

Finansinspektionen's Regulatory Code

Publisher: Finansinspektionen, Sweden, www.fi.se
ISSN 1102-7460



This translation is furnished for information purposes only and is not itself a legal document.

Finansinspektionen's regulations regarding recovery plans, group recovery plans and intra- group financial support agreements;

FFFS 2016:6

Published on 29
January 2016

decided on 25 January 2016.

Finansinspektionen prescribes¹ the following pursuant to Chapter 5, section 2, points 8 and 10 of the Banking and Financing Business Ordinance (2004:329) and Chapter 6, section 1, points 33 and 35 of the Securities Market Ordinance (2007:572).

Scope and definitions

Section 1 These regulations apply to

1. joint stock banks,
2. savings banks,
3. members' banks,
4. credit market companies,
5. credit market associations,
6. securities companies, and
7. parent undertakings referred to in Chapter 6a, section 2 of the Banking and Financing Business Act (2004:297) and Chapter 8a, section 3 of the Securities Market Act (2007:528).

Section 2 In these regulations, terms and expressions shall have the same meaning as in Chapter 1, section 5 of the Banking and Financing Business Act (2004:297) and Chapter 1, section 5 of the Securities Market Act (2007:528).

Content of recovery plans and group recovery plans

Section 3 An undertaking that shall prepare a recovery plan or a group recovery plan in accordance with the Banking and Financing Business Act (2004:297) or the Securities Market Act (2007:528) shall ensure that the plan has the content that is set out in section A of the appendix to the Bank Recovery and Resolution Directive (Directive 2014/59/EU).

¹ Cf. 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.

Section 4 An undertaking shall update its recovery plan or group recovery plan on an annual basis or in conjunction with changes to its business that could have a material impact on the recovery plan or the group recovery plan.

Section 5 A recovery plan or a group recovery plan may not assume the provision of public financial support.

A recovery plan and a group recovery plan, where applicable, shall include an analysis of how and when the undertaking that prepared the plan, under the conditions addressed by the plan, may apply for the use of central bank facilities. In this analysis, the undertaking shall identify those assets which would be expected to qualify as collateral by central banks concerned.

Section 6 A recovery plan and a group recovery plan shall state the measures the undertaking may take when the conditions for early intervention in accordance with Chapter 15, section 2b of the Banking and Financing Business Act (2004:297) or Chapter 25, section 2b of the Securities Market Act (2007:528) are met.

Section 7 A group recovery plan shall be designed such that good coordination is achieved between the measures that according to the plan shall be taken by the parent undertaking and the measures that shall be taken by other entities within the group.

The group recovery plan shall contain an analysis of the occurrence and management of the material practical or legal impediments that may arise when implementing urgent measures that are included in the plan.

The group recovery plan shall also contain a description of the arrangements for intra-group financial support that are available within the group.

Section 8 The undertaking shall have appropriate procedures for simple and regular monitoring of the indicators referred to in point 20 of section A of the appendix to the Bank Recovery and Resolution Directive (Directive 2014/59/EU).

Section 9 An undertaking, in the design of a recovery plan or a group recovery plan, shall consider the nature, scope and complexity of the business. It shall also consider the risk profile of the business and the degree to which the business is linked to the business of other undertakings and the financial system in general. The undertaking's or the group's ownership structure, legal form and size shall also be considered.

Agreements on financial support within groups

Section 10 When an undertaking publishes an agreement in accordance with Chapter 6b, section 16 of the Banking and Financing Business Act (2004:297) or Chapter 8b, section 16 of the Securities Market Act (2007:528), Articles 431–434 of the Capital Requirements Regulation shall be applied.

These regulations shall enter into force on 1 February 2016.

ERIK THEDÉEN

Erik Kärlander