

# Recommendations compliance table

EBA/REC/2017/02

2 March 2017; Date of application – 1 July 2017

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

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

		<b>Competent authority</b>	<b>Complies or intends to comply</b>	<b>Comments</b>
Member State				
BE	Belgium	National Bank of Belgium	<b>Intends to comply**</b>	By the end of March 2018.
BG	Bulgaria	Българска народна банка (Bulgarian National Bank)	<b>Intends to comply**</b>	By the end of 1Q/2018.
CZ	Czech Republic	Czech National Bank	<b>Yes</b>	As at 01.02.2018, notification date.
DK	Denmark	Danish Financial Supervisory Authority	<b>Yes</b>	As at 12.03.2018, notification date.
DE	Germany	Bundesanstalt für Finanzdienstleistungsufsicht (BaFin)	<b>Yes</b>	As at 26.03.2018, notification date. With respect to the institutions that will be required to submit recovery plans in the future, we intend to comply with the EBA Recommendations on the coverage of entities in a group recovery plan (EBA/REC/2017 /02).
EE	Estonia	Finantsinspektsioon	<b>Yes</b>	As at 05.03.2018, notification date. According to Estonian Financial Crisis Prevention and Resolution

		<b>Competent authority</b>	<b>Complies or intends to comply</b>	<b>Comments</b>
				<p>Act section 10 subsection 3 If a credit Institution established In Estonia Is a subsidiary of the consolidation group and the parent undertaking of the consolidation group has been established In the other EEA country, a separate recovery plan for a subsidiary need not be prepared, unless:</p> <p>1) the credit Institution Is subject to direct supervision by the European Central Bank pursuant to Article 6(4) of Council Regulation (EU) No 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit Institutions (OJ L 287, 29.10.2013, p. 63-89);</p> <p>2) the value of assets of the credit Institution exceeds 30 billion euros;</p> <p>3) the ratio of assets of the credit Institution over the gross domestic product of Estonia exceeds 20 per cent, unless the value of the assets is below 5 billion euros.</p> <p>Subsection 4 of the same act stipulates that If a parent undertaking has been established In the other EEA country, the Financial Supervision Authority may require a subsidiary that is a credit Institution established In Estonia and that Is part of a consolidation group to prepare a recovery plan. That means the EBA recommendation's "Recommendations on the coverage of entitles In the group recovery plan" points 12 and 58 may not be completely In line with national legislation.</p>
IE	Ireland	Central Bank of Ireland	<b>Yes</b>	As at 20.03.2018, notification date.
EL	Greece	Bank of Greece	<b>Intends to comply**</b>	By 30.06.2018.
HR	Croatia	Hrvatska narodna banka (Croatian National Bank)	<b>Intends to comply**</b>	By the first initial recovery plan submission after the date of

		<b>Competent authority</b>	<b>Complies or intends to comply</b>	<b>Comments</b>
				application of this Recommendation.
ES	Spain	Banco de España	<b>Yes</b>	As at 26.03.2018, notification date.
FR	France	ACPR	<b>No response</b>	No notification of compliance was received by the EBA within the two-month time limit.
IT	Italy	Banca d'Italia	<b>Yes</b>	As at 21.03.2018, notification date.
CY	Cyprus	Central Bank of Cyprus	<b>No response</b>	No notification of compliance was received by the EBA within the two-month time limit.
LV	Latvia	Financial and Capital Market Commission	<b>Intends to comply**</b>	By 31.12.2018.
LT	Lithuania	Bank of Lithuania	<b>Yes</b>	As at 19.03.2018, notification date.
LU	Luxembourg	Commission de Surveillance du Secteur Financier (CSSF)	<b>Yes</b>	As at 26.03.2018, notification date.
HU	Hungary	Magyar Nemzeti Bank (The Central Bank of Hungary)	<b>Intends to comply**</b>	By 30.09.2018.
MT	Malta	Malta Financial Services Authority (MFSA)	<b>Yes</b>	As at 12.03.2018, notification date.
NL	Netherlands	De Nederlandsche Bank	<b>Yes</b>	As at 06.03.2018, notification date.
AT	Austria	Austrian Financial Market Authority	<b>Yes</b>	As at 16.03.2018, notification date.
PL	Poland	Komisja Nadzoru Finansowego	<b>No</b>	Does not comply and does not intend to comply with all or parts of the Guidelines and has provided a full explanation of the extent of non-compliance together with full reasons for this, as well as other details of the partial compliance, in the Annex to this notification. My competent authority does not, and does not intend to, comply with the Guidelines and recommendations for the following reasons:

		Competent authority	Complies or intends to comply	Comments
				<p>1. The coverage of entities in group recovery plans envisaged by the Recommendation is not extensive enough and does not take into account specificities of different markets.</p> <p>Firstly one could not agree that subsidiaries and branches should be treated in group recovery plans in the same way. This is because in case of branches the responsibility for protection of depositors' means stays with the country which is home for the dominant (parent) entity, while in case of subsidiaries the whole responsibility is transferred to the local deposit guarantee scheme in the jurisdiction where a subsidiary performs its activity. We believe, that when it comes to subsidiaries which are of systemic importance for the local market, individual recovery plans should be in place. This is especially important for non-SSM countries which have no access to ECB's support, and where whole responsibility remains at the local level. Having in mind that in Poland the funding for banks comes mainly from deposits, in case of an adverse scenario, the burden for the DGS would be tremendous, and the scheme could hardly accommodate the costs resulting from such an adverse scenario. Eventually the whole real economy, as well as taxpayers would be affected. This is why the KNF, being responsible for stability of financial market in Poland, is of the opinion that both management of a parent and subsidiary to be assessed as fit and proper should ensure group and individual recovery plans consistent with, and complementary to each other to be in place. A</p>

		Competent authority	Complies or intends to comply	Comments
				<p>group recovery plan should describe all actions which parent foresees to undertake towards subsidiary in case of problems at group level, whereas an individual recovery plan should fulfil all conditions stemming from the Article 5 of BRRD. Having in mind what has been said above, the KNF believes that the draft EBA Recommendation does not give enough consideration to the necessity of protecting stability of host countries' financial markets.</p> <p>2. Institutions that are not considered relevant either for the group, or for the local economy are not afforded appropriate coverage in the Recommendation. When it comes to not relevant subsidiaries we are convinced that minimal set of information should be ensured in group recovery plan. The foregoing should include at least:</p> <ol style="list-style-type: none"> <li>1. identification of core business lines and critical functions performed by a given subsidiary, in particular, those in relation to the local market, as well as essential from the group's point of view (e.g. customer service, the performance of settlements, collecting deposits-including identification of deposits guaranteed by the local deposit guarantee scheme);</li> <li>2. list of services provided by the group to a local subsidiary (outsourcing). Description of procedures and measures that enable continuation of performance of operations provided by the group in favour of the local entity in the event of stress situation of service providers;</li> <li>3. a group recovery plan should include recovery indicators defined at the level of the local subsidiary at least in the areas of capital and</li> </ol>

		Competent authority	Complies or intends to comply	Comments
				<p>liquidity adequacy, efficiency / profitability and asset quality;</p> <p>4. recovery options available in the event of stress situation of the local subsidiary, aimed at defining mitigation actions taken by the group vis-a-vis the subsidiary. Recovery options that could be utilized should indicate the amount of funds that are available to be engaged and maximum timeframe to implement the recovery options in the course of both the normal business of the entity, and in stressed conditions, as well as impact of recovery options on key indicators in the area of capital adequacy, liquidity and profitability;</p> <p>5. internal communication plan, that should be circulated to the subsidiaries (it also refers to the principles for communication in a stress situation of the parent undertaking) as well as external communication, including exchange of information with competent supervisory authorities.</p> <p>3. The Recommendation introduces a prohibition on reaching a joint decision by supervisory authorities on requesting individual recovery plans to address insufficient coverage of entities in group recovery plans.</p> <p>The Recommendation (section 58) provides that:  <i>Without prejudice to paragraph 12, the consolidating supervisor and the competent authorities involved in the joint decision process referred to in Article 8 of the BRRD should not request the submission of individual plans for the sole purpose of addressing insufficient coverage of entities in the group recovery plan as referred to in the previous paragraphs.</i>                      Such prohibition is far-reaching, and is not substantiated by the BRRD. It would be hardly deasible</p>

		<b>Competent authority</b>	<b>Complies or intends to comply</b>	<b>Comments</b>
				to provide any justification for such prohibition from the prudential supervision's point of view. Supervisory authorities should be equipped with enough flexibility in assessment of group recovery plans enabling them to include insufficient coverage of a given entity as a basis for requiring an individual recovery plan. Such flexibility is afforded by the BRRD, and then unduly contradicted by the provisions of the Recommendation.
PT	Portugal	Banco de Portugal	<b>Intends to comply**</b>	By 30.11.2018, the date when the next cycle of recovery plans will be submitted by entities and assessed in accordance with this Recommendation.
RO	Romania	National Bank of Romania	<b>Yes</b>	As at 26.03.2018, notification date.
SI	Slovenia	Bank of Slovenia	<b>Yes</b>	As at 15.03.2018, notification date.
SK	Slovakia	Národná Banka Slovenska	<b>Yes</b>	As at 23.03.2018, notification date.
FI	Finland	Finanssivalvonta	<b>No response</b>	No notification of compliance was received by the EBA within the two-month time limit.
SE	Sweden	Finansinspektionen	<b>Yes</b>	As at 23.03.2018, notification date.
UK	United Kingdom	Prudential Regulation Authority (PRA)	<b>Yes</b>	As at 06.03.2018, notification date.
		Financial Conduct Authority	<b>Intends to comply**</b>	By 01.05.2018.

**EU Institutions - Agencies**

	ECB	European Central Bank (for significant institutions as defined in Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank	<b>Yes</b>	As at 26.03.2018, notification date.
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		<b>Competent authority</b>	<b>Complies or intends to comply</b>	<b>Comments</b>
		concerning policies relating to the prudential supervision of credit institutions)		

**EEA – EFTA State**

IS	Iceland	The Financial Supervisory Authority	<b>Intends to comply**</b>	By such time as the necessary legislative or regulatory proceedings have been completed. According to the Ministry of Finance and Economic Affairs' implementation plan for BRRD, it is possible that the necessary legislation will be in place during H1 2018. The Financial Supervisory Authority foresees that the implementation of the recommendations will be possible around the same time.
LI	Liechtenstein	Financial Market Authority Liechtenstein (FMA)	<b>Intends to comply**</b>	By the date on which the BRRD is incorporated into the EEA Agreement. The Recommendations refer to Directive 2014/59/EU (BRRD). The national BRRD legislation is already in force in the Principality of Liechtenstein. The BRRD has not yet been incorporated into the EEA Agreement.
NO	Norway	Finanstilsynet	<b>Intends to comply**</b>	By 01.01.2019 when the BRRD enters into force in Norway according to the revision of the Act of financial Institutions and financial groups 2015 as approved by the Norwegian Parliament. The BRRD Directive will be included in the EEA agreement. Finanstilsynet will publish EBAs recommendation on the coverage of entities in the group recovery plan on our home page.

**European Territories under Article 355(3) TFEU**

UK	United Kingdom	Financial Services Commission (Gibraltar)	<b>No response</b>	No notification of compliance was received by the EBA within the two-month time limit.
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\*The EEA States other than the Member States of the European Union are not currently required to notify their compliance with the EBA's Guidelines. This table is based on information provided from those EEA States on a voluntary basis.

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

### Notes

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

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

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