

## Press release

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### **FSB consults on guidance for recovery and resolution planning**

The Financial Stability Board (FSB) is launching today a public [consultation on guidance](#) for recovery and resolution planning for systemically important financial institutions (SIFIs). The guidance will assist national authorities in implementing the recovery and resolution planning requirements set out in the *FSB Key Attributes of Effective Resolution Regimes for Financial Institutions* ('the Key Attributes'). It builds on the experience of authorities to date and covers:

- (i) Recovery triggers and stress scenarios to be used by firms in their recovery planning;
- (ii) The development of resolution strategies and associated operational resolution plans tailored to different group structures; and
- (iii) The identification of the critical functions and supporting services that would need to be maintained in a crisis for reasons of systemic stability.

Recovery and resolution plans are required for all global systemically important financial institutions (G-SIFIs) and for any other firm assessed by national authorities as potentially having an impact on financial stability in the event of its failure. Under the Key Attributes, firms are responsible for developing recovery actions to restore financial strength and viability. Resolution strategies and plans should be developed by the firms' home and host authorities and reviewed within Crisis Management Groups (CMGs).

Paul Tucker, Deputy Governor of the Bank of England and Chair of the FSB Resolution Steering Group, noted that "Identifying which strategy is best suited to a firm is critical and will need to be discussed by top officials in home and host countries. Of course what turns out to be the best approach will in the end depend on the circumstances. Resolution strategies will need to be tailored to a group's structure. Some groups will need to adapt their organisational or financial structure to remove impediments to resolution."

Christine Cumming, First Vice President of the Federal Reserve Bank of New York Chair of the FSB Cross-border Crisis Management Group noted that "Alongside strengthened resolution regimes, recovery and resolution planning is a crucial element of the overall policy framework for addressing too-big-to-fail. There has been significant progress in many jurisdictions, but we need to keep in mind that these planning processes are iterative in nature. They will require refinement and adjustment over time as more experience is gained and more issues are identified for deeper examination."

The FSB welcomes comments and responses to the questions raised in the consultative document by **Friday, 7 December 2012**. Responses should be sent to [fsb@bis.org](mailto:fsb@bis.org). Responses will be published on the FSB's website unless respondents expressly request otherwise.

### **Notes to editors**

The *Key Attributes of Effective Resolution Regimes for Financial Institutions* are the international standard for resolution regimes for financial institutions. They were released by the FSB in November 2011 following their endorsement by G20 Leaders at the Cannes Summit. See [http://www.financialstabilityboard.org/publications/r\\_111104cc.pdf](http://www.financialstabilityboard.org/publications/r_111104cc.pdf).

The FSB first published a list of G-SIFIs in November 2011. That list contained 29 institutions, all of which were banking groups. The 2012 update to that list, with 28 institutions, was published on 1 November 2012 at [http://www.financialstabilityboard.org/publications/r\\_121031ac.pdf](http://www.financialstabilityboard.org/publications/r_121031ac.pdf).

The FSB also released on 1 November 2012 a Progress Report on the Resolution of SIFIs which outlines more generally the progress in implementing the Key Attributes. See [http://www.financialstabilityboard.org/publications/r\\_121031aa.pdf](http://www.financialstabilityboard.org/publications/r_121031aa.pdf).

The FSB Resolution Steering Group leads the FSB's work on resolution and resolution planning and developed the Key Attributes standard.

The FSB Cross-border Crisis Management Working Group brings together representatives from CMGs and conducts work on guidance to support the resolution planning work within CMGs.

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts.

The FSB is chaired by Mark Carney, Governor of the Bank of Canada. Its Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website [www.financialstabilityboard.org](http://www.financialstabilityboard.org).