including recapitalisation with external aid, sale of assets, subsidiaries, business units or the institution as a whole, voluntary resolution of eligible liabilities, reduction in balance-sheet size and strengthening of the liquidity position. However, in the recovery/restructuring schemes of O-SIIs and intermediaries identified under the EBA GL on simplified obligations as not eligible for the simplified conditions under the RRCIIFA, at least three scenarios should be analysed, and for each of them a theoretical assessment of the potential impact should be prepared and an appropriate recovery/resolution option based on an impact assessment, risk assessment and decision-making process assessment should be proposed.</p>
CY	<p><u>Credit institutions and investment firms</u>: No simplified obligations have been applied.</p>
CZ	<p><u>Credit institutions and investment firms</u>: The content of the simplified resolution plans: (1) a description of the resolution strategy: (i) narrowed down to a description of the institution (or group) and a strategic analysis based on regulatory data and publicly available information (a short description of business model, core business lines, etc.); (ii) an assessment of credibility and feasibility of liquidation under normal insolvency proceedings, an <i>ex ante</i> public interest test, and a specific assessment of economic/critical functions and applicability of simplified obligations; (iii) conclusions (based on aforementioned assessments – no public interest, not being a critical provider of a critical function, liquidation being feasible and credible, simplified obligations being applicable) stating that liquidation under normal insolvency proceedings is the preferred resolution strategy in the event that the institution fails/is likely to fail; (2) arrangements for information sharing: only information sharing pursuant to Article 81(3) of the BRRD; (3) arrangements for operational continuity: it is not part of the resolution plan; (4) financing, etc.: narrowed down to the</p>

**MS Summary of the simplified content of resolution plans**

prescription of the loss absorbency amount (LAA) part of the MREL only; (5) conclusion of the assessment of resolvability.

Credit institutions:

Category 1 (28 credit institutions) – Basically, the content and details of a resolution plan are derived from the impact of the failure of an institution and its liquidation within a normal insolvency proceeding on financial markets, other institutions, funding conditions or the economy as a whole. This category encompasses institutions that, while meeting the basic requirements for the application of simplified obligations, could possibly have a negative impact on the economy when conducting an insolvency proceeding. The application of simplified obligations as regards the content and details of the resolution plan is primarily determined by the choice of the preferred resolution strategy for this specific institution. If, as the preferred resolution strategy, a resolution scenario is intended, the application of simplified obligations as regards the content and details of the resolution plan is excluded. If it is intended that the institution is to be wound up under a normal insolvency proceeding, the content and details of the resolution plan are less comprehensive than those of a fully fledged resolution plan, especially in the chapters ‘Preferred resolution strategy’ and ‘Conclusion of the assessment of resolvability’. Furthermore, the chapter ‘Financial/operational continuity’ is omitted. These resolution plans are also referred to as ‘proportional plans’ within the German RA.

DE

Category 2 (the rest of credit institutions under simplified obligations): Basically, the content and details of a resolution plan are derived from the impact of the failure of an institution and its liquidation within a normal insolvency proceeding on financial markets, other institutions, funding conditions or the economy as a whole. For institutions (and groups) in this category, it is assumed that insolvency proceedings can most likely be carried out without adverse effects. In this case, the resolution plan as regards the content and details is significantly reduced in accordance with Article 11(4)(a). Compared with fully fledged resolution plans (i.e. resolution plans that do not encompass any simplified obligations) and proportional resolution plans (SOV1), resolution plans of institutions assigned to this category are created by a standardised process. This process envisages, inter alia, that the template (also referred to as the masterplan) containing standard text elements is filled out with institution-specific data through the use of the so-called SOV2-tool. Furthermore, each standardised plan is supplemented by a framework document, which contains general information on institutions in this category.

Investment firms: No simplified obligations have been applied.

Credit institutions: The content follows that of a standardised resolution plan. The resolution strategy will then be a brief takeover by the Danish Financial Stability Company, followed by a restructuring of the failing institution through the sale of business wherever eligible.

DK

Investment firms: The content follows that of a standardised resolution plan. The resolution strategy is liquidation.

Credit institutions: In preparing resolution plans in a simplified form, the Financial Supervision and Resolution Authority thinks that the following requirements for resolution plan content in accordance with Section 29 of the Financial Crisis Prevention and Resolution Act (FCPRA) should not be applied: (i) Clause 29(1)(4) of the FCPRA – a description of the processes for determining the value and marketability of the critical functions, core business lines and assets of the credit institution; (ii) Clause 29(1)(8) of the FCPRA – a description of essential operations and systems for maintaining the viability of the credit institution; (iii) Clause 29 (1)(9) of the FCPRA – an explanation of options for financing the resolution, taking into account the provisions of subsection (3) of the same section; (iv) Clause 29(1) (12) of the FCPRA – a description of options for preserving access to payment and settlement services and other infrastructure, and an assessment of the portability of client claims or liabilities; (v) Clause 29 (1)(13) of the FCPRA – an analysis of the impact of the plan on the employees of the credit institution, including an assessment of any associated

EE

## MS

## Summary of the simplified content of resolution plans

costs, and a description of envisaged procedures to consult staff during the resolution process, prescribing a consultation with employees' representative of the credit institution if applicable; (vi) Clause 29(1)(16) of the FCPRA – the minimum requirement met by own funds and entry into bail-in agreements pursuant to Division 2 of Chapter 2 of the FCPRA, and a deadline to meet the requirement if applicable; (vii) Clause 29(1)(18) of the FCPRA – an analysis of how and when a credit institution may apply, in the conditions addressed by the plan, for the facilities of the CI, except the facilities provided for in subsection (3) of this section, and identify those assets that would be expected to qualify as collateral; (viii) Clause 29(2)(2) of the FCPRA – set out the resolution tools and powers to implement scenarios specified in subsection (4) of this section that can be applied to any consolidation group entity, including entities established in third countries, if the requirements provided for in Division 2 of Chapter 9 of the FCPRA have been met; (ix) Clause 29(2)(3) of the FCPRA – analyse the extent to which the resolution tools and powers could be applied in a coordinated way to consolidation group entities located in the European Union, including tools and powers to facilitate the sale to a third party of the consolidation group as a whole, or separate activities that are delivered by different consolidation group entities or particular consolidation group entities; (x) Clause 29(2)(5) of the FCPRA – specify measures to facilitate consolidation group resolution proceedings, including the legal and economic separation of particular functions or activities of the consolidation group; (xi) Clause 29(2)(6) of the FCPRA – identify how the consolidation group resolution tools or powers could be financed, taking into account the provisions of subsection (3) of the same section, and, if the funds of the Guarantee Fund or the resolution fund of the other EEA country are required, set out principles for sharing responsibility for that financing among EEA countries; (xii) Clause 29(2)(7) of the FCPRA – set out any additional actions that the Financial Supervision and Resolution Authority intends to take in relation to the resolution of the consolidation group.

Investment firms: In preparing resolution plans in a simplified form, the Financial Supervision and Resolution Authority thinks that the following requirements for resolution plan content in accordance with Section 29 of the FCPRA should not be applied: (i) Clause 29(1)(4) of the FCPRA – a description of the processes for determining the value and marketability of the critical functions, core business lines and assets of the credit institution; (ii) Clause 29(1)(8) of the FCPRA – a description of essential operations and systems for maintaining the viability of the credit institution; (iii) Clause 29(1)(9) of the FCPRA – an explanation of options for financing the resolution, taking into account the provisions of subsection (3) of the same section; (iv) Clause 29(1)(12) of the FCPRA – a description of options for preserving access to payment and settlement services and other infrastructure, and an assessment of the portability of client claims or liabilities; (v) Clause 29(1)(13) of the FCPRA – an analysis of the impact of the plan on the employees of the credit institution, including an assessment of any associated costs, and a description of envisaged procedures to consult staff during the resolution process, prescribing a consultation with employees' representative of the credit institution if applicable; (vi) Clause 29(1)(16) of the FCPRA – the minimum requirement met by own funds and entry into bail-in agreements pursuant to Division 2 of Chapter 2 of the FCPRA, and a deadline to meet the requirement if applicable; (vii) Clause 29(1)(18) of the FCPRA – an analysis of how and when a credit institution may apply, in the conditions addressed by the plan, for the facilities of the bank, except the facilities provided for in subsection (3) of this section, and identify those assets that would be expected to qualify as collateral.

EL Credit institutions: The resolution plan was drafted following the guidance and template applied by the SRB for simplified obligations.

Investment firms: No simplified obligations have been applied.

ES Credit institutions: In accordance with Article 25.1 of the Royal Decree 1012/2015, a resolution plan includes relevant information for this simplified plan, taking into account the principle of proportionality: (i) initial considerations; (ii) an executive summary; (iii) a general description and a strategic business analysis; (iv) a preferred resolution strategy (credibility of normal insolvency proceedings); (v) governance and information provision; (vi) resolvability impediments; and (vii) opinion of the institution.

MS

### Summary of the simplified content of resolution plans

**Investment firms:** (i) Introduction: this includes the objectives and the normative framework; (ii) an executive summary: this summarises the main conclusions of the plan and shows the figures that led to such conclusions; (iii) general information: this is a standardised table that shows some information on the firm, such as contact details, ownership structure and the different activities carried out by the firm; (iv) business model: in this element, among other things, critical functions and relevant legal entities are identified; (v) resolution strategy: an analysis of the different impacts that the liquidation of the firm may have; (vi) resolvability assessment: an analysis to identify any obstacles to the resolution of the firm is performed as well as the measures to avoid them; (vii) information to CAs: this refers to the opinion of the supervisory authority or the Fondo de Reestructuración Ordenada Bancaria (FROB) ; (viii) communication to the firm; and (ix) information regarding the resolution plan endorsement.

FI

**Credit institutions and investment firms:** The section on preferred resolution strategy merely includes the assessment of credibility and feasibility of normal insolvency proceedings. The sections on financial and operational continuity are excluded, whereas the section on communication is amended to accommodate to the normal insolvency proceedings situation.

FR

**Credit institutions and investment firms:** The simplified obligations are implemented through a simplified strategic business analysis. The data reported and analysed in the resolution plan is focused on the following indicators: total balance sheet, Tier 1 ratio, benefit before tax, return on equity, Common Equity Tier 1 requirement, leverage ratio, covered deposits, consolidated capital requirements, consolidated capital requirement and eligibility commitments (MREL), and absorption capacity of losses. For the other parts of the resolution plan, the outline is the same as that of a non-simplified resolution plan but much more concise. The qualitative analysis just aims to confirm the quantitative analysis. The main components and analyses performed regarding a simplified resolution plan are eligibility for simplified obligations; strategic analysis of activities; participation/ownership structure; structure of the parent entity; material entities; significant changes up to 2019; a description of the activity model; a critical functions assessment; an internal and external interdependencies assessment; a preferred strategy; an information and communication plan; access to information and availability of information; and communication with stakeholders.

HR

**Credit institutions:** The simplified resolution plans contain only the following elements: a description of the credit institution, a summary of the key elements of the plan, a summary of the resolvability assessment determining feasibility and credibility of normal insolvency proceedings, a public interest assessment determining that bank resolution is not in public interest, MREL determination and a communication plan.

**Investment firms:** Resolution plans are drawn up in accordance with the internal procedure in relation to the proposal for the entry into procedure of the resolution. A simplified plan includes a normative framework; a summary with main conclusions of the plan, which shows the figures that led to such conclusions; information on ownership structure, size of the firm, different activities carried out by the firm, etc.; critical functions (if such are identified), a resolution strategy identifying one crisis scenario analysis and the different impacts that the liquidation of the firm may have; a short description of the resolvability assessment (an analysis to identify any obstacles to the resolution of the firm is carried out as well as the measures to avoid them); conclusions (based on everything above – no public interest, not being a critical provider of a critical function, liquidation being feasible and credible, simplified obligations being applicable) stating that liquidation under normal insolvency proceedings is the preferred resolution strategy in the event that the firm fails/is likely to fail; information on competent authorities; and arrangements for information sharing.

HU

**Credit institutions and investment firms:** The simplified resolution plans include a description of the strategy and the results of the assessment of resolvability; provision of information; maintaining continuity of operation; financing; communication; and institution feedback. This is a template-based analysis.

MS	Summary of the simplified content of resolution plans
IE	<p><u>Credit institutions and investment firms:</u> There is only a lower frequency of simplified plans' assessment. The simplified obligations assessment serves as the annual review for each institution. If conditions for simplified obligations are met, it is deemed appropriate that no updates be made to the resolution plan until the next simplified obligations assessment.</p>
IT	<p><u>Credit institutions:</u> The simplified resolution plan entails proportionate and reduced content and details and a simpler – if any – resolvability assessment, taking into account the content of the simplified resolution and following the guidance and template applied by the SRB for simplified obligations.</p> <p><u>Investment firms:</u> No simplified obligations have been applied yet, since the work related to the eligibility assessment is still ongoing.</p>
LT	<p><u>Credit institutions and investment firms:</u> No simplified obligations have been applied.</p>
LU	<p><u>Credit institutions:</u> The simplified resolution plan derives from a normal resolution plan. However, it is streamlined and requires less details: (i) the management summary makes reference to the simplified obligations assessment and its results – it also includes the date of the next review; (ii) an overview of assets, liabilities, capital, revenue and risk situation is summarised in one table; (iii) a section on critical functions and core business lines states that there are no critical functions; (iv) a section on critical internal and external interdependencies states that there are none; (v) the simplified assessment is provided in the section on 'Eligibility to simplified obligations'; (vi) the preferred resolution strategy section indicates that liquidation under normal insolvency proceedings is feasible and credible. The plan will not exceed 20-25 pages and thus the content is limited only to the essential information on the group/ownership structure and governance; there is no description of balance sheet/P&amp;L changes, etc.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
LV	<p><u>Credit institutions:</u> The main goal of a simplified resolution plan is to assess a possible systemic impact and to justify the fact that resolution of an institution does not meet public interest and that the entity could be liquidated according to normal insolvency liquidation procedures. The content of such a resolution plan is much shorter and simpler than that of a full resolution plan. It consists of (i) the key elements of the plan, (ii) a strategic business analysis (information on the bank, covered depositors, description of critical functions (if any), external and internal interdependencies); (iii) a preferred strategy (assessment of feasibility and credibility of normal insolvency proceedings); (iv) an information and communication plan (persons responsible, cooperation between the Financial and Capital Market Commission (FCMC) and competent authorities); (v) an assessment of resolvability (including key barriers to the implementation of preferred strategy); and (vi) the institution's opinion.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
MT	<p><u>Credit institutions:</u> The focus of the plan will be on the strategic business analysis and the preferred resolution strategy, most notably the assessment of feasibility and credibility of normal insolvency proceedings and loss absorbing amount as their MREL. The financial/operational continuity chapter will be omitted, as will the chapter on separability and key elements of the preferred resolution strategy.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
NL	<p><u>Credit institutions:</u> Two different types of simplifications are applied to LSIs eligible for simplified obligations, depending on their resolution strategy. For banks with a liquidation strategy, the content and details of the resolution plan will be simplified. However, for banks for which the use of a resolution tool is foreseen, no simplified obligations are applied in relation to the content and details of the resolution plan. If the resolution strategy foresees the use of a resolution tool, only the element on the update frequency is applied. In the year when there is no update, the RA works on the operationalisation of the resolution tool (i.e. set up/update the operational playbook).</p>

MS	Summary of the simplified content of resolution plans
	<u>Investment firms</u> : No simplified obligations have been applied.
NO	<u>Credit institutions and investment firms</u> : No simplified obligations have been applied.
	<p><u>Credit institutions</u>: Fully waived elements of a simplified resolution plan: (i) a description of the entity: organisational structure; business model, structure of assets and liabilities, structure of income and financial results; asset encumbrance; main clients; and measures necessary for the continuity of critical functions in resolution (if any identified); (ii) resolution variants: in case of capital group, a description of measures is to be applied in relation to the group's other entities; (iii) timeframe: timeline, necessary sources and support from external contractors; (iv) resolvability assessment, measures to address impediments: potential acquirers in the sale of the business tool; conditions for financial assistance from resolution fund and DGS; resolvability of other entities that are part of the same capital group; level of materiality of impediments to resolvability; measures to address impediments; and justification of the above; (v) valuation methodology and requirements for acquirers; (vi) internal sources to finance resolution; an analysis of liquidity in resolution; resolution costs; ability to provide financial assistance to acquirers; influence of resolution on resolution fund and DGS fund; and available collateral eligible assets; (vii) payment and settlement services; IT systems; functions and services outsourced; and conditions for participating in payment, settlement and securities settlement systems; (ix) transactional systems; safeguards in the event that systems break down; risks for continuity of operational systems; main entity's counterparties and potential influence on them in the event of insolvency; key systems used by the entity other than systems covered by prior points; risk of termination of key outsourcing contracts; intragroup financial support arrangements, CDSs and service level agreements; and other internal and external interdependencies in terms of operational continuity; (x) cost of conformity with MREL; and (xi) rules for communication with stakeholders (clients, employees, media) in the event that the institution fails or is likely to fail; planned communication actions depending on resolution measures; and rules for communication during the resolution weekend.</p>
PL	<p><u>Investment firms</u>: Fully waived elements of the simplified resolution plan: (i) a description of the entity: organisational structure; supervisory measures applied, including implementation of recovery plan and SREP; asset encumbrance; structure of liabilities in terms of creditors, products, maturity, subordination and DGS coverage; main clients; and measures necessary for continuity of critical functions in resolution (if any identified); (ii) resolution variants: in the event of a capital group, a description of measures is to be applied in relation to the group's other entities; (iii) timeframe: timeline, necessary sources and support from external contractors; (iv) resolvability assessment, measures to address impediments: potential acquirers in the sale of the business tool; conditions for financial assistance from resolution fund and DGS; resolvability of other entities that are part of the same capital group; level of materiality of impediments to resolvability; measures to address impediments; and justification of the above; (v) valuation methodology and requirements for acquirers; (vi) internal sources to finance resolution; an analysis of liquidity in resolution; resolution costs; ability to provide financial assistance to acquirers; influence of resolution on resolution fund and DGS fund; and available collateral eligible assets; (vii) payment and settlement services; IT systems; functions and services outsourced; and conditions for participating in payment, settlement and securities settlement systems; (ix) transactional systems; safeguards in event that systems break down; risks for continuity of operational systems; main entity's counterparties and potential influence on them in event of insolvency; key systems used by the entity other than systems covered by prior points; risk of termination of key outsourcing contracts; intragroup financial support arrangements, CDSs and service level agreements; other internal and external interdependencies in terms of operational continuity; and resolution influence on rights and duties of employees; (x) interim period; cost of conformity with MREL; and a gap analysis; (xi) rules for communication with stakeholders (clients, employees, media) in the event that the institution fails or is likely to fail; planned communication actions depending on resolution measures; and rules for communication during the resolution weekend; and (xii) opinion of the entity.</p>
PT	<u>Credit institutions</u> : Type 1 and 2 simplifications – These plans should include the same elements as those of complete resolution plans with an emphasis on (i) the description of the entity or group; (ii) the identification

MS	Summary of the simplified content of resolution plans
RO	<p>of the critical functions and business lines; (iii) the public interest assessment; (iv) the description of the preferred strategy; and (v) applicable MREL. However, these topics should have a lower degree of complexity regarding detail.</p> <p><u>Investment firms:</u> The simplified plans should include some of the elements of the full resolution plans, namely (i) a brief description of the entity or group; (ii) identification of the critical functions and business lines; (iii) a public interest assessment; (iv) a description of the preferred strategy, (v) a quantitative analysis of the application of normal insolvency proceedings, and (vi) applicable MREL.</p> <hr/> <p><u>Credit institutions:</u> The simplified resolution plans will have a simplified format and simplified content and will include the following elements: (i) an executive summary; (ii) a description of the institution (a short general description, geographical presence, market share as regards deposits, number of clients and total assets, products, shareholders structure, internal governance, presence in the interbank market, financial standing, SREP general score); (iii) core business lines: identification, separability assessment; (iv) an estimation of the timeframe for executing each material aspect of the plan; (v) a resolution strategy; (vi) any legal and operational impediments to liquidation by normal insolvency procedure; (vii) a decision process for implementing the resolution strategy; (viii) a description of the arrangements for ensuring that the information required pursuant to Article 11 of the BRRD is up to date and at the disposal of the resolution authority at all times; (ix) a description of the procedure for determining the value and sale possibility of the core business lines and bank assets; (x) a communication plan; (xi) minimum requirement of own funds and eligible liabilities and the deadline to reach that level; and (xii) an opinion of the credit institution.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
SE	<p><u>Credit institutions:</u> The Swedish National Debt Office (SNDO) has two different versions of resolution plans for institutions under simplified obligations. One version is used for small institutions that qualify for simplified obligations solely on size and one version is used for mid-size not systemically important institutions for which a deeper analysis has been needed.</p> <p>The resolution plans for institutions that qualify for simplified obligations based on size include a description of the applicable framework as well as an explanation of why the size of the institution implies that simplified obligations should apply. In addition, there is a short conclusion in which the number of O-SII points and guaranteed deposits is stated. This type of resolution plan is not very detailed and fits into about three pages.</p> <p>The other version is used for mid-size not systemically important institutions. For these institutions, simplified obligations are applied based on a qualitative assessment. The plans for these institutions include a description of the institutions' operations, legal structure and financing, as well as a description of the methodology used for the qualitative assessment and the SNDO's assessment regarding the specific institution. Furthermore, an assessment of the feasibility and credibility of potential liquidation of the institution is included. The last section consists of potential comments from the institution regarding the summary of the plan for the previous year. The number of pages for this version amounts to about 15.</p> <p><u>Investment firms:</u> The resolution plans for investment firms that qualify for simplified obligations based on size include a description of the applicable framework as well as an explanation of why the size of the institution implies that it is not systemically important. In addition, there is a short conclusion, and the number of O-SII points and guaranteed deposits in the institution is stated. This type of resolution plan is not very detailed, and it fits into about 2.5 pages.</p>
SI	<p><u>Credit institutions:</u> All simplified resolution plans are liquidation plans. The content of the simplified resolution plans was defined by taking into account the regulatory technical standards specifying the content of recovery plans, resolution plans and group resolution plans (DR 2016/1075).</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>

MS	Summary of the simplified content of resolution plans
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SK	<p><u>Credit institutions:</u> (1) management summary: (1.1) key elements of the resolution plan; (1.2) material changes to the resolution plan; (2) strategic business analysis: (2.1) group structure; (2.2) ownership structure; (2.3) governance structure; (2.4) overview of assets, liabilities, capital, revenue and risk situation; (2.5) description of business model and business lines; (2.6) description of functions; (2.7) eligibility for simplified obligations; (3) preferred resolution strategy: (3.1) assessment of feasibility and credibility of normal insolvency proceedings; (3.1.1) credibility of normal insolvency proceedings; (3.1.2) feasibility of normal insolvency proceedings; (3.2) factors determining the implementation of the normal insolvency proceedings; (4) information and communication plan: (4.1) governance of information provision; (4.1.1) organisation of crisis governance, responsible people and emergency plans; (4.1.2) coordination and cooperation between Resolution Council and other authorities; (5) conclusion of the assessment of resolvability: (5.1) assessment of current resolvability of the institution; (5.2) measures to address or remove impediments; (6) opinion of the institution in relation to the plan; and (7) annexes.</p>
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Investment firms: No simplified obligations have been applied.

Credit institutions:

For two credit institutions, the simplified resolution plans include all the information set out in Article 8(9) of Regulation No 806/2014 (SRMR), except requirements set out in Article 8 (9)(c),(f), (i), (l), (m) and (q).

SRB	<p>For one credit institution, the plan includes all the items set out in Article 8(9) of the SRMR, except requirements set out in Article 8(9)(d), (e), (f), (g), (l), (m), (n), (p), (q) and (r).</p>
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For the last credit institution, the plan includes all the items set out in the Article 8(9) of the SRMR, except requirements set out in Article 8(9)(c), (g), (l), (j), (l) and (q).

No simplification has been applied in relation to the level of detail for the assessment of resolvability.

**Table C. Overview of approaches applied by resolution authorities as regards the content and details of information required from institutions for resolution planning**

MS	<b>Simplified obligations as regards the content and details of the <u>information required to be provided</u> under Article 11(1) and Article 12(2) and in Section B of the Annex to the BRRD</b>
AT	<p><u>Credit institutions</u>: The RA does not intend to require the banks to provide all the information listed in Article 12(2) and in Sections A and B of the Annex of the BRRD. However, on a case-by-case basis, specific institutions may be asked to make available any of the information mentioned in this article.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
BE	<p><u>Credit institutions and investment firms</u>: Institutions are not requested to provide all templates of the CIR reporting.</p>
BG	<p><u>Credit institutions</u>: No simplified obligations have been applied.</p> <p><u>Investment firms</u>: No information is provided.</p>
CY	<p><u>Credit institutions and investment firms</u>: No simplified obligations have been applied.</p>
CZ	<p><u>Credit institutions and investment firms</u>: No additional information mentioned in Sections A and B of the Annex to BRRD is to be requested for planning purposes. The plan will be drawn up based on data gathered through the regulatory reporting (primarily based on the CRD and the CRR) as well as statistical reporting to the Czech National Bank (CNB).</p>
DE	<p><u>Credit institutions</u>:</p> <p>Category 1 – There are no simplified obligations granted. Institutions for which proportional plans are drafted need to provide the same information as institutions for which fully fledged plans are prepared. Therefore, institutions in this category are obliged to report the full set of templates in accordance with Annex I to the Commission Implementing Regulation (EU) 2018/1624<sup>16</sup>. Furthermore, the German Federal Financial Supervisory Authority (BaFin) as a RA can request any further institution-specific data that are not contained in the above-mentioned templates.</p> <p>Category 2 – Institutions in this category have been informed/will be informed by letter that the RA applied simplified obligations under Article 11 of the SRMR in conjunction with paragraph 41 of the SAG in the drawing up of the resolution plan for their institution. Assessing these credit institutions pursuant to Article 1 and 2 of DR 2019/348 ensures that the provision of information is dispensable, and therefore neither templates nor further information are to be transmitted. All information considered necessary for drawing up the resolution plan are obtained annually from regulatory and statistic reports for supervisory reporting. Only in exceptional cases will information required from the specific institution be obtained.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
DK	<p><u>Credit institutions and investment firms</u>: The institutions are not required to hand in information, as described under Section B of the Annex to the BRRD. However, contingency on liability structure is annually assessed. The annual assurance report is also assessed.</p>
EE	<p><u>Credit institutions</u>: The CIR templates were collected, together with the following information: (i) a detailed description of the credit institution's organisational structure; (ii) a description of the arrangements that the</p>

<sup>16</sup> Commission Implementing Regulation (EU) 2018/1624 of 23 October 2018 laying down implementing technical standards with regard to procedures and standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms pursuant to Directive 2014/59/EU.

**MS** **Simplified obligations as regards the content and details of the information required to be provided under Article 11(1) and Article 12(2) and in Section B of the Annex to the BRRD**

credit institution has in place to ensure that, in the event of resolution, the Financial Supervision Authority will have all the necessary information to apply the resolution tools and powers; (iii) a description of possible liquidity sources for supporting resolution; (iv) a list of service level agreements, valid internal rules and a description of the performance of such agreements; (v) contingency plans and measures in place to ensure uninterrupted access to payment, billing and management information systems; (vi) the internal rules concerning the submission to the Financial Supervision Authority of information necessary for determining the amounts guaranteed by depositors and the Guarantee Fund Act; and (vii) a list of compensation transactions if any.

Investment firms: The CIR templates were collected, together with the following information: (i) a detailed description of the credit institution's organisational structure; (ii) a description of the arrangements that the credit institution has in place to ensure that, in the event of resolution, the Financial Supervision Authority will have all the necessary information to apply the resolution tools and powers; (iii) a description of possible liquidity sources for supporting resolution; (iv) a list of service level agreements, valid internal rules and a description of the performance of such agreements; (v) contingency plans and measures in place to ensure uninterrupted access to payment, billing and management information systems; (vi) the internal rules concerning the submission to the Financial Supervision Authority of information necessary for determining the amounts guaranteed by depositors and the Guarantee Fund Act; and (vii) a list of compensation transactions if any.

**EL** Credit institutions: The content and details of the information are based on Commission Implementing Regulation (EU) 2018/1624.

Investment firms: No simplified obligations have been applied.

**ES** Credit institutions: CIR templates: Z02.00, Z03.00 and Z05.02 are requested. In addition, there are specific requests for information needed for the drafting of the resolution plan.

Investment firms: For the drafting of the resolution plan, the RA does not require any additional information from the entities, unless it is not possible to get such information from other sources, such as prudential reporting submitted by the entities and external audit reports from the firms.

**FI** Credit institutions: The institutions provide information on liability data annually, whereas other resolution reporting data are asked for only every second year so as to feed into the resolution planning process.

Investment firms: The resolution reporting data are asked for only every second year so as to feed into the resolution planning process.

**FR** Credit institutions and investment firms: The information used for the resolution plans is the information reported by institutions in their recovery plans. We complete this information by using FINREP/COREP and national reporting for institutions that do not submit FINREP.

**HR** Credit institutions: Credit institutions subject to normal insolvency proceedings are exempted from providing information contained in Section B of the Annex to the BRRD and further specified in Commission Implementing Regulation (EU) 2018/1624.

Investment firms: With regard to Article 11(1), resolution authorities cooperate fully with both supervisory institutions in Croatia. In the Croatian Financial Services Supervisory Agency (CFSSA), Investment Firms Supervision Department employees communicate with firms and provide resolution authorities with all of the information necessary to draw up and implement resolution plans. With regard to Article 12(2) of the

<b>Simplified obligations as regards the content and details of the <u>information required to be provided</u> under Article 11(1) and Article 12(2) and in Section B of the Annex to the BRRD</b>	
MS	<p>BRRD, there are no investment firm groups in Croatia, so recovery and resolution plans were not drawn up in this regard.</p>
HU	<p><u>Credit institutions and investment firms</u>: No information is requested.</p>
IE	<p><u>Credit institutions and investment firms</u>: No simplified obligations have been applied. All information has been submitted in full.</p>
IT	<p><u>Credit institutions</u>: Credit institutions under simplified obligations are required to fulfil proportionate resolution reporting (compare with CIR); it is foreseen that entities should limit the reporting to the liability structure (Z.02.00). Nevertheless, the NRA must ask for any further information (e.g. that in Section B of Annex to the BRRD) when drafting the resolution plan and could decide to remove SO at any time. To avoid excessive burdens on institutions, the NRA and the NCA have set a MoU for the exchange of relevant information.</p> <p><u>Investment firms</u>: No simplified obligations have been applied yet, since the work related to the eligibility assessment is still ongoing.</p>
LT	<p><u>Credit institutions and investment firms</u>: No simplified obligations have been applied.</p>
LU	<p><u>Credit institutions</u>: In general, simplified obligation plans require the provision of information under said articles and annex, having regard, however, to the fact that only credit institutions without critical functions that may thus be liquidated under normal insolvency proceedings are eligible for simplified obligations, which reduces the complexity of the analysis. Financial statements, a recovery plan, a long form report, FINREP, COREP and EBA templates are used.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
LV	<p><u>Credit institutions</u>: Taking into account the fact that all LSIs under the NRA remit are subject to winding up and that the simplified obligations are applied, all the necessary information to draw up the resolution plans are usually provided through the NCA: business strategy, recovery plan, annual report, etc. From Section B of the Annex to the BRRD, point 17 is required to be provided by institutions directly to the NRA.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
MT	<p><u>Credit institutions</u>: (1) a detailed description of the institution's organisational structure, including a list of all legal persons; (2) identification of the direct holders and the percentage of voting and non-voting rights of each legal person; (3) the location, jurisdiction of incorporation, licensing and key management associated with each legal person; (6) the details of those liabilities of the institution that are eligible liabilities; (10) identification of the major or most critical counterparties of the institution as well as an analysis of the impact of the failure of major counterparties in the institution's financial situation; (13) a detailed inventory and description of the key management information systems, including those for risk management, accounting and financial and regulatory reporting used by the institution, including a mapping to the institution's legal persons, critical operations and core business lines; (14) identification of the owners of the systems identified in point (13), service level agreements related thereto, and any software and systems or licences, including a mapping to their legal entities, critical operations and core business lines; and (17) the member of the management body responsible for providing the information necessary to prepare the resolution plan of the institution, as well as those responsible, if different, for the different legal persons, critical operations and core business lines.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>

MS	<b>Simplified obligations as regards the content and details of the <u>information required to be provided</u> under Article 11(1) and Article 12(2) and in Section B of the Annex to the BRRD</b>
NL	<p><u>Credit institutions</u>: For banks with a liquidation strategy, the content and details of the resolution plan will be simplified. However, for banks for which the use of a resolution tool is foreseen, no simplified obligations will be applied in relation to the content and details of the resolution plan.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
NO	<p><u>Credit institutions and investment firms</u>: No simplified obligations have been applied.</p>
PL	<p><u>Credit institutions and investment firms</u>: Entities subject to simplified obligations are waived from the obligation to maintain detailed records of financial contracts and the obligation to maintain IT systems to provide, at the demand of the fund, information for valuation purposes (as defined in a domestic law). However, in terms of information for the purpose of resolution planning, the scope of information is going to be similar, as the EBA will require all the information listed in Commission Implementing Regulation (EU) 2018/1624 to be forwarded by NRAs.</p>
PT	<p><u>Credit institutions</u>:</p> <p>Type 1 simplification – Information containing data that is relevant to building the content of the resolution plan, plus the financial and organisational templates developed by the Bank of Portugal and the Liability Data Template developed by the SRB. These include all the information required in Section B of the Annex to the BRRD and Commission Implementing Regulation (EU) 2018/1624.</p> <p>Type 2 simplification – Information should be limited to that which is strictly necessary for the public interest assessment and the study of the impact of normal insolvency proceedings.</p> <p><u>Investment firms</u>: Information should be limited to that which is strictly necessary for the public interest assessment and the study of the impact of normal insolvency proceedings. An information request should concern information that is strictly necessary to develop a resolution plan that takes into account the fact that liquidation will be the main course of action. If this is not the case, additional ad hoc information will be requested.</p>
RO	<p><u>Credit institutions</u>: No simplifications granted in this area.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
SE	<p><u>Credit institutions and investment firms</u>: (i) A detailed description of the institution’s organisational structure, including a list of all legal persons; (ii) identification of the direct holders and the percentage of voting rights of each legal person; (iii) the location of each legal person; (iv) the amount of own funds and total liabilities and own funds, including derivative liabilities; and (v) total risk exposure amount.</p>
SI	<p><u>Credit institutions</u>: Credit institutions under simplified obligations report annually RESOL templates. The RA and CA have established a MoU for the exchange of all data received directly from a credit institution. The RA uses all available CA data (FINREP, COREP, recovery plans, ICAAP, ILAAP). The RA can request from the bank additional information necessary for resolution planning.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
SK	<p><u>Credit institutions</u>: For the purposes of simplified resolution plans, the institutions must provide the information specified in Section B.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
SRB	<p><u>Credit institutions</u>:</p>

**MS** **Simplified obligations as regards the content and details of the information required to be provided under Article 11(1) and Article 12(2) and in Section B of the Annex to the BRRD**

For two credit institutions – Liability Data Report (LDR) and Critical Functions Report (CFT) are required annually, whereas the FMI report and CIR reporting should be every 2 years.

For the remaining two credit institutions, no simplification on reporting has been applied.

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**Table D. Overview of approaches applied by resolution authorities with regard to the level of detail required for the assessment of resolvability**

MS	<b>Simplified obligations as regards the level of detail required for <u>the assessment of resolvability</u> provided for in Articles 15 and 16 and Section C of the Annex to BRRD</b>
AT	<p><u>Credit institutions</u>: As most banks in this category are rather small and have a focused business model (taking deposits and granting loans), it seems feasible that normal insolvency proceedings could be the predominant solution to resolving an institution in the event that it fails or is likely to fail. With regard to those institutions, which – in a systemic crisis scenario – most likely have to be resolved, further analyses in conjunction with the resolvability assessment is needed.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
BE	<p><u>Credit institutions and investment firms</u>: For the smallest credit institutions and the smallest investment firms in this category, liquidation under normal insolvency proceedings is the strategy used in the event of an institution/firm failing or being likely to fail. Therefore, the resolvability assessment for these institutions remains very high level.</p>
BG	<p><u>Credit institutions</u>: No simplified obligations have been applied.</p> <p><u>Investment firms</u>: The degree of detail of the resolvability assessment should be determined for each investment intermediary in accordance with the provision of Article 26, paragraph 3, as well as the resulting possibility that an institution may be resolved if the resolution authority deems it feasible and appropriate to discontinue the operations of the institution through insolvency proceedings or resolution by means of the resolution tools and powers provided for in the Bulgarian Recovery and Resolution of Credit Institutions and Investments Firms Act (RCIIFA) in such a way as to ensure the continuity of critical functions and avoid causing significant adverse effects on the financial system, including in the event of wider financial instability or systemically important events in Bulgaria, other Member States or the European Union as a whole. In this regard, at the discretion of the Commission, an assessment of the resolvability of the investment intermediaries to which simplified requirements will apply, in accordance with Article 25, may not be drawn up, given the lower materiality and significance for the financial system of designated investment firms to which simplified requirements will apply, taking into account the scope and nature of the activity, size, interconnectedness in terms of other institutions, legal status, shareholder structure, risk profile and membership in an institutional compensation scheme. Under the facilitated conditions, a scenario is developed that reflects both the external and the internal factors of the investment intermediary on the defined critical functions.</p>
CY	<p><u>Credit institutions and investment firms</u>: No simplified obligations have been applied.</p>
CZ	<p><u>Credit institutions and investment firms</u>: Due to the preferred resolution strategy, which is liquidation under normal insolvency proceedings, the resolvability assessment in line with DR 2016/1075 is based on (i) feasibility (the ability of an institution to provide the information necessary for DGS payout) and (ii) credibility (the potential impact on the functioning of financial markets, FMIs and other participants of the market, as well as the real economy) of liquidation only.</p>
DE	<p><u>Credit institutions</u>: No simplification is applied in this regard.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
DK	<p><u>Credit institutions and investment firms</u>: The institutions are relatively simple, and, given this, the resolution authority does not demand that the institutions assess resolvability, as described in Section C of the Annex to BRRD.</p>

MS	<b>Simplified obligations as regards the level of detail required for the assessment of resolvability provided for in Articles 15 and 16 and Section C of the Annex to BRRD</b>
EE	<p><u>Credit institutions and investment firms</u>: A decision has been reached that failure and subsequent winding up under normal insolvency proceedings of a CI/IF would not likely have a significant negative effect on financial markets, other institutions, funding conditions or the wider economy; therefore, the assessment of a CI's/IF's resolvability should be limited to the provisions of Clause 33(5)(1) of the Financial Crisis Prevention and Resolution Act. As a result, it has to be verified whether the winding up of a CI/IF under normal insolvency proceedings is credible and feasible in accordance with Chapter 11 of the Credit Institutions Act and Bankruptcy Act or whether the winding up of the entities of the consolidation group is feasible and credible in accordance with normal insolvency proceedings in other Member States.</p>
EL	<p><u>Credit institutions</u>: Taking into account the fact that the preferred resolution strategy for a credit institution is liquidation, (i) the information, provided in Section C of the Annex to the BRRD and relevant to normal insolvency proceedings, has been assessed (e.g. bullet points 9, 10, 12 and 17), and (ii) the resolvability assessment is a summary of the conclusions from the assessment of how normal insolvency proceedings are feasible and credible, following the guidance and template applied by the SRB for simplified obligations.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
ES	<p><u>Credit institutions</u>: In accordance with Section C of the Annex to the BRRD, the following information is included in the resolution plan: (1), (7), (8), (9), (21), (24), (25), (26), (27) and (28)</p> <p><u>Investment firms</u>: The level of detail required for the assessment of resolvability in accordance with Section C of the Annex to the BRRD is as follows: (8) the adequacy of the management information systems in ensuring that the resolution authorities are able to gather accurate and complete information regarding the core business lines and critical operations so as to facilitate rapid decision-making; (9) the capacity of the management information systems to provide the information essential for the effective resolution of the institution at all times even under rapidly changing conditions; (17) the amount and type of eligible liabilities of the institution; (21) the feasibility of using resolution tools in such a way that meets the resolution objectives, given the tools available and the institution's structure; (22) the extent to which the group structure allows the resolution authority to resolve the whole group or one or more of its group entities without causing a significant direct or indirect adverse effect on the financial system, market confidence or the economy and with a view to maximising the value of the group as a whole; (25) the extent to which the impact of the institution's resolution on the financial system and the financial market's confidence can be adequately evaluated; (26) the extent to which the resolution of the institution could have a significant direct or indirect adverse effect on the financial system, market confidence or the economy; (27) the extent to which contagion to other institutions or to the financial markets could be contained through the application of the resolution tools and powers; and (28) the extent to which the resolution of the institution could have a significant effect on the operation of payment and settlement systems.</p>
FI	<p><u>Credit institutions and investment firms</u>: The assessment of feasibility of normal insolvency proceedings has already been established and the preferred strategy has been determined; therefore an additional assessment of resolvability is not needed.</p>
FR	<p><u>Credit institutions and investment firms</u>: The methodology for the resolvability assessment is the same as that for non-simplified obligations but shorter.</p>
HR	<p><u>Credit institutions</u>: When an assessment of feasibility and credibility of normal insolvency proceedings shows that liquidation of a credit institution in normal insolvency proceedings is both feasible and credible and a public interest assessment shows that resolution of the institution is not in public interest, no further assessment of resolvability is conducted.</p>

MS	<b>Simplified obligations as regards the level of detail required for the assessment of resolvability provided for in Articles 15 and 16 and Section C of the Annex to BRRD</b>
	<u>Investment firms:</u> Articles 15 and 16 in Section C of the Annex to the BRRD are not required or described in resolution plans. The legal structure of the group does not affect the application of the resolution tools according to the Croatian Companies Act (Official Gazette No 65/18) and the Act on Resolution of Credit Institutions and Investment Firms (Official Gazette Nos 19/15, 16/19).
HU	<u>Credit institutions and investment firms:</u> There is a low level of detail. The analysis is based on a template.
IE	<u>Credit institutions and investment firms:</u> No simplified obligations have been applied. All information has been submitted in full.
IT	<p><u>Credit institutions:</u> A proportionate assessment must be conducted for institutions under simplified obligations. Since simplified obligations will be applied only in the event of liquidation, the assessment of resolvability is based on the evaluation of the feasibility of normal insolvency proceedings (mainly the availability of information on covered deposits, to allow the DGS to implement the reimbursement procedure).</p> <p><u>Investment firms:</u> No simplified obligations have been applied yet, since the work related to the eligibility assessment is still ongoing.</p>
LT	<u>Credit institutions and investment firms:</u> No simplified obligations have been applied.
LU	<p><u>Credit institutions:</u> Since the banks to which simplified obligations are applied are not systemically important, do not exercise any critical functions and are meant to be liquidated under normal insolvency proceedings, the assessment of resolvability is based on the evaluation of the credibility and feasibility of normal insolvency proceedings. The analysis includes an assessment of the protection of public funds, depositors and investors, and client funds and assets, as well as financial stability considerations (notably the impact from the asset side, the impact on other financial institutions and financial markets (contagion analysis), the impact on the real economy, and the functioning of FMIs).</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
LV	<p><u>Credit institutions:</u> Taking into account the fact that all LSIs under NRA remit are subject to winding up, when assessing the resolvability of an institution or group, the NRA considers points 25-28 in Section C of the Annex of BRRD.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
MT	<p><u>Credit institutions:</u> The NRA is currently working to develop a methodology on this subject.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
NL	<p><u>Credit institutions:</u> For banks with a liquidation strategy, the content and details of the resolvability assessment will be simplified. However, for banks for which the use of a resolution tool is foreseen, no simplified obligations are applied in relation to the content and details of the resolvability assessment.</p> <p><u>Investment firms:</u> No simplified obligations have been applied.</p>
NO	<u>Credit institutions and investment firms:</u> No simplified obligations have been applied.
PL	<u>Credit institutions and investment firms:</u> One of the conditions of applying simplified obligations is liquidation within standard insolvency proceedings as the preferred strategy determined during previous planning cycles. Therefore, quite naturally, the resolvability assessment focuses on the feasibility and credibility of the liquidation and skips other stages indicated in Article 23(1)(b)-(d) of DR 2016/1075.
PT	<u>Credit institutions:</u>

MS	<b>Simplified obligations as regards the level of detail required for the assessment of resolvability provided for in Articles 15 and 16 and Section C of the Annex to BRRD</b>
	<p>Type 1 – This includes a brief description of the resolvability assessment, including a description of the necessary measures to eliminate eventual previously identified constraints on resolvability.</p> <p>Type 2 – Typically, Banco de Portugal does not perform the resolvability assessment, since it is expected that the majority of institutions will be liquidated under the normal insolvency proceedings. However, if the resolution authority concludes in a different way, meaning that the resolution should be the main course of action, a resolvability assessment will be performed on the same terms as those described for the Type 1 simplified obligations.</p> <p><u>Investment firms</u>: Typically, Banco de Portugal does not perform the resolvability, since it is expected that the majority of institutions will be liquidated under the normal insolvency proceedings. However, if the resolution authority concludes in a different way, meaning that the resolution should be the main course of action, a resolvability assessment will be performed on the same terms as those described for the Type 1 simplified obligations.</p>
RO	<p><u>Credit institutions</u>: No simplified obligations.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
SE	<p><u>Credit institutions</u>: The Swedish National Debt Office (SNDO) finds that it is enough that the potential liquidation of an institution is considered feasible and credible.</p> <p><u>Investment firms</u>: The SNDO finds that it is enough that the potential liquidation of an institution is considered feasible and credible. Therefore, it is enough that the institutions are also deemed non-systemically important.</p>
SI	<p><u>Credit institutions</u>: For banks under simplified obligations, the resolution plan envisages the use of orderly liquidation procedures. The credibility and feasibility of normal insolvency proceedings are assessed in accordance with DR 2016/1075. Special emphasis is given to a credit institution’s capacity to provide the information necessary to identify depositors and the amounts covered by DGSS.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
SK	<p><u>Credit institutions</u>: No simplifications are applied in this regard.</p> <p><u>Investment firms</u>: No simplified obligations have been applied.</p>
SRB	<p><u>Credit institutions</u>: No simplification has been applied in relation to the level of detail for the assessment of resolvability.</p>



**EUROPEAN BANKING AUTHORITY**

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