

Consultation Paper

Draft Regulatory Technical Standards

On the assessment of recovery plans under the draft directive establishing a framework for the recovery and resolution of credit institutions and investment firms



Consultation Paper on Draft Regulatory Technical Standards on the assessment of recovery plans under the draft directive establishing a framework for the recovery and resolution of credit institutions and investment firms

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1. Responding to this Consultation

The EBA invites comments on all proposals put forward in this paper and in particular on the specific questions summarised in point 5.2.

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed rationale proposed; and
- describe any alternative regulatory choices the EBA should consider.

Please send your comments to the EBA by email to EBA-CP-2013-8@eba.europa.eu by 20.08.2013, indicating the reference 'EBA/CP/2013/08' on the subject field. Please note that comments submitted after the deadline, or sent to another e-mail address will not be processed.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please indicate clearly and prominently in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an e-mail message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with the EBA's rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.eba.europa.eu under the heading 'Legal Notice'.

2. Executive Summary

The proposal¹ for a directive establishing a framework for the recovery and resolution of credit institutions and investment firms (the so-called Recovery and Resolution Directive or RRD) sets out a Union-wide new framework for crisis prevention, management and resolution of credit institutions and investment firms. Such framework *inter alia* requires competent authorities to review and assess the recovery plans drawn up by credit institutions and investment firms (henceforth 'institutions') to assess the extent to which each plan satisfies the requirements set out in the RRD.

In a number of Articles the proposed RRD contains specific mandates for the EBA to develop draft Regulatory or Implementing Technical Standards (RTS and ITS) related to different elements of the proposed framework. These standards will be part of the single rulebook strengthening regulatory harmonisation in Europe with the particular aim to enhance financial stability, reduce moral hazard, reduce the probability of a systemic banking crisis and minimise taxpayer exposure to losses from extraordinary public financial support to failing institutions.

The present draft RTS is developed by the EBA pursuant to Articles 6(5) of the proposed RRD and relates to the matters that the competent authorities must assess when reviewing individual and group recovery plans developed by the institutions. The main objective of this draft RTS is to ensure that the competent authorities will take a common approach regarding the matters they have to consider when they are assessing the recovery plan presented by an institution.

To the extent that the text of the RRD adopted following the legislative process changes with respect to the Commission's proposal, the EBA may need to adapt the draft RTS accordingly to reflect the relevant developments. The EBA may also introduce other changes into its draft RTS in order to appropriately reflect comments received, including response to this consultation paper. The EBA will submit the final draft RTS to the Commission within twelve months from the date of entry into force of the RRD.

Main features of the RTS

This consultation paper puts forward the draft RTS according to Articles 6(5) of the proposed RRD, where the EBA is mandated to specify through an RTS the matters that the competent authority must assess when reviewing a recovery plan. The RRD proposal stipulates in Article 6(2) the main criteria which the competent authority shall apply during the assessment process and as well which requirements stipulated in provisions of the RRD proposal a recovery plan shall satisfy. In compliance with Article 8(1) of the draft RRD this draft RTS also covers specific criteria for the assessment of group recovery plans as required by Article 7 of the draft RRD. The draft RTS is structured into 6 articles. The first article establishes the subject matter. The second article provides a list of definitions for the purpose of the RTS. Article 3 describes the criteria for the assessment of the completeness of

¹ Proposal for a directive of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directives 77/91/EEC and 82/891/EC, Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC and 2011/35/EC and Regulation (EU) No 1093/2010, published on 6 June 2012. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0280:FIN:EN:PDF>

recovery plan. This article is divided into two paragraphs. The first focuses on requirements imposed both on individual and group recovery plans, while the second paragraph stipulates requirements imposed specifically upon group recovery plans. Article 4 describes the matters the competent authority shall review when assessing the quality of recovery plans. Article 5 concentrates on criteria which shall help guide the competent authority in the assessment of the overall credibility of a recovery plan in line with the specific Articles of the draft RRD. In particular this Article specifies what matters shall be considered by the competent authority when assessing (i) whether the implementation of the arrangements proposed in the recovery plan would be likely to restore the viability and financial soundness of the institution (ii) whether the plan or specific options could be implemented effectively in situations of financial distress taking into account that another institutions need to implement their recovery options at the same time. The same Article of the draft RTS also stipulates specific criteria for the assessment of group recovery plans. Finally, Article 6 determines when the regulation enters into force. The structure of the draft RTS presented in this document does not exactly follow the order of criteria and requirements as specified by Articles 5, 6 and 7 of the Commission's proposal for the RRD. However, each of the different criteria and requirements are covered and specified in the RTS.

3. Background and rationale

At the international level the initiatives on recovery and resolution planning are carried out under the auspices of the Financial Stability Board in its Key Attributes of Effective Resolution Regimes for Financial Institutions (henceforth 'FSB Key Attributes').² The FSB Key Attributes identifies the essential elements of recovery and resolution plans but comparing with requirements on their content they do not necessarily provide the same granularity concerning the assessment criteria which the competent authorities shall apply while reviewing recovery plans drawn by institutions.

At the EU level, following the Conclusions of the Council of the European Union on Crisis Prevention, Management and Resolution of 18 May and 7 December 2010, the European Commission (EC) adopted on 6 June 2012 the proposal for the Recovery and Resolution Directive (COM(2012) 280 final).

This proposal is currently being examined and discussed by the Council and the European Parliament as EU legislators in the framework of the Treaty's legislative procedure. In anticipation of the finalisation of the legislative text, the EBA has developed this draft RTS in accordance with the mandate contained in Articles 6(5) of the proposed RRD, which mandates the EBA to specify through an RTS the matters that the competent authority must assess when reviewing recovery plans.

Given the number of technical standards/guidelines that the EBA is required to produce within twelve months from the entry into force of the RRD, the EBA has decided to proceed with a consultation at this early stage. This early consultation ensures that potential respondents have the fullest opportunity to comment and that the EBA is able to meet the demands that the proposed RRD places upon it.

The EBA may need to adapt the draft RTS in accordance with the final version of the RRD text before submitting it to the European Commission for adoption; if the required changes are substantial another consultation may be required. The EBA may also introduce other changes into the draft text in order to appropriately reflect comments received from interested stakeholders, including in response to this consultation paper.

The nature of RTS under the EU law

The present draft RTS is produced in accordance with Article 10 of Regulation (EU) No 1093/2010.³ According to Article 10(4) of this regulation, the RTS shall be adopted by means of a regulation or decision.

According to EU law, EU regulations are binding in their entirety and directly applicable in all Member States. This means that, on the date of their entry into force, they become part of the national law of the Member States and that their implementation into national law is not only unnecessary but also prohibited by EU law, except in so far this is expressly required by them.

² Key Attributes of Effective Resolution Regimes for Financial Institutions, FSB, October 2011.

³ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC.

Shaping these rules in the form of a regulation would contribute to a level-playing field by preventing diverging national requirements.

Rationale and regulatory approach followed in the draft RTS

In its proposal for the Recovery and Resolution Directive on 6 June 2012 the European Commission lists in Articles 5, 6 and 7 the elements and criteria that the competent authority must assess when reviewing a recovery plan developed by an institution. These elements and criteria are in compliance with the FSB Key Attributes and need a further specification. For this reason the Article 6(5) of the RRD proposal mandates the EBA to develop draft regulatory technical standards specifying the matters that the competent authority must assess when reviewing a recovery plan.

Following this mandate, the present draft RTS is prepared taking into account the FSB Key Attributes. For a proper understanding of the draft RTS it is essential that it is read in conjunction with the proposals for binding technical standards on the content of recovery plans and on the range of scenarios to be used in recovery plans.

In contrast to resolution plans, which shall be drafted according to the draft RRD by resolution authorities, the duty to prepare recovery plans lies with the institutions. The role of competent authorities is to assess the extent to which each plan satisfies the requirements and criteria set out in the RRD.

The objectives of the draft RTS is to enhance the effectiveness of crisis prevention by ensuring that institutions across Europe will not only produce recovery plans that correspond to the common harmonized requirements but also that they will be assessed according to the same common and harmonised assessment criteria.

The draft RTS distinguishes three main areas of the evaluation. The first area concentrates on the completeness of a recovery plan. The competent authority shall assess whether the presented recovery plan includes all the information required by the draft RRD and information further specified by the EBA binding technical standards. In the case of a group recovery plan the competent authority shall check whether specific requirements imposed on group recovery plans are met. Besides making an assessment of the completeness of a recovery plan the supervisors have to apply their professional judgment concerning its quality. For this purpose the competent authorities shall evaluate whether the recovery plan provides for clarity, comprehensiveness, internal consistency and whether the recovery plan complies with the required elements and includes only relevant information. Finally the competent authorities have to assess the overall credibility of the recovery plan. For this purpose, the draft RTS further specifies the elements provided by Article 6(2) of the RRD. Given the scope of the mandate of the Commission's proposal as regards this RTS, the mandate does not prescribe the metrics and processes which the competent authorities have to follow, but rather focuses on the general assessment criteria, which need to be applied by the competent authorities using their professional judgment.

The application of the proposed draft RTS will allow a deeper convergence in the approaches of the competent authorities in the assessment process of recovery plans. Practical supervisory experience in this area, especially the assessment of group recovery plans, might lead to further regulatory

developments which would introduce changes and amendments into the RTS or in other regulatory tools in order to appropriately reflect experience gained.

4. Draft Regulatory Technical Standards on the assessment of recovery plans under the draft directive establishing a framework for the recovery and resolution of credit institutions and investment firms

Content

General Questions for Consultation:

Q01:	If your recovery plan has already been assessed by a competent authority, what are your general comments to this RTS on the basis of your experience? In particular, which elements do you suggest to add to the assessment criteria specified in this RTS?
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COMMISSION DELEGATED REGULATION (EU) No .../..

of XXX

[...]

supplementing Directive XXXX/xx/. of the European Parliament and of the Council with regard to regulatory technical standards for the assessment of recovery plans

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Directive of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directives 77/91/EEC and 82/891/EC, Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC and 2011/35/EC and Regulation (EU) No 1093/2010, and in particular Article 6 (5) thereof,

Whereas:

- (1) This Regulation further specifies the matters that the competent authorities must assess for the purposes of the assessment of Article 6(2) of Directive XXXX/xx/EU [RRD].
- (2) These draft regulatory technical standards on the assessment of recovery plans should take into account also the regulatory technical standards on the content of recovery plans and on scenarios for recovery planning.
- (3) The objective of recovery planning is to identify options to restore financial strength and viability when the institution or group comes under severe distress. These technical standards should ensure that the competent authorities take a common approach when assessing the recovery plans presented by institutions or groups. Nonetheless, exact matters that the competent authority must assess will depend on the content and extent of the recovery plan and, among other things, whether the institution or group is subject to simplified obligations pursuant to Article 4 of Directive XXXX/xx/EU [RRD].
- (4) This Regulation covers recovery plans drawn up and maintained at both the institution and at the group levels. Where appropriate, it should define additional requirements that specifically apply to assessment of group recovery plans in order to reflect the additional requirements in the Directive for such plans.

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- (5) This Regulation is based on the draft regulatory technical standards submitted by the European Banking Authority to the Commission.
 - (6) The EBA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits, in accordance with Article 15 of Regulation (EU) No 1093/2010 and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010.

HAS ADOPTED THIS REGULATION:

Article 1. Subject matter

1. This Regulation specifies the matters that the competent authority must assess for the purposes of the assessment of individual recovery plans or group recovery plans.

Article 2. Definitions

For the purposes of this Regulation, the following definitions apply:

- a. 'indicators' means a set of criteria which determine the point at which an institution, a parent undertaking or an institution subject to consolidated supervision pursuant to Chapter 3 of Title VII of Directive 2013/xx/EC [CRD]⁴ shall start to consider, reassess and determine which specific recovery option it may need to apply in reaction to the actual situation that has materialised;
- b. 'individual recovery plan' means a recovery plan as described in Article 5 of Directive XXXX/xx/EU [RRD];
- c. 'group recovery plan' means a recovery plan as described in Article 7 of Directive XXXX/xx/EU [RRD];
- d. 'recovery plan' means an individual or a group recovery plan.

Article 3. Completeness of recovery plans

1. For the purpose of assessing the extent to which an individual recovery plan satisfies the requirements set out in Article 5 of Directive XXXX/xx/EU [RRD] the competent authority shall review the completeness of the individual recovery plan by assessing at least the following matters:

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- a. whether the recovery plan covers all the information listed in Section A of the Annex of Directive XXXX/xx/EU [RRD] as specified in regulatory technical standards adopted by the Commission under Article 5(7) of that Directive;
 - b. whether the recovery plan provides information that is up to date and has been updated with respect to any material changes to the institution or group, in particular to its business or its financial situation pursuant to Article 5(2) of Directive xx/XXXX/EU [RRD] since the previous recovery plan was submitted;
 - c. where applicable an analysis of how and when an institution may apply for the use of central bank facilities in stressed conditions and available collateral;
 - d. whether the recovery plan has been tested against a range of scenarios as specified in regulatory technical standards adopted by the Commission under Article 5(6) of that Directive.
2. For the purpose of assessing the extent to which a group recovery plan satisfies the requirements set out in Article 7 of Directive XXXX/xx/EU [RRD] the competent authority shall review the completeness of the group recovery plan by assessing whether it covers at least the following matters:
- a. the information set out in paragraph (1) in relation to the whole group;
 - b. arrangements for possible intra-group financial support adopted in accordance with any agreement for group financial support that has been concluded in accordance with Article 16 of Directive XXXX/xx/EU [RRD];
 - c. for each of the scenarios against which the recovery plan was tested in accordance with Article 5(5) of Directive xx/XXX/EU [RRD], obstacles to the implementation of recovery measures within the group are identified, or a statement that there are no such obstacles;
 - d. identification of substantial practical or legal impediments to the prompt transfer of own funds or the repayment of liabilities or assets within the group, or a statement that there are no such impediments.

Q02:	Do you think that the elements which shall be subject to assessment according to this Article are comprehensive? Do you think that some of the elements should be amended? Do you think that some additional elements should be added?
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Article 4. Quality of recovery plans

In assessing the requirements and criteria set out in Articles 5 to 7 of Directive xx/XXXX/EU [RRD], as applicable, the competent authority shall review the quality of a recovery plan by assessing at least the following matters:

- a. the clarity of the recovery plan, which means that:
 - i. the recovery plan is self-explanatory and is in clear and understandable language;
 - ii. definitions and descriptions are clear and consistent throughout the recovery plan;
 - iii. assumptions and valuations made within the recovery plan are explained;
 - iv. references to documents not contained in the recovery plan and annexes to the recovery plan supplement the recovery plan in a way which substantially contributes to identifying options to maintain or restore financial strength and viability of the institution or group;
- b. the relevance of information contained in the recovery plan, which means that the information contained in the recovery plan focuses on identifying options to maintain or to restore financial strength and viability of the institution or group;
- c. the comprehensiveness of the recovery plan, taking into account in particular the nature of the institution`s or the group`s business, its size and its interconnectedness to other institutions and groups and to the financial system in general, which means that:
 - i. the recovery plan provides sufficient level of detail concerning the information required to be included in recovery plans pursuant to Articles 5 and 7 of Directive xx/XXXX/EU [RRD];
 - ii. the recovery plan contains a sufficiently wide range of recovery options and indicators and does not omit any relevant recovery options or potential indicators.
- d. the internal consistency of the recovery plan, which means:
 - i. in the case of an individual recovery plan, the internal consistency of the plan;
 - ii. in the case of a group recovery plan, the internal consistency of the group plan and its consistency with respect to any individual recovery plans of group members.

Q03:	Do you think that the elements which shall be subject to assessment according to this Article are comprehensive? Do you think that some of the elements should be amended? Do you think that some additional elements should be added?
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Article 5. Overall credibility of recovery plans

1. When assessing the extent to which the recovery plan satisfies the criteria set out in Article 6(2)(a) of Directive xx/XXXX/EU [RRD] the competent authority shall assess at least the following matters:
 - a. the level of integration and consistency of the recovery plan with the general corporate governance and the internal processes of the institution or the group, and its risk management framework;
 - b. whether the recovery plan contains a sufficient number of plausible and viable recovery options which make it likely that the institution or the group would be able to counter different scenarios of financial distress effectively without causing any significant adverse effect to the financial system. The assessment of plausibility of each recovery option set out in the recovery plan, shall take into account:
 - i. the extent to which its implementation is within the institution's or group's control and the extent to which it would rely on action by third parties;
 - ii. whether the recovery plan includes a wide range of recovery options and appropriate indicators, conditions and procedures that would ensure timely implementation of these options;
 - iii. the extent to which the recovery plan considers reasonably foreseeable impacts of the implementation of the proposed recovery option on the institution or group;
 - iv. whether the recovery plan and in particular the recovery options would be likely to maintain the viability of the institution or group and to achieve the lasting restoration of its financial soundness;
 - v. if applicable, the extent to which the institution or group, or competitors with similar characteristics have managed a previous crisis by taking the described recovery options, in particular as regards a timely implementation of recovery options and, in the case of a group recovery plan, the coordination of recovery options within the group;
 - c. whether the recovery options included in the recovery plan address the scenarios identified;
 - d. whether the timescale to implement the options is realistic and has been taken into account in the procedures designed to ensure timely implementation of recovery actions;
 - e. the level of the institution's or group's preparedness, which shall be determined in particular by assessment whether necessary preparatory measures have been adequately implemented or are adequately planned;
 - f. the adequacy of the range of scenarios of financial distress against which the recovery plan has been tested;

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- g. the adequacy of the testing carried out using the scenarios of financial distress;
 - h. the extent to which the recovery options and indicators are verified by the testing carried out using scenarios of financial distress;
 - i. whether the assumptions and valuations made within the recovery plan are realistic and plausible.
2. When assessing the extent to which the recovery plan satisfies the criteria set out in Article 6(2)(b) of Directive xx/XXXX/EU [RRD] the competent authority shall assess at least the following matters:
- a. whether the range of recovery options sufficiently reduces the risk that obstacles to the implementation of the recovery options or adverse systemic effects arise due to the recovery actions of other institutions or groups being taken at the same time;
 - b. the extent to which the recovery options may conflict with the recovery options of institutions or groups which have similar vulnerabilities, for example due to their similar business models, strategies or scope of activity, if the options were implemented at the same time;
 - c. the extent to which implementation of recovery options by several institutions or groups at the same time could negatively affect the impact and feasibility of recovery options.
3. When assessing the extent to which a group recovery plan satisfies the criteria set out in paragraphs (3) and (5) of Article 7 of Directive xx/XXXX/EU [RRD] the competent authority shall assess at least the following matters:
- a. the extent to which the group recovery plan can achieve stabilisation of the group as a whole and any institution of the group, in particular taking into account the following matters:
 - i. the availability of recovery options at the group level to restore where necessary the financial position of a subsidiary, without disturbing the group's financial soundness;
 - ii. whether the group as a whole and any institution of the group would still have a viable business model after taking recovery options;
 - b. the extent to which arrangements included into the group recovery plan ensure coordination and consistency of measures to be taken at the level of the parent undertaking or institution subject to consolidated supervision pursuant to Chapter 3 of Title VII of Directive 2013/xx/EC [CRD] as well as measures to be taken at the level of individual institutions;

in this regard the competent authority should assess in particular the extent to which governance processes included in the group recovery plan take into account the governance structure of the individual group entities and any relevant legal restrictions;
 - c. where obstacles to the implementation of recovery measures within the group for each of the scenarios are identified, the extent to which the group recovery plan provides solutions to

overcome those obstacles and if the obstacles cannot be overcome, the extent to which alternative recovery measures could achieve the same goal;

- d. in the case that substantial practical or legal impediments to a prompt transfer of own funds or the repayment of liabilities or assets within the group are identified, the extent to which the group recovery plan provides solutions to overcome them, when relevant and, if the impediments cannot be overcome, the extent to which alternative recovery options could achieve the same goals.

Q04:	Do you think that the elements which shall be subject to assessment according to this Article are comprehensive? Do you think that some of the elements should be amended? Do you think that some additional elements should be added?
Q05:	Could you describe what key elements the competent authority should assess when reviewing the matters stipulated in Article 5(3) letters a) to d)?

Article 6. Final Provisions

This regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*.

This regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

The President

[For the Commission,

On Behalf of the President

[Position]

5. Accompanying documents

5.1 Draft Cost-Benefit Analysis / Impact Assessment

Introduction

This note outlines the assessment of the impact of the draft RTS concerning the requirements regarding the assessment of recovery plans. The development of the draft RTS stems from the requirement stipulated by Article 6(5) of the RRD.

Pursuant to Article 10(1) of Regulation (EU) No 1093/2010 any draft implementing technical standards/regulatory technical standards developed by the EBA shall be accompanied by an Impact Assessment annex which analyses ‘the potential related costs and benefits’ connected with the proposal. Such Impact Assessment shall provide the reader with an overview of the findings as regards the problem identification, the options identified to remove the problem and their potential impacts.

This note outlines the main expected impacts of the proposed provisions and provides a summary of the nature and expected magnitude of costs and benefits arising from the requirements.

Problem definition

Issues addressed by the European Commission regarding EU framework for bank recovery

As documented in the European Commission’s impact assessment of the RRD, during the financial crisis, many institutions did not have plans how to achieve recovery in various situations of financial distress. Therefore they were not able to adopt appropriate measures to address promptly liquidity shortages, capital depletion and other problems arising during the crisis.

In the RRD, the Commission proposed that credit institutions and investment firms prepare recovery plans in which they set out the arrangements they have in place or the measures that they themselves would adopt to take early action to restore their long-term viability in the event of a material deterioration of their financial situation in situations of financial stress. Then the competent authorities would have then to assess the quality of the recovery plans that institutions would submit to them.

Issues addressed by the RTS and objectives

The European Commission draft RRD mandates the EBA to specify through an RTS the matters that the competent authority must assess when reviewing a recovery plan. This is to avoid that national supervisory authorities have substantially divergent approach regarding the matters which need to be assessed when reviewing recovery plans, which may create uncertainty regarding the quality of recovery plans across the EU.

The RTS will contribute to fulfilling the RRD objectives of increasing the preparedness of institutions for crisis situations and ensuring that the content of recovery plans across the EU is assessed by the national competent authorities using EU harmonised rules.

Impact of the proposals

Costs

Article 6 of the RRD requires competent authorities to review and assess the content of the recovery plans that have been submitted to them. This draft RTS specifies what matters the competent authority must assess and provides for criteria against which recovery plans have to be tested. As a result, this RTS will generate additional compliance costs within those Member States which would have conducted less extensive checks than those proposed by the RTS. Such costs will mainly affect competent authorities which will have to assess the recovery plans, and to a lesser extent institutions, which may have to update and resubmit their recovery plan in case it fails to meet the requirements of this RTS. Such costs for the competent authorities will be mainly driven for instance by the need to change some of their IT or system framework, to train existing staff or hire additional staff members.

To have a better view of the nature of these costs, the EBA collected the view of the NSAs in a survey. Most of the NSAs which answered to the survey stated that the main drivers of cost for them would be to hire and train new staff as well as the ongoing costs of assessing the recovery plans. Some NSAs declared that the investment in the necessary IT systems which shall be used for the collection and assessment of recovery plans would represent a major driver of their future costs connected with the implementation of the draft RTS.

The answers to the survey did not provide much indication of the scale of these costs. It seems though that the costs will vary significantly between authorities: some NSAs stated that the assessment of recovery plans will require them only very few additional resources, whereas a few others have stated that the costs of doing the assessment are likely to be considerable for them.

Benefits

By specifying the matters that competent authorities must assess when reviewing a recovery plan, this RTS ensures that recovery plans are assessed in a similar fashion. It will ensure the existence of common minimum standards on the quality of the recovery plans of institutions established in the EU for the benefit of the proper functioning of the single market.

Q06: Do you agree with our analysis of the impact of the proposals in this CP? If not, can you provide any evidence or data that would explain why you disagree or might further inform our analysis of the likely impacts of the proposals?

5.2 Overview of questions for Consultation

Questions related to the draft RTS	
Q01:	If your recovery plan has already been assessed by a competent authority, what are your general comments to this RTS on the basis of your experience? In particular, which elements do you suggest to add to the assessment criteria specified in this RTS?
Q02:	Do you think that the elements which shall be subject to assessment according to this Article are comprehensive? Do you think that some of the elements should be amended? Do you think that some additional elements should be added?
Q03:	Do you think that the elements which shall be subject to assessment according to this Article are comprehensive? Do you think that some of the elements should be amended? Do you think that some additional elements should be added?
Q04:	Do you think that the elements which shall be subject to assessment according to this Article are comprehensive? Do you think that some of the elements should be amended? Do you think that some additional elements should be added?
Q05:	Could you describe what key elements the competent authority should assess when reviewing the matters stipulated in Article 5(3) letters a) to d)?

Questions related to the Impact Assessment	
Q06:	Do you agree with our analysis of the impact of the proposals in this CP? If not, can you provide any evidence or data that would explain why you disagree or might further inform our analysis of the likely impacts of the proposals?