FSB FINANCIAL STABILITY BOARD

2021 Resolution Report

"Glass half-full or still half-empty?"

7 December 2021

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Executive summary

The 2021 Resolution Report takes stock of progress made in implementing FSB resolution policies and enhancing resolvability across the banking, financial market infrastructure, and insurance sectors. This year's report commemorates the tenth anniversary of the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions ("Key Attributes"). The Key Attributes were adopted by the FSB Plenary in October 2011 and endorsed by the G20 Heads of States and Government as "a new international standard for resolution regimes" at the Cannes Summit in November 2011.

Since their adoption ten years ago, the FSB Key Attributes of Effective Resolution Regimes have set the standard for the reform of resolution regimes and resolution planning across all sectors. Resolution reforms over the past decade have made banks overall more resilient and resolvable and have produced net benefits to society, as highlighted in the FSB´s recent evaluation of the "too big to fail" reforms.[1]

While progress towards resolvability has been significant, today's question for policy makers is whether the glass is half full or still half empty. The above-mentioned evaluation found that a number of gaps needed to be addressed if the benefits of the resolution reforms were to be fully realised. Whereas almost all G-SIB home and key host jurisdictions have in place comprehensive bank resolution regimes that align with the FSB Key Attributes, implementation of the Key Attributes is still incomplete in some other FSB jurisdictions. State support for failing banks has continued. Uncertainty remains around the resolvability of CCPs given their systemic role in the financial system. Challenging and important ongoing work to assess the need for international policy on the use, composition and amount of CCP financial resources in recovery and resolution is being urgently pursued.

The experience during the COVID-19 pandemic demonstrated that crisis management groups (CMGs) and the cross-border cooperation and information sharing arrangements underpinning them are the back-bone of effective cooperation in times of crisis. However, support by fiscal authorities and central banks during the pandemic was extremely substantial and jurisdictions' cross-border resolution frameworks have not been tested in earnest. The recent FSB report on good practices of CMGs[2] provides a reference for home and host authorities in CMGs to help them enhance their crisis management preparedness.

Looking ahead, emerging themes in resolution planning relate in particular to digital innovation. Innovation in digital financial services accelerated during the COVID-19 pandemic, reinforcing the need to assess and address the implications for resolution planning, including in relation to the growing reliance on third-party service providers and cloud services, and the need to assess resolvability of non-traditional players.

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1 FSB (2021) *Evaluation of the effects of too-big-to-fail reforms: Final Report*, April.

2 FSB (2021) *Good practices for Crisis Management Groups*, November.

Banks

The seventh round of the resolvability assessment process (RAP) for banks, conducted during 2020-2021, confirmed that CMGs are broadly satisfied with the current progress of global systemically important banks (G-SIBs)[3] towards resolvability but that important work remains to improve G-SIB resolvability. Work continues on allocation of Total Loss-Absorbing Capacity (TLAC) resources within groups, G-SIBs' capabilities for access to funding in resolution, valuation and continuity of access in resolution to financial market infrastructures (FMIs). Some G-SIBs still need to strengthen contractual provisions to ensure operational continuity in resolution, and in some jurisdictions, work remains on cross-border stays on financial contracts and early termination rights. The testing of G-SIBs' resolution capabilities has been a key area of focus for home and host authorities in CMGs this year.

G-SIBs' compliance with the TLAC standard has improved. For four emerging market economy (EME) G-SIBs due to comply with the TLAC standard by January 2025, work is under way to build up external TLAC. All other G-SIBs already meet or exceed the final TLAC requirement. While information available to market participants on G-SIBs' external TLAC has further improved, not all G-SIBs consistently disclose information on internal TLAC.

Cross-border issues remain to be addressed in relation to funding in resolution and bail-in execution. An FSB survey of authorities' progress regarding funding in resolution showed the need to operationalise collateral mobility across borders. Technical work on the effective execution of the cancellation, write-down and/or conversion ('bail-in') of TLAC and other bail-inable instruments has identified cross-border issues that need to be considered in resolution planning. The FSB will publish a practices paper that summarises the issues.

CCPs

The Chairs of the FSB, the Committee on Payments and Market Infrastructures (CPMI), the International Organization of Securities Commissions (IOSCO) and of the FSB Resolution Steering Group (ReSG) initiated in 2021 important work on CCP financial resources. A preliminary analytical report will be published in early 2022 and will inform options for potential new or revised international policy on the use, composition or amount of financial resources for CCP recovery or resolution.

Some progress has been made in resolution planning for CCPs that are systemically important in more than one jurisdiction (SI>1). Authorities have established CMGs for all 13 SI>1 CCPs. Authorities completed a first resolvability assessment process (RAP), which showed some progress in applying the FSB *Guidance on Financial Resources to Support CCP Resolution and on the Treatment of CCP Equity in Resolution*.

3 FSB (2021), *2021 list of global systemically important banks (G-SIBs)*, November.

Insurers

The fourth round of the FSB's annual insurance resolvability monitoring exercise shows mixed progress of resolution reforms and resolution planning implementation in the insurance sector. As in prior years, some authorities have identified at jurisdictional level systemically important insurers (SIIs) and/or internationally active insurance groups (IAIGs).[4] The authorities have done or started work on resolution planning and resolvability assessments for these institutions.

[4] IAIGs are subject to requirements on recovery planning and, where applicable, resolution planning under the IAIS Common Framework for the Supervision of IAIGs (ComFrame).

Introduction

This is the tenth report on the implementation of resolution reforms and 2021 is the tenth anniversary of the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions. The report takes stock of progress made by FSB members in implementing resolution reforms and enhancing resolvability across the banking, financial market infrastructure, and insurance sectors. It also sets out the FSB's priorities in the resolution area going forward.

The report has been prepared by the FSB Resolution Steering Group (ReSG), which is the primary global forum for the development of standards and guidance for resolution regimes, planning, and execution for systemically important financial institutions (SIFIs). Until end-October 2021, ReSG was chaired by Mark Branson, previously Chief Executive Officer of the Swiss Financial Market Supervisory Authority (FINMA) and currently President of the German Federal Financial Supervisory Authority (BaFin). Having served two terms, he was succeeded by Jelena McWilliams, Chairman of the Board of Directors of the Federal Deposit Insurance Corporation (US).

The mandate of ReSG is to develop, issue, and maintain standards and guidance, monitor resolvability and crisis preparedness, help build trust between home and host authorities, and serve as a knowledge-sharing forum for resolution authorities and other authorities with a role in crisis management. In doing so, ReSG relies on three sector-specific working groups:

- the Cross-border Crisis Management Group for banks (bankCBCM) chaired by Boštjan Jazbec, Single Resolution Board (SRB);
- the Cross-border Crisis Management Group for FMIs (fmiCBCM) co-chaired by Arthur Murton, Federal Deposit Insurance Corporation (FDIC) and María José Gómez Yubero, Spanish National Securities Market Commission (CNMV); and
- the Cross-border Crisis Management Group for insurance (iCBCM) chaired by Leonard Flink, De Nederlandsche Bank (DNB).

Authorities represented on ReSG and/or its subgroups are listed in Annex 5.

1. Ten years of “Key Attributes of Effective Resolution Regimes” – how far have we come and where do we go from here?

At the Cannes Summit in November 2011, the G20 Heads of States and Government endorsed the FSB Key Attributes of Effective Resolution Regimes for Financial Institutions as “a new international standard for resolution regimes”. The FSB Key Attributes have served jurisdictions well as reference for the reform of resolution regimes and for resolution planning across all sectors. The adoption of special resolution regimes and resolution planning for the largest financial institutions was a paradigm shift from the pre-crisis world where banks were either bailed out by taxpayers or liquidated by bankruptcy courts. However, implementation of resolution reforms is at different stages across sectors and jurisdictions. Some jurisdictions still need to make more progress to fully implement the Key Attributes.

Resolution reforms over the past decade have made banks more resilient and resolvable and have produced net benefits to society as highlighted in the 2021 TBTF Evaluation report. Banks entered the COVID-19 pandemic in a far more resilient position than before the 2008 financial crisis as a result of post-crisis reforms. However, the resolution of a G-SIB and the effectiveness of resolution regimes in systemic crises remains untested.

The process of making firms resolvable takes time. The FSB monitoring demonstrated that addressing impediments to resolvability at policy and technical levels as well as through changes to corporate structures is a lengthy process. Resolvability is not binary. Whereas significant progress has been made in addressing material obstacles to resolution, e.g., by simplifying corporate structures, increasing loss-absorbing resources, enhancing MIS, and through the continued recovery and resolution planning process, there still remain important technical issues to be addressed, e.g., to ensure the effective execution of a write-down and conversion of liabilities to shares or other instruments of ownership (“bail-in”), and legal, regulatory and operational obstacles to cross-border funding in resolution.

Whereas the reform focus has been on G-SIB resolution and planning, more attention is needed for systemic non-G-SIB resolution planning as well as FMIs and insurers. Resolution reforms for systemic non-G-SIBs, including CCPs and insurers, have been slow overall. Progress in implementing the G20 regulatory reforms agreed after the 2008-09 financial crisis has promoted the use of CCPs and thus increased their systemic importance. Effective resolution regimes and the availability of adequate resources for CCP recovery and resolution remain a policy priority on which work at international level is not yet completed.

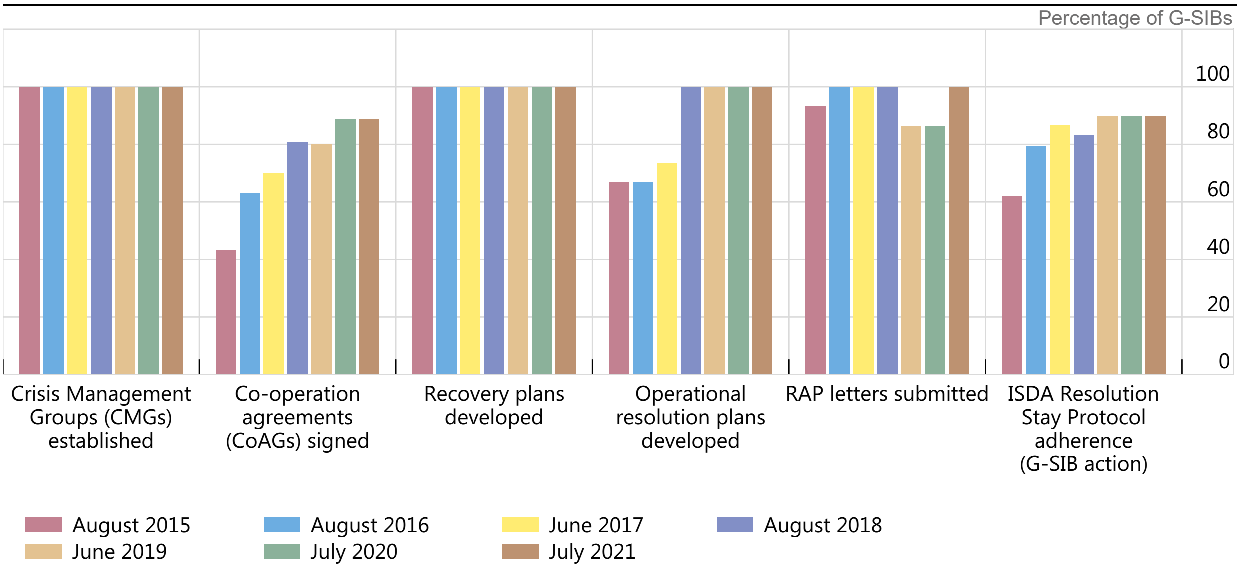
Digital innovation is giving rise to new challenges for resolution planning. Innovation in digital financial services accelerated during the COVID-19 pandemic and is reinforcing the need to assess and address the implications for resolution planning of technological innovation, including in relation to the reliance on third-party service providers and cloud services, and the need to assess resolvability of non-traditional players.

2. Banks

2.1. Seventh G-SIB resolvability assessment process (RAP) 2020-2021

The seventh round of the RAP conducted during 2020-2021 confirmed that CMGs are broadly satisfied with G-SIBs' current progress towards resolvability. The RAP was launched in 2013 to promote adequate and consistent reporting on the resolvability of each G-SIFI and on the overall status of resolution planning processes. Out of the total of 30 banks designated as G-SIBs at the end of 2020, one is not required to be subject to the 2021 RAP due to recent designation[5]. In practice, all G-SIB home jurisdictions carried out the RAP in CMGs for all 30 G-SIBs. Most indicators for monitoring resolution authorities' progress in resolution planning remained constant since last year (Graph 1).

Resolution planning for G-SIBs (August 2015 – July 2021) **Graph 1**



Sources: FSB RAP letters, dialogue with members.

Important work remains to improve G-SIBs' capabilities to support resolution, and to implement the TLAC standard for some G-SIBs and, more widely, on the distribution of TLAC resources within groups. Work to improve G-SIBs' resolution capabilities include strengthening contractual provisions to ensure operational continuity in resolution, and on continuity of access to FMIs in resolution. While almost all G-SIBs adhere to the ISDA Universal Resolution Stay Protocol (and relevant country annexes), work remains in some jurisdictions to develop Jurisdictional Modules to the ISDA Jurisdictional Modular Protocol (JMP). Some G-SIBs still need to adhere to the relevant Jurisdictional Modules and comply with local stays rules. Work continues on enhancing G-SIBs' capabilities for valuation analysis, funding in resolution as well as coordination and information sharing to facilitate a timely provision of resolution funding.

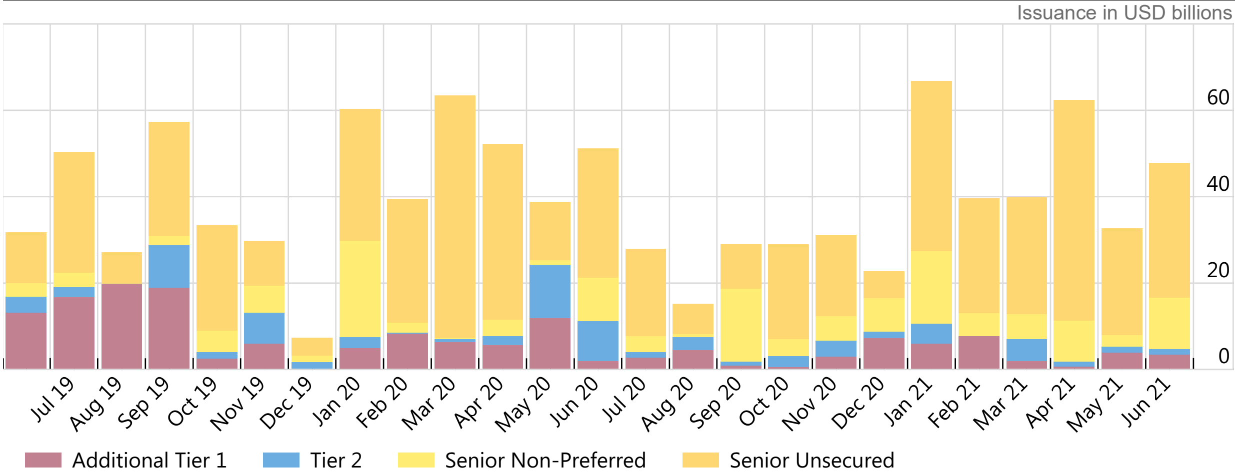
5 FSB (2020) *2020 List of Global Systemically Important Banks (G-SIBs)*, November. Toronto Dominion was designated as a G-SIB in November 2019. Since it has been designated for less than 24 months, it is not yet subject to the RAP but has been covered by the Canadian authorities' RAP on a voluntary basis. See FSB (2013) *2013 Update of group of global systemically important banks (G-SIBs)*, Annex II for the timetable for implementation of resolution planning requirements for newly designated G-SIBs.

Testing authorities' and G-SIBs' resolution preparedness has become a key focus for home and host authorities in CMGs. The focus of CMGs has shifted from the development of resolution strategies and plans to the testing of resolution capabilities of both authorities and firms. In some CMGs, members have discussed methods to test G-SIBs' capabilities as well as the G-SIBs' own testing arrangements. Some G-SIBs have conducted dry runs or table-top exercises on aspects such as valuation capabilities, alternative clearing arrangements, operational continuity in resolution, funding capabilities, internal TLAC arrangements, and bail-in execution. In most cases, work remains for CMGs to test elements of resolution plans that relate to authorities' actions.

2.2. Issuance and group internal distribution of TLAC resources

G-SIBs' external TLAC issuances continued in 2020-2021 and several G-SIBs continued to build up their external TLAC resources. External TLAC continued to be issued by G-SIBs across a wide range of different instruments and liabilities during the course of 2020 and the first half of 2021, with a lower total issuance of about USD 155bn in the second half of 2020 compared to about USD 205bn in the second half of 2019. Issuance picked up again from January 2021, with total issuance of about USD 290bn in the first half of the year, compared to about USD 305bn in the first half of 2020

Estimated G-SIB issuance by TLAC instrument (June 2019 – June 2021) **Graph 2**



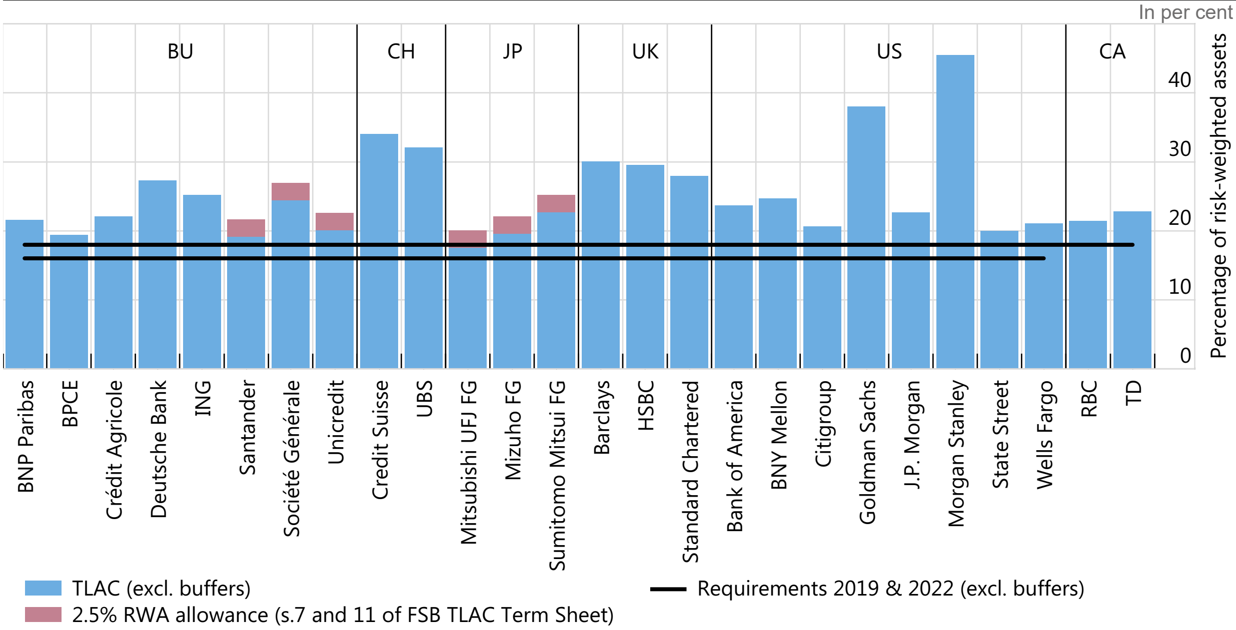
Sources: Bloomberg: FSB Secretariat estimates. "Senior non-preferred" and "senior unsecured" follow from instrument categories as recorded by Bloomberg. Senior non-preferred instruments are statutorily or contractually subordinated. About 99% of TLAC instruments included in the "senior unsecured" category over the selected period have been issued from a holding company and are hence structurally subordinated, while the remaining 1% are "senior preferred" instruments ranking *pari passu* with excluded liabilities.

All G-SIBs[6] expected to meet the final minimum external TLAC requirement as of 2022 are estimated to meet that requirement, according to self-reporting. The TLAC standard of November 2015[7] defines a minimum requirement for the instruments and liabilities that should be readily available for bail-in within a G-SIB in resolution. Firms designated by the FSB as G-SIBs before the end of 2015[8] (and that continue to be designated thereafter, except for firms headquartered in EMEs for which there is an extended conformance period) must comply with

6 The latest annual update is available here: FSB (2021), *2021 list of global systemically important banks (G-SIBs)*, November.
7 FSB (2015), *Total Loss-Absorbing Capacity (TLAC) Principles and Term Sheet*, November.
8 FSB (2015), *2015 update of list of global systemically important banks (G-SIBs)*, November.

the TLAC standard from 1 January 2019. Such firms must meet minimum external TLAC requirements of at least 16% of risk-weighted assets (RWA) and 6% of the Basel III leverage ratio exposure (LRE) from 1 January 2019 and at least 18% RWA and 6.75% LRE from 1 January 2022. The 2022 timeline also applies to one G-SIB that was newly designated as a G-SIB before the end of 2018.[9] Firms designated as G-SIBs thereafter must meet minimum TLAC requirements of at least 18% RWA and 6.75% LRE within 36 months from their date of designation. For one recently designated G-SIB[10], national TLAC requirements in line with the FSB TLAC requirements will apply from January 2022. For four EME G-SIBs due to comply with the TLAC standard by January 2025, work is under way to build up external TLAC.[11] All other G-SIBs disclose that they already meet or exceed the final TLAC requirement.

Ratio of TLAC to RWAs, by G-SIB **Graph 3**



Source: G-SIB public disclosures as of 30 June 2021 (31 July 2021 for RBC and TD). Data are derived from annual reports, quarterly updates and/or investor presentations, or Pillar 3 disclosures. Buffers (capital conservation, G-SIB, and countercyclical) are deducted from public disclosures for comparability to TLAC TS requirements. RBC and TD, which were designated as G-SIBs in 2017 and 2019 respectively, are required by the Canadian authorities to fully comply with TLAC requirements from January 2022. Chinese G-SIBs are subject to the EME extended conformance period so are also excluded from this analysis. Estimates for Santander, Société Générale and Unicredit include 2.5% RWA allowance (TLAC TS section 11). Estimate for Santander is for Banco Santander S.A. only. Estimates for Mitsubishi UFG, Mizuho FG, and Sumitomo Mitsui FG include 2.5% RWA prefunded ex ante commitments (TLAC TS section 7).

9 FSB (2017), *2017 list of global systemically important banks (G-SIBs)*, November.

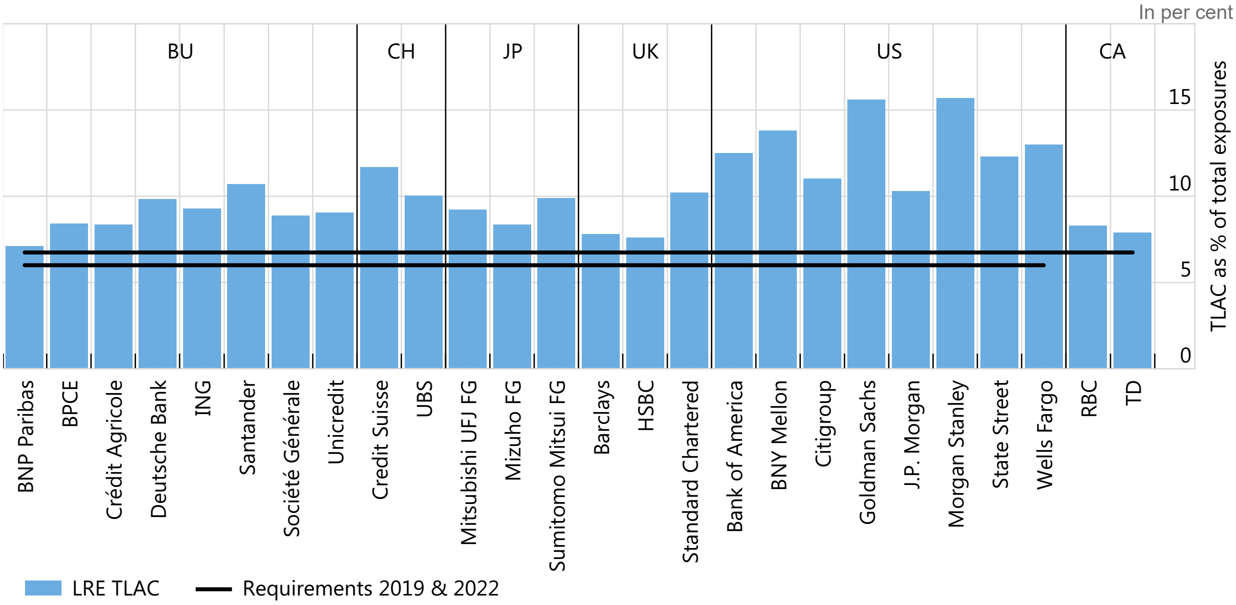
10 FSB (2019), *2019 list of global systemically important banks (G-SIBs)*, November.

11 On 29 October 2021, the People's Bank of China, China Banking and Insurance Regulatory Commission (CBIRC) and the Chinese Ministry of Finance jointly issued *The Administrative Measures on the Total Loss-absorbing Capacity of Global Systemically Important Banks*, implementing the TLAC standard for Chinese G-SIBs.

Ratio of TLAC to leverage exposure, by G-SIB

Graph 4

In per cent



Source: G-SIB public disclosures as of 30 June 2021 (31 July 2021 for RBC and TD). Data are derived from annual reports, quarterly updates and/or investor presentations, or Pillar 3 disclosures without any adjustments applied for any regulatory capital buffers that are currently applicable. LRE TLAC ratios shown in this graph may therefore include such buffers. RBC and TD, which were designated as G-SIBs in 2017 and 2019 respectively, are required by the Canadian authorities to fully comply with TLAC requirements from January 2022. Chinese G-SIBs are subject to the EME extended conformance period so are also excluded from this analysis. Estimates for Santander, Société Générale and Unicredit include 2.5% RWA allowance. Estimate for Santander is for Banco Santander S.A. only. Estimates for Mitsubishi UFG, Mizuho FG, and Sumitomo Mitsui FG include 2.5% RWA prefunded ex ante commitments.

G-SIBs have disclosed more information on their external TLAC ratios and issuances over the past year, but information about internal TLAC and the order of loss-absorption at subsidiaries is still lacking for some G-SIBs.[12] G-SIB resolution entities are expected to disclose G-SIBs' TLAC ratios[13] and the main features of their TLAC-eligible instruments that are recognised as external TLAC resources.[14] The Basel Pillar 3 framework expects G-SIBs to disclose certain information about the composition of TLAC at the resolution group level, and the amounts and respective residual maturity per creditor ranking at the level of legal entities of material subgroups (MSG) that have issued internal TLAC to one or more resolution entities.[15] All non-EME G-SIBs now periodically publish their RWA and LRE TLAC ratios. The majority also disclose the expected information about their TLAC external issuances. Whereas the Basel framework encourages G-SIBs to include qualitative narratives on their resolution strategy and the structure to which the resolution measures are applied, not all G-SIBs currently provide such narratives. Disclosure of information on internal TLAC, including the hierarchy of liabilities on a legal entity basis, helps market participants to understand the ranking of their claims in the liability structure of an MSG entity or of the resolution entity and hence to evaluate their exposures. However, such information is not yet consistently disclosed by all G-SIBs.

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12 The TLAC disclosures are specified through the BCBS Pillar 3 disclosure standards, which include disclosure templates for both external TLAC and internal TLAC. These standards entered into force on 1 January 2019 and their implementation is being monitored by the BCBS. As of September 2021, eight BCBS member jurisdictions that are home to G-SIB resolution entities had rules in force: See the BCBS July 2020 *Eighteenth progress report on adoption of the Basel regulatory framework.*

13 See Basel Framework, Requirement DIS20.3 and template KM2.

14 See Basel Framework, Requirement DIS25, table CCA.

15 See Basel Framework, Requirement DIS25.3 and templates TLAC1, TLAC2 and TLAC3, respectively.

Progress has continued in the implementation of internal TLAC requirements and identification of MSGs. The identification of MSGs for the purpose of determining internal TLAC requirements has been completed for most G-SIBs and has been relatively stable since last year. Progress is still ongoing for G-SIBs that are subject to a longer implementation timeframe (i.e., G-SIBs that have been recently designated or are headquartered in EMEs). Host authorities have discussed in CMGs internal TLAC requirements, including quantity, quality and group distribution of internal TLAC. Approaches to the distribution of internal TLAC in a group and the calibration thereof continue to vary across jurisdictions.

CMGs have conducted a "road test" on the basis of technical guidelines that ReSG bankCBCM developed to gain a better understanding of measurement approaches for the assessment of unallocated TLAC resources within G-SIBs.[16] The objective of unallocated TLAC resources is to provide a pool of readily available and fungible resources that can be used in a flexible manner to address capital shortfalls at the level of (i) the resolution entity; (ii) MSGs beyond what can be covered by internal TLAC; and/or (iii) any other direct or indirect subsidiary in line with the resolution strategy.

The road test considered home and host authorities' discussions in CMGs and strengthened the common basis for assessing and understanding G-SIBs' unallocated TLAC resources in CMGs. The FSB will continue to review and discuss issues that were identified for potential clarification as part of the road test of the technical guidelines, as well as potential further issues relating to form, location and/or deployment of unallocated TLAC resources.

2.3. Operationalising bail-in execution

Authorities have continued to refine their bail-in execution approaches and practices in accordance with their respective jurisdictions' legal frameworks since the adoption of the *FSB Principles on Bail-in Execution (Principles)*.[17] Bail-in is at the core of resolution strategies for G-SIBs. The write-down and conversion of TLAC instruments and other bail-inable instruments, such as bail-in bonds and other debt, into equity helps to achieve a creditor-financed recapitalisation and to meet the objectives of the Key Attributes[18] of achieving an orderly resolution that minimises any impact on financial stability, ensures the continuity of critical functions, and avoids exposing taxpayers to loss. Operationalising bail-in is therefore a critical part of resolution planning for G-SIBs and other banks where bail-in is part of the resolution strategy. The FSB will publish a practices paper that describes operational processes, including the role of central securities depositories (CSDs), to execute a bail-in transaction drawing on jurisdictions' practices and approaches. It covers the suspension of trading and delisting from trading venues of securities as well as the (re-)listing and (re-)admission to trading of securities, the cancellation of shares and issuance of new shares as well as the issuance of interim instruments.

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[16] FSB members use the term "unallocated" TLAC (uTLAC) instead of "surplus" TLAC. "Surplus" TLAC resources may be misunderstood as "surplus" resources in the sense of "in excess of Minimum TLAC".

[17] FSB (2018), *Principles on Bail-in Execution*, June.

[18] FSB (2014), *Key Attributes of Effective Resolution Regimes for Financial Institutions* (revised), October.

The cross-border dimensions of bail-in require attention as part of resolution planning. Where securities are listed on more than one trading venue (dual listing or secondary listing) across different jurisdictions, or where securities are issued in a foreign jurisdiction, a range of additional issues need to be considered as part of resolution planning to achieve a suspension of trading and settlement across all relevant trading venues (TVs) and CSDs; the distribution of the new securities in foreign markets or to foreign investors consistent with applicable investor protection regimes and their accompanying regulatory disclosure and prospectus requirements, or foreign CSD eligibility requirements. In addition, authorities need to consider operational challenges, such as time zone and language, and the involvement of multiple CSDs when distributing the new securities to bailed-in creditors with no direct access to the domestic CSD.

2.4. Continued access to financial market infrastructures (FMIs)

Continued access to FMI services is essential for firms to be able to continue performing their critical functions or critical services under all circumstances, including in resolution. The FSB's Guidance on Continuity of Access to Financial Market Infrastructures (FMIs) for a Firm in Resolution of 2017 ('Guidance')[19] sets out arrangements and safeguards to facilitate this. These apply at the level of the providers of FMI services (FMIs and FMI intermediaries), at the level of FMI participants (banks) and at the level of the relevant resolution authorities and supervisory authorities.

To support resolution planning and facilitate the gathering of information about continuity of access to FMI services in resolution, the FSB has updated its 2020 questionnaire for FMIs[20] and published a Framework for information from FMI intermediaries.[21] These documents describe the type of information that firms, and resolution authorities need to support their contingency planning and facilitate continuity of access to FMI services in resolution. They were developed to reduce the burden of duplicative information-gathering efforts and the "many to one" nature of inquiries for resolution planning.

A number of large FMIs, including most CCPs that are systemically significant in more than one jurisdiction (SI>1 CCPs) have published their responses to the FSB questionnaire on their respective websites or have made relevant information available to their stakeholders in other ways. FMIs that choose not to publish their responses due to confidentiality concerns were requested to nevertheless make public that a response is available and can be requested from them.

The Framework for information from FMI intermediaries helps FMI intermediaries understand which information clients and their resolution authorities may need to request from them to support their resolution planning. The framework provides an overview of the baseline information that is potentially relevant for firms as FMI service clients and resolution authorities, which they and FMI intermediaries can then discuss, as needed, in their bilateral engagement. Thus, the framework makes information requests from clients and/or

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19 FSB (2017) *Guidance on Continuity of Access to Financial Market Infrastructures (FMIs) for a Firm in Resolution*, July.

20 FSB (2021) *Continuity of Access to FMIs for Firms in Resolution: streamlined information collection to support resolution planning (revised version 2021)*, August.

21 FSB (2021) *Continuity of access to FMI services (FMI intermediaries) for firms in resolution: Framework for information from FMI intermediaries to support resolution planning*, August.

from clients' resolution authorities predictable and enables FMI intermediaries to identify opportunities to streamline their response process, reducing the resources required to provide this information. The FSB will seek feedback on experiences with the Framework for information from FMI intermediaries in the course of 2022.

2.5. Funding in resolution

A survey of the implementation of the 2018 FSB Guidance on Funding Strategy Elements of an Implementable Resolution Plan[22] found limited progress in addressing cross-border aspects of resolution funding. The survey *inter alia* collected information on the obstacles for firms to access, mobilise and borrow against cross-border collateral and to the transfer of liquidity across borders. It found considerable differences across jurisdictions regarding the stage of work on the cross-border mobilisation of both collateral and liquidity.

Authorities and firms are encouraged to increase their understanding of local regulations, procedures and requirements to assess and operationalise collateral mobility across borders. For example, eligibility criteria for collateral may differ between jurisdictions and may depend on the type of liquidity provision (e.g., type of central bank facility and type of lender) and the stage of a funding crisis, in particular where collateral is denominated in a foreign currency or located in another jurisdiction. A better understanding of (possibly different) local eligibility criteria, and of operational and legal hurdles will help to progress significantly in cross-border mobilisation of collateral and liquidity. In addition, CMGs started discussions on cross-border aspects of liquidity assistance and resolution funding and identified a need to further clarify the roles and responsibilities of home and host authorities.

Firms have made some progress in the development of MIS capabilities to identify liquidity needs and to assess collateral eligibility across jurisdictions. These capabilities are an important precondition for the mobilisation of both liquidity and collateral, but overall need to be further enhanced.

The nature, size and terms of access of public sector backstop mechanisms across jurisdictions vary. Discussions are ongoing on coordination between home and host authorities and public sector backstop funding mechanisms.

2.6. Operation of crisis management groups (CMGs)

Significant progress has been made on cross-border cooperation in the last ten years since the establishment of CMGs. The COVID-19 pandemic highlighted the importance of effective cross-border cooperation, coordination and information sharing. CMGs, which have been established for all G-SIBs, provided the backbone for communication and coordination during the COVID-19 pandemic.

The focus of CMG activities is shifting from the development of resolution strategies and plans to discussing operationalisation and the conduct of testing activities. Many CMGs have increased their focus on testing firms' capabilities to support resolution and some have

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22 FSB (2018) *Funding Strategy Elements of an Implementable Resolution Plan*, June.

started to consider conducting readiness testing activities between authorities, including dry-runs and simulation exercises. Some are also considering testing communications and information technology tools and security protocols that would be used in a crisis. Some CMGs have started documenting discussions on home-host coordination arrangements to execute a resolution by developing playbooks between CMG members.

The recent FSB report on CMG good practices[23] provides a reference for home and host authorities in CMGs to help them enhance their crisis management preparedness in normal times. It provides CMGs with a common direction of travel towards the operationalisation of crisis management in a firm-specific context, highlighting existing good practices that are already applied by one or several authorities and some emerging practices. As CMGs continue to evolve, the FSB will continue to monitor the development of CMG practices and consider any future work to promote appropriate consistency and effective operation of CMGs.

2.7. Resolution planning for banks other than G-SIBs

The FSB's resolution planning peer review[24] (2019) recommended that the FSB carry out further work to support resolution planning for banks other than G-SIBs that could be systemic in failure. While progress on resolution planning globally has advanced most for G-SIBs, the Key Attributes apply to any financial institution that could be systemically significant or critical if it fails.[25]

Technical work is ongoing to identify any material issues or obstacles that resolution authorities face or have faced in relation to resolution planning or resolvability of banks other than G-SIBs that could be systemic in failure, on how resolution planning is being implemented for systemic non-G-SIBs and cross-border issues that may arise in a resolution of a systemic non-G-SIB. As part of this effort, ReSG held a workshop on resolution issues for cooperative banks in October 2021, jointly with IADI. A workshop on resolution issues for public banks is also envisaged for early 2022, jointly with the World Bank. Further FSB work to support member authorities' resolution planning on some of the identified topics may be considered.

2.8. Follow-up to the Evaluation of the effects of "too-big-to-fail" reforms

The FSB TBTF Evaluation suggests significant net benefits for society resulting from TBTF reforms but found that a number of gaps need to be addressed if the benefits of reforms are to be fully realised. In April 2021, the FSB published its final report on the evaluation of the effects of too-big-to-fail (TBTF) reforms.[26] The final report reflects public

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23 FSB (2021) *Good practices for Crisis Management Groups*, November.

24 FSB (2019) *Thematic Peer Review on Bank Resolution Planning*, April.

25 For non-G-SIBs, such assessment may also need to take into account whether their failure, even if not critical on an idiosyncratic basis, could trigger an issue at times of broader financial instability (system-wide event), so as to induce a reflection on the type of wind-down strategy and tool to be used. For instance, within the BU, the SRB has enhanced its public interest analysis (PIA) in the 2021 resolution planning cycle, to take into account that a bank's failure may take place not only under an idiosyncratic scenario, but also under broader system-wide events. Such financial stability analysis evaluates whether a bank's failure triggers a financial stability issue, meaning resolution is in the public interest, or, if the bank is already earmarked for resolution, it could affect the choice of resolution tool.

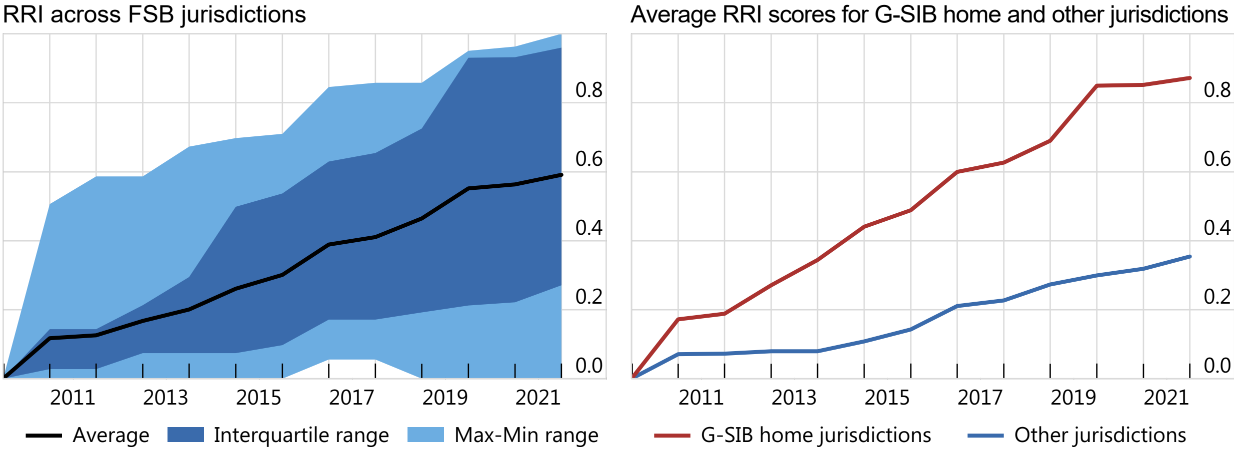
26 FSB (2021) *Evaluation of the effects of too-big-to-fail reforms: Final Report*, April.

feedback received on a consultative version of the report, which the FSB published in June 2020. It contains analytical updates using market data covering the period since the outbreak of the COVID-19 pandemic as well as more extensive description of issues raised during the consultation. The evaluation suggests that observed benefits include increases in resilience, no material increases in the costs of funding, and more market discipline. However, it also identified a number of areas where improvements to the resolvability of SIBs could still be made.

The FSB TBTF Evaluation identifies areas for continued work, some of which are to be undertaken by ReSG. This includes the (i) monitoring of the implementation of resolution reforms and periodic update of the resolution reform index (RRI); (ii) monitoring, updating and the publication as part of the annual resolution report of cases of public assistance or resolution; (iii) monitoring resolution planning, resolvability assessments, TLAC issued, as well as consideration of enhancing resolution policy disclosures; (iv) consideration of the application of the resolution reforms to D-SIBs. Work on these items is already planned or underway, as set out in the workplan included in section 5. The RRI, which aims to illustrate the progress of FSB jurisdictions in adopting comprehensive bank resolution reforms since the global financial crisis, has been updated to reflect progress made in 2020 and 2021.

Progress of FSB members in the implementation of resolution reforms

Resolution reform index (RRI) **Graph 5**



Source: TBTF evaluation[27]

3. Central Counterparties (CCPs)

3.1. Use, composition and amount of CCP financial resources

The Chairs of the FSB, CPMI, IOSCO and ReSG initiated work on CCP financial resources for recovery and resolution.[28] The objective is to consider the need for, and develop as appropriate, international policy on the use, composition and amount of financial resources in

27 *Ibid.*, p. 22 and Annex F.

28 See the FSB press release of 16 November 2020: FSB releases guidance on CCP financial resources for resolution and announces further work. In addition to the above-mentioned four Chairs, the CFTC Chairman participates in the Chairs' discussions in his role as co-chair of IOSCO's Financial Stability Engagement Group (FSEG).

recovery and resolution to further strengthen the resilience and resolvability of CCPs in default and non-default loss scenarios.

The work is undertaken in two stages. Stage 1, to be completed through a publication of a preliminary report in early 2022, consists of evidence gathering and analysis to assess, in particular:

- The extent of the risk that the current use, composition or amount of SI>1 CCPs' financial resources could become a source of financial vulnerabilities;
- The need for, and the benefits and drawbacks of, increasing the total amount of available or required financial resources, changing the composition of resources, and/or altering the types of required resources; and
- The financial and key non-financial stability implications, including possible unintended consequences, of any changes to the use, composition and/or amount of financial resources.

The Stage 1 results will inform policy options in Stage 2. In light of the Stage 1 analysis, options for potential new or revised international policy on the use, composition or amount of financial resources for CCP recovery or resolution would be considered, starting in 2022.

3.2. Progress in CCP resolution planning

Thirteen CCPs are currently identified to be systemically important in more than one jurisdiction (SI>1 CCPs). The list is updated biannually and the next update will take place in 2022. Box 1 describes the agreed timeline for resolution planning and the establishment of crisis management groups (CMGs) for SI>1 CCPs.

Box 1: Timeline for resolution planning and establishment of CMGs

Once a CCP has been identified as a SI>1 CCP:

- The home resolution authority (or if no resolution authority has been designated, the lead supervisor of the CCP) should identify and contact relevant authorities regarding CMG membership within six months of the CCP being identified as SI>1 (using the July 2017 FSB Guidance if membership is not stated in law/regulations).
- The first CMG meeting should be held within 12 months of the CCP being identified as SI>1 and should include a discussion on a draft CCP-specific Cooperation Agreement (CoAg).
- The CoAg should be finalised and signed within 18 months of the first CMG meeting.
- Resolution planning and resolvability assessments should be launched within 12 months of the first CMG meeting.

Some progress has been made since the 2020 report in setting up the necessary structures for cross-border cooperation on CCP resolution. CMGs have been established for all SI>1 CCPs, including Options Clearing Corporation (OCC) that was added to the list of SI>1 CCPs in the 2020 update. The number of signed CoAgs has increased to eight from seven in 2020. A draft CoAg is under discussion in the remaining five CMGs. The CoAgs for five CCPs have been published.[29]

Home authorities have made some progress in CCP resolvability assessments. Resolvability assessments have been commenced for almost half of the SI>1 CCPs. The relevant CMGs have discussed a few of them on a preliminary basis. As in 2020, resolution planning had been commenced for all but two SI>1 CCPs.

Table 1: SI>1 CCPs as at September 2021 (listed in alphabetical order)

CCP	Home jurisdiction	CMG (Y/N)	CoAg (Y/N)	Authorities represented	Jurisdictions represented
BME Clearing	Spain (EU)	Y	N	10	4
CC&GB	Italy (EU)	Y	Y	9	3
CME Inc.	US	Y	Y	15	8
Eurex Clearing	Germany (EU)	Y	N	25	11
EuroCCP	Netherlands (EU)	Y	Y	16	9
HKFE Clearing Corporation	Hong Kong SAR	Y	N	2	2
ICE Clear Credit	US	Y	Y	9	4
ICE Clear Europe	UK	Y	Y	16	7
LCH Ltd	UK	Y	Y	17	9
LCH SA	France (EU)	Y	Y	22	11
Nasdaq Clearing	Sweden (EU)	Y	N	15	6
Options Clearing Corporation (OCC)	US	Y	N	12	4
SIX x-clear	Switzerland	Y	Y	13	7

[A] Considering the specificities of the EU legislative framework, the number of jurisdictions represented in CMGs reflects both the EU as a single jurisdiction and its individual Member States.

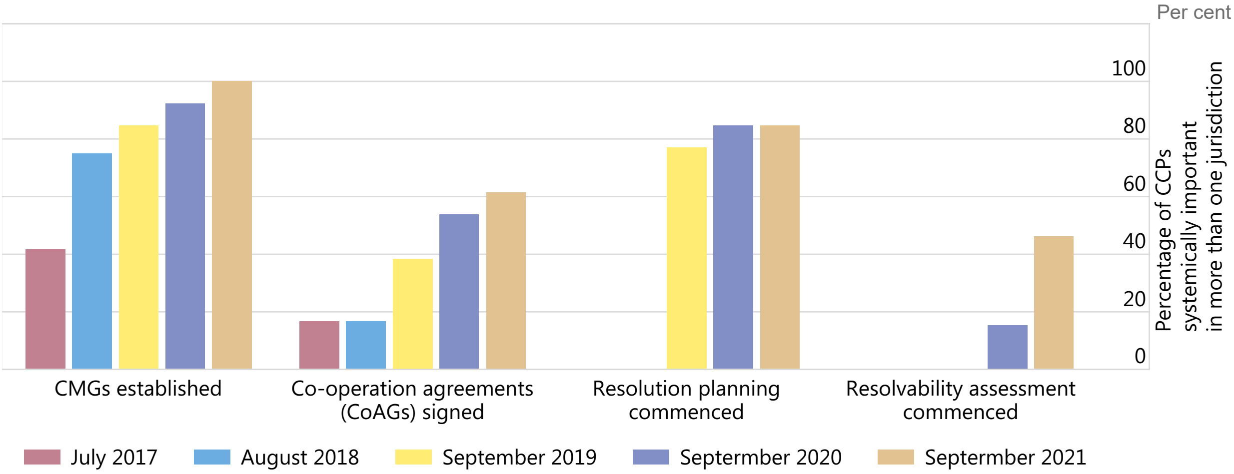
[B] Cassa di Compensazione e Garanzia

[C] OCC was added to the list of SI>1 CCPs in August 2020

[29] See CoAgs for CME, ICE Clear Credit, ICE Clear Europe, LCH Ltd and LCH SA.

Resolution planning status for CCPs that are systemically important in more than one jurisdiction

July 2017 – September 2021 **Graph 6**



Source: Relevant authorities for SI>1 CCPs.

The first resolvability assessment process (RAP) for SI>1 CCPs was completed in Q1 2021 to support discussions on CCP resolvability within CMGs. The RAP was based on the FSB 2020 Guidance[30] and provided a good overview on the home authorities' progress in applying the guidance. CMG discussions had covered at least some parts of the guidance in ten CMGs. In all these ten CMGs, at least some default loss (DL) and non-default loss (NDL) scenarios had been considered. The home authorities of these CCPs had also initiated qualitative discussions on the assessment of resolution resources, losses and costs. Some CMGs had also discussed quantitative assessments of resources, losses and/or costs. Some had discussed the treatment of equity in recovery and liquidation in hypothetical DL and NDL scenarios.

The FSB organised with the BCBS, CPMI and IOSCO workshops for authorities on the potential financial stability impacts of CCP recovery and resolution. The workshops, which took place between December 2020 and June 2021, addressed systemic risk transmission arising from DL and NDL scenarios in a single CCP as well as potential system-wide impact of DL scenarios in multiple CCPs. The insights gained from the workshops are incorporated in the ongoing evidence gathering on CCP financial resources in recovery and resolution. Authorities that participated in the workshops may also be able to leverage on the lessons learnt. This could relate to elaborating recovery and resolution planning practices for NDLs, including cyber risk; considering other means of covering losses and meeting liquidity needs in a CCP resolution if certain tools are not available in severe market disruption scenarios for financial stability reasons; widening existing information sharing frameworks; promoting cross-sectoral and cross-border cooperation at both international and jurisdictional level; and deepening understanding of interconnectedness and second-round/cumulative impacts of various tools. Informed by the workshop discussions, the FSB plans to support further work by authorities on operational preparedness and cross-border and cross-sector cooperation and coordination.

[30] FSB, *Guidance on Financial Resources to Support CCP Resolution and on the Treatment of CCP Equity in Resolution*

3.3. CCP resolution regimes

Statutory resolution regimes are in place in all jurisdictions with SI>1 CCPs. The resolution provisions of the EU CCP Recovery and Resolution Regulation (EU CCP RRR), which entered into force on 11 February 2021, will fully apply from 12 August 2022. The European Securities and Markets Authority is currently drafting the necessary technical standards and guidelines. The EU CCP RRR will supersede the currently applicable national frameworks on CCP resolution, such as the one existing in Germany. Those EU CCPs that are licensed as banks will no longer be subject to the EU Bank Recovery and Resolution Directive. In the UK, HM Treasury's consultation on proposed enhancements to the UK CCP resolution regime closed in May.

After the EU CCP RRR will be fully applicable, the SI>1 CCP resolution authorities have most of the powers set out in the Key Attributes.[31] Exceptions are:

- BoE does not currently have the power to write down CCP equity or the power to write down and/or convert to equity (bail in) a CCP's unsecured debt. Additionally, whereas the BoE has access to tools to return a CCP to a matched book and to allocate losses in resolution, the use of these tools is currently limited by the parameters of the UK CCPs' rulebooks. HM Treasury's consultation paper proposed that the BoE be provided with a set of statutory resolution tools fully consistent with the Key Attributes.
- FINMA does not currently have the power to apply certain CCP specific resolution tools that are not used in bank resolution (e.g., tear-up, variation margin gains haircutting, resolution cash calls).

4. Insurers

4.1. Resolution regimes and resolution planning for systemic insurers

The FSB's fourth round of the annual insurance resolvability monitoring exercise showed mixed progress in resolution planning for systemic insurers. Some jurisdictions have developed preferred resolution strategies for insurers, whereas the majority prefers to take a flexible approach and retain optionality in resolution. Operationalising resolution plans requires powers and tools, some of which are still lacking in several jurisdictions. These include powers to perform portfolio transfer and bail-in, and powers to establish a bridge institution. Jurisdictions conduct recovery and/or resolution planning for some insurers previously identified as G-SIIs and for other identified insurers. As in prior years, a number of jurisdictions have identified systemically important insurers (SIIs) for purposes of recovery and resolution planning. Several jurisdictions have identified and published their list of internationally active insurance groups (IAIGs) via the IAIS register[32] and these groups are subject to requirements on recovery planning and, where applicable, resolution planning under the IAIS ComFrame. During the current period of suspension of the identification of Global Systemically Important Insurers (G-SIIs), the *Key*

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31 Cf. sections 4.9-4.16 of Appendix II, Annex 1 of the KA. In some jurisdictions, while certain powers may not be explicit, an economically equivalent process or power exists.

32 Available at: https://www.iaisweb.org/page/supervisory-material/insurance-core-principles-and-comframe/file/98002/register-of-internationally-active-insurance-groups-iaigs

Attributes Assessment Methodology (KAAM) *for the Insurance Sector*[33] and the Key Attributes continue to apply to any insurer that could be systemically significant in failure.[34] With a view to a possible decision in 2022 to discontinue the identification of G-SIIs, the FSB will review the scope of application of G-SII specific requirements in consultation with the International Association of Insurance Supervisors (IAIS).

Table 2: Recovery and resolution planning requirements[35]

Jurisdiction	Recovery planning requirement	Resolution planning requirement
Australia[36]	●	●
Canada[37]	●	●
China	●	●
France[38]	●	●
Germany	●	●
Hong Kong SAR	●	●
Italy[39]	●	●
Japan[40]	●	●
Netherlands	●	●
Singapore[41]	●	●
South Africa	●	●

33 FSB (2020) *Key Attributes Assessment Methodology (KAAM) for the Insurance Sector*, August.

34 FSB (2020) *KAAM Scope and Application During the Period of Suspension of G-SII Identification*, August.

35 Table 2 provides an overview of existing powers related to recovery and resolution planning requirements, based on self-reporting by national authorities provided for in the legal and regulatory/supervisory frameworks. The availability of such powers, as indicated in the table, should not lead to the conclusion that resolution will necessarily be effective, nor does the absence of such powers necessarily mean that within that jurisdiction, there is no recovery and/or resolution planning conducted in practice – which is also further explained in the various footnotes.

36 APRA has required certain general and life insurers to develop recovery plans on a proportionate and as-needed basis. All large and medium-sized insurers have been required to have plans in place since 2018 and to update them annually. This requirement has been extended to smaller insurers more recently. In 2019, APRA completed a benchmarking process assessing the plans of large insurers, with key observations published in an industry letter. In December 2020, APRA reiterated its expectation that regulated entities, including insurers, remain vigilant, regularly assess their financial resilience through stress testing, and undertake a rigorous approach to recovery planning. Work continues in 2021 to assess the plans of smaller insurers as they are developed, as well as to review the next iteration of recovery plans for insurers that already have plans in place. This is part of a broader benchmarking exercise for insurers that will also cover most medium-sized entities.

37 Although Canada has no recovery planning requirement for insurers, its largest life insurers have prepared recovery plans.

38 According to the French Insurance Code (Art. L-311-8), the Resolution College of ACPR should establish resolution plans for insurers subject to recovery planning requirements. Conditions that apply to insurers subject to the recovery and resolution framework are developed in Chapter 2 Title 3 of the Insurance Code (Art. L311-1 et seq.).

39 IVASS introduced through secondary legislation an enhanced recovery planning requirement for insurers that meet certain threshold conditions. In 2020, eight insurance groups covering a very significant portion of national market share, including Generali, were subject to the enhanced recovery planning requirement.

40 The FSA revised the Comprehensive Supervisory Guidelines for Insurance Supervision on 18 December 2020 to implement the IAIS' ComFrame, including recovery planning requirements for IAIGs (and other insurers as necessary) as well as resolution planning requirements where deemed necessary.

41 Four insurers identified as potentially systemically important have already been subject to the recovery planning requirement. MAS will perform resolution planning for the potential systemically important insurers.

Jurisdiction	Recovery planning requirement	Resolution planning requirement
Spain[42]	● (No requirement in place)	● (No requirement in place)
Switzerland[43]	● (No requirement in place)	● (No requirement in place)
UK	● (Requirement in place)	● (Requirement in place)
US[44]	● (Requirement in place)	● (Requirement in place)

Legend:

● Requirement in place

● No requirement in place

☐ Cells outlined in black indicate red-to-green colour change since the 2020 report.

The FSB observes some progress towards the implementation of the Key Attributes for the insurance sector across jurisdictions (Annex 2). Saudi Arabia has established the legal basis for a resolution framework for insurers with the adoption of its Resolution of Systemically Important Financial Institutions Law of December 2020, which came into force in 2021.[45] In Switzerland, an amendment to the Insurance Supervision Act that would give the supervisory authority broader powers regarding the recovery and resolution of insurers is currently reviewed in Parliament. On 22 September 2021, the European Commission adopted a proposal for a Directive on the recovery and resolution of (re)insurers in the EU. Once adopted by the EU co-legislators, the proposal will provide national authorities in each Member State with comprehensive arrangements to prepare for and deal with (near-)failures of (re)insurers at national level; and cooperation arrangements to tackle cross-border (re)insurance failures in an orderly manner.[46] Some authorities plan consultations in the coming months on insurance resolution planning frameworks, or elements of frameworks, including: institution-specific planning objectives; whether or not to scope the insurance sector into the bail-in regime; and duration of temporary stays on reinsurance contracts.

4.2. Intra-group interconnectedness and funding in resolution

A mapping and assessment of intra-group interconnectedness supports preparedness for resolution. Assessing interconnectedness from the perspective of the resolution strategy can help identify concrete ways to improve resolvability of insurers. Other benefits to mapping and assessment of interconnectedness include improved understanding of critical functions and of critical shared services. To assist authorities in conducting a mapping and assessment of

42 Spain awaits the European framework for recovery and resolution of insurers to incorporate related rules into its legislation. Spain has a well-functioning system for the winding up of insurance undertakings through the “Consorcio de Compensación de Seguros”. The features of the Spanish system on winding up allows to deal in a particular way with concerns regarding the adoption of the KAs resolution provisions. For the time being Spain has not advanced unilaterally towards the implementation of a complete framework. That said, Spain is trying to advance through supervisory actions and, as much as possible, towards the complete implementation of the recovery and resolution framework, taking into account the principle of proportionality.

43 Although Switzerland has no recovery planning requirement, the largest Swiss groups have prepared recovery plans on a voluntary basis. The Insurance Supervision Act regulates the recovery process for insurers and is currently being revised to give broader powers to the supervisory authority.

44 The US has a resolution planning requirement, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), for certain insurers that are supervised by the Board of Governors of the Federal Reserve System.

45 The law provides for further rules and regulations to be developed in order to complete its implementation.

46 Proposal of the European Commission for a Directive on the recovery and resolution of (re)insurers: The related communication, press release and documents can be found here: https://ec.europa.eu/info/publications/210922-solvency-2-communication_en

operational and financial interconnectedness, a range of practices in several jurisdictions has been compiled in a forthcoming practices paper as part of ongoing technical work.

The identification of internal and external sources for resolution funding is a critical part of resolution planning. A forthcoming practices paper describes resolution funding practices from several jurisdictions, including internal sources of funding within the insurance group and external sources of resolution funding which include policyholder protection schemes (PPS) that can be used to fund portfolio transfers and run-offs and a standalone resolution fund.

5. Summary of actions and timelines

5.1. Banks

1. TLAC Standard	
Action	**Conduct further analysis on issues identified as part of the "road test" carried out by CMGs on unallocated TLAC resources and discuss potential further issues relating to form, location and approach to deployment of unallocated TLAC resources.**
Responsible	ReSG bankCBCM
Timeline	Report by end-2022 (as part of the 2022 Resolution Report)
Action	**Monitor (external/internal) TLAC issuance on the basis of public disclosures**
Responsible	ReSG bankCBCM
Timeline	Report by end-2022 (as part of the 2022 Resolution Report)
2. Resolution planning for banks other than G-SIBs	
Action	**Discuss and share authorities' practices on resolution planning for banks other than G-SIBs that could be systemic in failure and consider whether further work should be undertaken to support authorities' resolution planning** (Recommendation of the FSB Thematic Peer Review on Bank Resolution Planning of 29 April 2019[47])
Responsible	ReSG bankCBCM
Timeline	Organise a workshop in 2022 on resolution planning for public banks. Report progress by end-2022 (as part of the 2022 Resolution Report)
3. Operationalising bail-in execution	
Action	**Discuss and share authorities' practices on specific technical and cross-border issues of bail-in, including on cross-border recognition of related resolution actions.**
Responsible	ReSG bankCBCM

[47] FSB (2019), *Thematic Peer Review on Bank Resolution Planning*, April

Timeline	Organise a workshop in 2022 with stakeholders on bail-in execution practices (informed by the FSB Report on bail-in execution practices) Report progress by end-2022 (as part of the 2022 Resolution Report)
4. Continuity of access to FMIs for banks in resolution	
Action	**Support implementation of the FSB Guidance through further engagement with FMI service providers and firms on information exchange and communication protocols**
Responsible	ReSG bankCBCM
Timeline	Report progress by end-2022 (as part of the 2022 Resolution Report)
5. Resolution disclosures	
Action	**Consider whether further guidance is needed on public disclosures on resolution planning and resolvability by firms**[48]
Responsible	ReSG bankCBCM
Timeline	Report findings by end-2022 (as part of the 2022 Resolution Report)
6. Resolvability Assessment Process (RAP)	
Action	**Conduct eighth RAP for G-SIBs**
Responsible	G-SIB CMGs
Timeline	Report high-level findings by end-2022 (as part of the 2022 Resolution Report)
7. Cross-border cooperation and coordination	
Action	**Share members' practices on home-host coordination and cooperation arrangements, playbooks, and exercises to test these arrangements**
Responsible	ReSG bankCBCM
Timeline	Report findings by end 2023 (as part of the 2023 Resolution Report)
8. Cross-border funding in resolution	
Action	**Investigate further obstacles (e.g., legal, regulatory and operational) to cross-border funding in resolution, including in regard to the ability to mobilise collateral across borders.**
Responsible	ReSG bankCBCM
Timeline	Report findings by end-2023 (as part of the 2023 Resolution Report)
9. Post-resolution restructuring	
Action	**Share experiences and lessons learnt and explore potential challenges on post-resolution issues, including legal and operational ones.**
Responsible	ReSG bankCBCM
Timeline	Report findings by end-2023 (as part of the 2023 Resolution Report)

[48] FSB (2019), *Public Disclosures on Resolution Planning and Resolvability: Overview of responses to the consultation*, December.

5.2. Central Counterparties

10. Resolvability Assessment Process (RAP)	
Action	**Conduct the second RAP on the basis of the RAP questionnaire developed by ReSG fmiCBCM in 2020**
Responsible	CCP home and host authorities for SI>1 CCPs
Timeline	By end 2022
11. Monitoring and promoting resolution planning	
Action	**Survey authorities' progress in resolution planning:** (i) establishing CMGs for SI>1 CCPs, (ii) adopting institution-specific cooperation agreements (CoAgs) and (iii) conducting resolution planning, consistent with the expectations set out in the *Guidance on CCP Resolution and Resolution Planning*
Responsible	ReSG fmiCBCM
Timeline	Status report by end-2022 (as part of the 2022 Resolution Report)
Action	**Enhance authorities' operational preparedness and cross-border and cross-sector cooperation and coordination**
Responsible	CCP home and host authorities for SI>1 CCPs
Timeline	Status report by end-2023 (as part of the 2023 Resolution Report)
12. Financial resources for CCP resolution and treatment of CCP equity in resolution	
Action	**Evaluate the adequacy of financial resources to support CCP resolution and the treatment of CCP equity in resolution, based on the FSB 2020 Guidance.**
Responsible	SI>1 CCP home and host authorities
Timeline	By end 2022
Action	**Undertake further work on financial resources for CCP resolution** consistent with the findings of the joint FSB-CPMI-IOSCO evidence gathering and analysis on the use, composition and amount of CCP financial resources in recovery and resolution in default and non-default loss scenarios.
Responsible	FSB, CPMI and IOSCO
Timeline	Status report by end 2022
Action	**Consider whether further adjustments are needed to the FSB Guidance on financial resources to support CCP resolution and on the treatment of CCP equity in resolution in light of market developments and resolution authorities' experience with using the guidance**
Responsible	ReSG fmiCBCM in collaboration with CPMI-IOSCO
Timeline	By end 2025 at the latest

5.3. Insurance

13. Monitoring and promoting resolution planning	
Action	**Conduct stakeholder event following up the analysis of certain aspects of funding in resolution and of intra-group interconnectedness issues**
Responsible	ReSG iCBCM
Timeline	Event in the first half of 2022 Report by end-2022 (as part of the 2022 Resolution Report)
Action	**Share practices regarding the determination of critical functions of insurers**
Responsible	ReSG iCBCM
Timeline	By Mid-2023
Action	**Explore practical challenges to resolvability considering different types of group structures, including financial conglomerates, and investigate the use of different types of resolution tools**
Responsible	ReSG iCBCM
Timeline	Report by end-2023 (as part of the 2023 Resolution Report)
14. Key Attributes Assessment Methodology for the Insurance Sector	
Action	**Review scope of application of resolution requirements for G-SIFIs under the Key Attributes in light of a potential discontinuation of the annual identification of G-SIIs as from November 2022**
Responsible	ReSG iCBCM
Timeline	By end 2022
15. Resolvability Monitoring	
Action	**Conduct annual resolvability monitoring exercise**
Responsible	FSB members with material insurance operations as determined by authorities[49]
Timeline	Report high-level findings by end-2022 (as part of the 2022 Resolution Report)

[49] This is without prejudice to the high-level monitoring of implementation of the Key Attributes that is undertaken on an annual basis across all FSB jurisdictions.

5.4. Financial innovation

16. Digital innovation and implications for crisis resolution	
Action	**Take stock of the key challenges to resolution planning that authorities are facing as a result of digital innovation.** Consider issues such as the impact of digital innovation on firms' resolution planning and resolvability, including the issuance and holding of crypto assets, extensive reliance on new technologies and cloud services, emergence of FinTech firms, and the use of technology to facilitate resolution (ResTech)
Responsible	ReSG
Timeline	Status report by end-2022 (as part of the 2022 Resolution Report)

5.5. Monitoring Implementation

17. Annual reporting	
Action	**Update monitoring on the basis of standardised templates for the bank and non-bank sectors and report annually on resolution and public assistance cases in FSB jurisdictions involving banks with assets over USD 10 billion**
Responsible	FSB members, Secretariat
Timeline	2022 (as part of the 2022 Resolution Report)

5.6. Other

18. Use of Legal entity identifier (LEI) for resolution and resolution planning	
Action	**Explore the potential role of the LEI in resolution (Recommendation of the FSB Thematic Review on Implementation of the Legal Entity Identifier[50])**
Responsible	ReSG bankCBCM, iCBCM, fmiCBCM
Timeline	Report by end-2022 (as part of the 2022 Resolution Report)

[50] FSB (2019), *Thematic Review on Implementation of the Legal Entity Identifier*, May.

Annex 1: Status of implementation of aspects of bank resolution regimes by FSB jurisdictions as of September 2021

This table does not provide a full or independent assessment of the extent to which resolution regimes of FSB jurisdictions comply with the Key Attributes and does not reflect a judgement on whether national implementation is effective in achieving the outcomes that are intended under the Key Attributes. It is based largely on self-reporting by national authorities as regards the implementation of certain resolution tools as described in the Key Attributes provided for in the legal frameworks and resolution regimes of FSB jurisdictions. The availability of such powers, as indicated in the table, should not lead to the conclusion that resolution will necessarily be effective, nor does the absence of such powers necessarily mean that a jurisdiction will not be able to achieve an effective resolution.

FSB Jurisdiction	Powers to transfer or sell assets and liabilities	Powers to establish a temporary bridge institution	Powers to write down and convert liabilities (bail-in)	Power to impose temporary stay on early termination rights	Resolution powers in relation to holding companies	Recovery planning for systemic firms	Resolution planning for systemic firms	Powers to require changes to firms' structure and operations to improve resolvability
Argentina								[1]
Australia							(B)	
Brazil		(B)	(B)	(B)				[1] (B)
Canada					[2]			
China							[3]	[1]
France								
Germany								
Hong Kong SAR								
India	[4]							
Indonesia							[7]	[7]

FSB Jurisdiction	Powers to transfer or sell assets and liabilities	Powers to establish a temporary bridge institution	Powers to write down and convert liabilities (bail-in)	Power to impose temporary stay on early termination rights	Resolution powers in relation to holding companies	Recovery planning for systemic firms	Resolution planning for systemic firms	Powers to require changes to firms' structure and operations to improve resolvability
Italy								
Japan			5					
Korea			(B)					
Mexico								1
Netherlands								
Russia					(B)			
Saudi Arabia	6	6	6	6	6	6	6	1
Singapore			(B)					
South Africa	(B)	(B)	(B)	(B)	(B)	(B)	(B)	(B)
Spain								
Switzerland								
Turkey		(B)	(B)	(B)		(B)	(B)	(B)
United Kingdom								
United States								

Current status of implementation

(green)	Implemented
(yellow)	Partially implemented (all elements in the KA provision are satisfied but powers/requirements can be exercised only in limited circumstances)
(red)	Not implemented (some or all of the elements in the KA provision are not satisfied)
(white)	Not applicable

Cells highlighted in bold indicate colour change from the 2020 report.

Status of any pending reforms

A Reforms agreed (final legislation or rule approved) but not yet in force

B Reforms under development (policy proposals published or issued for intra-governmental consultation; draft legislation submitted to legislative body or rule-making process initiated under existing statutory authority)

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1 Supervisory authorities have some powers to require supervised institutions to make changes to their business organisation and legal structure, but the purposes for and circumstances under which authorities can exercise such powers vary.

2 Bank holding companies not present in the jurisdiction.

3 The jurisdiction is developing resolution plans for G-SIBs, designated D-SIBs in October 2021 and is planning to develop resolution plans for D-SIBs in due course.

4 The Banking Regulation Act's relevant powers do not extend to state-owned banks.

5 The Japanese authorities report that they are able to achieve the economic objectives of bail-in by capitalising a bridge institution to which functions have been transferred and by liquidating the residual firm via powers to separate assets and liabilities of a failed institution. However, it is not clear that the recapitalisation is achieved by converting claims of creditors of the failed institution into equity of that institution or of any successor in resolution as required by KA 3.5 (ii).

6 Saudi Arabia issued its Resolution of Systemically Important Financial Institutions Law in December 2020, which came into force in 2021. The law provides for further rules and regulations to be developed in order to complete its implementation.

7 Under the new Regulation Number 1/2021 on resolution plans, promulgated by the Indonesian Deposit Insurance Corporation (IDIC) in March 2021, D-SIBs and selected non-D-SIBs must prepare resolution plans starting in 2022. The regulation also stipulates the resolvability assessment requirement and IDIC may require banks to determine and implement actions to resolve obstacles to the implementation of the resolution strategy.

Notes

The columns in this table cover the following elements of the *Key Attributes*:

- Resolution powers: KA 3.2, points (vi), (vii), (ix) and (x);
- Power to impose temporary stay on early termination rights: KA 4.3 (first paragraph) and 4.3 (i);
- Resolution powers in relation to holding companies: KA 1.1 (i);
- Recovery and resolution planning for systemic firms (requirements and/or current practice): KA 11.2;
- Powers to require changes to improve firms' resolvability: KA 10.5.

Annex 2: Status of implementation of aspects of insurance resolution regimes by FSB jurisdictions as of September 2021

This table does not provide a full or independent assessment of the extent to which resolution regimes of FSB jurisdictions comply with the Key Attributes and does not reflect a judgement on whether national implementation is effective in achieving the outcomes that are intended under the Key Attributes. It is based largely on self-reporting by national authorities as regards the implementation of certain resolution tools as described in the Key Attributes provided for in the legal frameworks and resolution regimes of FSB jurisdictions. The availability of such powers, as indicated in the table, should not lead to the conclusion that resolution will necessarily be effective, nor does the absence of such powers necessarily mean that a jurisdiction will not be able to achieve an effective resolution.

FSB Jurisdiction	Existence of administrative resolution authority	Powers to undertake a transfer (including a portfolio transfer)	Powers to establish a temporary bridge institution	Powers to administer existing insurance contracts and fulfil obligations (including run-off)	Power to impose temporary stay on early termination rights	Powers to restructure, limit or write down insurance and reinsurance and other liabilities	Existence of privately-financed policyholder protection schemes or resolution funds
Argentina							
Australia							
Brazil		(B)	(B)			(B)	
Canada							
China	14						
France						1	
Germany	12,13	2b			2a	2a	
Hong Kong SAR							
India							
Indonesia							

FSB Jurisdiction	Existence of administrative resolution authority	Powers to undertake a transfer (including a portfolio transfer)	Powers to establish a temporary bridge institution	Powers to administer existing insurance contracts and fulfil obligations (including run-off)	Power to impose temporary stay on early termination rights	Powers to restructure, limit or write down insurance and reinsurance and other liabilities	Existence of privately-financed policyholder protection schemes or resolution funds
Italy	7, 13						
Japan							
Korea							
Mexico							
Netherlands	6	6	6	6	6	6	6
Russia							
Saudi Arabia	8	8	8		8		9
Singapore						(B)	
South Africa	(B)	(B)	(B)	(B)	(B)	(B)	
Spain	13	10					11
Switzerland		3,4	4 (B)		4 (B)	4 (B)	
Turkey					(B)		
United Kingdom		5		5		5	
United States							

Current status of implementation

(green)	Implemented
(yellow)	Partially implemented (all elements in the KA provision are satisfied but powers/requirements can be exercised only in limited circumstances)
(red)	Not implemented (some or all of the elements in the KA provision are not satisfied)

Cells highlighted in bold indicate a colour change from the 2019 report.

Status of any pending reforms

A Reforms agreed (final legislation or rule approved) but not yet in force

B Reforms under development (policy proposals published or issued for intra-governmental consultation; draft legislation submitted to legislative body or rule-making process initiated under existing statutory authority)

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1 The framework provides for a broad set of new resolution tools, such as transfers of assets and liabilities, and bridge institutions, but does not include a bail-in tool. Although it is understood that there are no legal constraints under the French constitution that would hinder the introduction of bail-in powers, legal uncertainty may emanate from the lack of specific exemptions set out in EU law that could subsequently be exploited by creditors in legal challenges when bail-in powers are applied. (See IMF (2019) *France: Financial Sector Assessment Program-Technical Note-Key Attributes of Effective Resolution Regimes for Insurance Companies*, October.)

2 a) The power is currently only exercisable if a company can no longer fulfil its liabilities but the opening of insolvency proceedings is not in the best interest of the policy holders. b) The power on portfolio transfers is given. The power to transfer policies without consent of the undertaking is pending in light of the common EU-wide implemented minimum resolution framework.

3 The Insurance Supervision Act provides currently the legal basis to transfer portfolios in direct insurance.

4 The Swiss government has drafted an amendment to the resolution regime of insurers, which will include the resolution powers that are currently missing. The public consultation of this partial revision of the Insurance Supervision Act (ISA) lasted until the end of February 2019. The process thereafter was delayed due to Covid-19, but on 21 October 2020 the Federal Council adopted the dispatch on the amended ISA and handed it to the parliament. An entry into force can be expected in 2023 at the earliest.

5 The authorities of the United Kingdom report that non-administrative resolution authorities (the Prudential Regulation Authority and the court) have these powers.

6 As of 1 January 2019, a new national resolution framework is in place. The Act introduces recovery planning for all Dutch insurers that are required to comply with Solvency II, and introduces resolution planning for insurance companies that could be eligible for resolution. Eligibility is determined by a public interest test. Insurers pass the test when resolution can prevent significant negative effects for the economy, financial markets or society, or protects public funds, in case of a failure. This creates a broader scope than the G-SII determination process and results in more eligible insurers. The resolution tools and resolution planning requirements are inspired by the BRRD, although the practical implications differ substantially for insurers.

7 In the absence of a national framework for the resolution of insurers, a resolution authority is not formally designated for this purpose. However, depending on specific circumstances, the supervisory authority, other governmental entities or private persons (e.g. administrators, liquidators or other officers) exercise the resolution powers envisaged in the ICP 12 and ComFrame in the context of the supervisory actions of the national supervisory authority, of the extraordinary administration and the compulsory winding up of the insurer.

8 Saudi Arabia issued its Resolution of Systemically Important Financial Institutions Law in December 2020, which came into force in 2021. The law provides for further rules and regulations to be developed in order to complete its implementation.

9 The framework includes the power of the resolution authority to establish a privately financed resolution fund which has not yet been established.

10 The power to undertake a portfolio transfer is available during winding up process through the “Consorcio de Compensación de Seguros”.

11 The Spanish legislation does not include a complete framework for the resolution of insurers. The missing powers will be included in the Spanish legislation with the implementation of the Solvency II Review. Nevertheless, a special system is in place for the winding up of insurance companies through the “Consorcio de Compensación de Seguros”. This system allows to deal in a particular way with concerns regarding the adoption of the KAs resolution provisions.

[12] In absence of an explicit official EU provision implemented in the national insurance law (VAG), BaFin functions as the German resolution authority for insurers in practice. With the exception of few insurers being supervised by the Finance ministry of the Länder.

[13] While Germany, Spain and Italy have not yet formally designated a resolution authority, certain national authorities in these jurisdictions may perform activities or execute certain powers that are similar to those of a designated resolution authority under the KAs. A formal designation will take place once the EU Directive on the recovery and resolution of (re)insurers in the EU will be implemented in these jurisdictions.

[14] The People's Bank of China (PBC), the CBIRC, as well as the Policyholder Compensation Company of China have a legal mandate for the resolution of insurers. According to the law on PBC, it is responsible for the resolution of financial risks and for maintaining the stability of financial system. Pursuant to the Guidelines on the Regulation and Resolution of Systematically Important Financial Institutions, the PBC leads the resolution of financial institutions that have been designated as systemically important, including insurers. According to the law on CBIRC and the law of insurance, the CBIRC is mandated with taking over any failing insurer and with the transfer of policyholders' rights. The Policyholder Compensation Company has played an important role in several resolution cases in recent years.

Notes

The columns in this table cover the following elements of the *Key Attributes*:

- Administrative resolution authority: KA 2.1
- Resolution powers: KA 3.2, points (iii), (vi), (vii) and (x); KA3.7, points (i) and (ii); Appendix II-Annex 2, paragraph 4.4
- Power to impose temporary stay on early termination rights: KA 4.3 (first paragraph) and 4.3 (i)
- Privately-financed policyholder protection scheme (PPS): Appendix II-Annex 2, paragraph 6.1

Annex 3: Rules, regulations and guidance relevant to G-SIB resolvability

<table>
<tr><th colspan="2">Jurisdiction</th><th>TLAC</th><th colspan="2">Early termination of financial contracts</th><th>Operational continuity</th><th>Funding in resolution</th><th>Continuity of Access to FMIs</th><th>Valuation capability</th></tr>
<tr><td rowspan="5">Banking Union</td><td>France</td><td rowspan="5">Final rules on external and internal TLAC published in June 2019
Expectations for Banks published in April 2020
Guidance for the bail-in operationalisation published in August 2020
Guidance on bail-in for international debt securities, published in March 2021
MREL SRB policy under the Banking Package, May 2021
SRB new Resolvability Assessment Policy (heat-map approach), July 2021
Commission Delegated Regulation (EU) 2021/763 on supervisory reporting and public disclosure of MREL and TLAC, May 2021</td><td rowspan="5">EU rules - Directive (EU) 2019/879 of 20 May 2019 (BRRD2)
Commission Delegated Regulation (EU) 2021/1340 on content of contractual terms on recognition of resolution stay powers, August 2021</td><td>-</td><td rowspan="5">SRB Guidance on the Critical Functions Report, December 2018
European Commission Implementing Regulation (EU) 2018/1624 of October 2018
SRB Guidance for operational continuity in resolution, July 2020</td><td rowspan="5">Regulation (EU) 806/2014 of 15 July 2014 (SRMR)
European Council
ESM Draft guidelines on Common Backstop to the SRF, April 2021
Backstop to enter into force in early 2022, as agreed by Eurogroup in November 2020.
Operational Guidance on Liquidity and Funding in resolution, April 2021</td><td rowspan="5">SRB 2019 Guidance on the FMI Report, December 2018
SRB Guidance for FMI contingency plans, July 2020</td><td rowspan="5">SRB Valuation Data Set, published in December 2020
SRB Framework for Valuation, February 2019
EBA Valuation Handbook, February 2019
Commission Delegated Regulation on Valuation in Resolution, November 2017</td></tr>
<tr><td>Germany</td><td>Regulation, November 2015, amended in December 2020</td></tr>
<tr><td>Italy</td><td>Regulation, January 2018</td></tr>
<tr><td>Netherlands</td><td>-</td></tr>
<tr><td>Spain</td><td>-</td></tr>
</table>

Jurisdiction	TLAC	Early termination of financial contracts	Operational continuity	Funding in resolution	Continuity of Access to FMIs	Valuation capability
Canada	Final guidelines published in April 2018	Rule in force under the CDIC Act since December 2017. Legislation amended in 2021 to allow the resolution authority to impose requirements for contractual recognition of resolution stay provisions in relevant financial contracts. Requirements are under development	CDIC Resolution Planning By-Law (CIF May 2019): CDIC Resolution Planning Guidance issued in 2016 and amended in 2019 Resolvability Assessment Framework issued in 2019 (not available online)			
China	Final rules published in October 2021		Commercial Banking Law of the People's Republic of China (Aug. 2015) Deposit Insurance Regulations of the People's Republic of China (Mar. 2015)	Deposit Insurance Regulations of the People's Republic of China (Mar. 2015) Law of the People's Republic of China on the People's Bank of China (Dec. 2003)		Guidelines on Due Diligence in Disposing of Non-Performing Financial Assets (Nov. 2005)

Jurisdiction	TLAC	Early termination of financial contracts	Operational continuity	Funding in resolution	Continuity of Access to FMIs	Valuation capability
Hong Kong SAR	Final rules on external and internal TLAC published in December 2018	Final rules published in August 2021	Final Code of Practice chapter published in November 2021	Draft Code of Practice chapter under development		
Japan	Final policy on external and internal TLAC published in March 2019	Regulation published April 2017	Supervisory guidelines on operational continuity in resolution published in July 2018	Final guidelines published in July 2018	Final guidelines published in July 2018	
Switzerland	Final requirements published in October 2015	Final requirements published in March 2017	Requirements published in Banking Act and Banking Ordinance	Regulatory requirements under development		
United Kingdom	Policy statement (external, internal TLAC) published in June 2018 Resolvability Assessment Framework published in July 2019 (subsequent update May 2020)	Policy statement published in November 2015	Policy statement published in July 2016 Resolvability Assessment Framework Consultation, December 2018	Resolvability Assessment Framework, July 2019	Resolvability Assessment Framework, July 2019	Policy statement published in June 2018

Jurisdiction	TLAC	Early termination of financial contracts	Operational continuity	Funding in resolution	Continuity of Access to FMIs	Valuation capability
United States	Final rule (external, internal TLAC) published in December 2016 Final rule (regulatory capital treatment of TLAC holdings) published in October 2020	Final rule published in September 2017	Final Guidance for 2019 and subsequent resolution plan submissions by 8 US G-SIBs, February 2019			

Annex 4: Selected cases of public assistance or resolution of banks in FSB jurisdictions[51]

The table lists select cases of public assistance or resolution since 2016 for banks with assets over USD 10 billion in FSB jurisdictions. The size threshold was chosen in order to restrict the list to medium and large banks, while the choice of year was based on the fact that several FSB jurisdictions adopted comprehensive resolution frameworks as of 2016. The table does not include cases where the original intervention pre-dated 2016 (e.g. HSH Nordbank, Banca delle Marche, Etruria); sector-wide support programmes (e.g. the Italian guarantee scheme to facilitate the securitisation of non-performing loans, which is voluntary and open to all banks); or cases of emergency liquidity assistance by central banks. The banks are listed by asset size (converted to USD equivalent) at the time of the first public intervention, where possible.

Bank	Balance sheet size at time of intervention	SIB (Y/N)	Home jurisdiction	Date measure taken	Description of measure taken	Amount / Source of assistance (if applicable)	Current status of bank
Hengfeng Bank	CNY1.2 tn [USD173bn (2016)]	N	CN	August 2019	Received investment by sovereign wealth fund Central Huijin Investment Ltd. (60 billion shares).	N/A	Restructuring completed
Banca Monte dei Paschi di Siena	€143.5 bn [USD164 bn (2017)]	Y	IT	December 2016; July 2017	Received precautionary liquidity support (state guarantee) and recapitalisation	€15 bn[52] (liquidity guarantee), €5.4bn (recapitalisation)	In operation, restructuring.
NORD/LB	€146.9 bn [USD160bn (2019)]	Y	DE	December 2019	Received market-conform public support by its public sector owners[53] for strengthening capital and restructuring.	€2.8 bn investment, €0.8 bn capital relief[54]	In operation

51 FSB (2020) *Evaluation of the effects of too-big-to-fail reforms*, June. Annex G, pp. 124-126.

52 The State aid approved amounted to €15 bn, of which €11 bn was used.

53 See https://ec.europa.eu/competition/state_aid/cases1/20203/283125_2123117_150_5.pdf.

54 The €2.8 bn amount corresponds to the public market-conform measure and the €0.8 bn amount was provided by the Institutional Protection Scheme (IPS)

Bank	Balance sheet size at time of intervention	SIB (Y/N)	Home jurisdiction	Date measure taken	Description of measure taken	Amount / Source of assistance (if applicable)	Current status of bank
Banco Popular Español	€147 bn [USD154.6bn (2017)]	Y	ES	June 2017	Determined as failing or likely to fail (FOLTF) by ECB; put into resolution by Single Resolution Board; losses absorbed by equity and subordinated debt; sale to Banco Santander S.A.	No public funds used	Acquired
Bank of Jinzhou	CNY845.9 bn [USD 122.4 bn (2018)]	N	CN	July 2019	Received equity investment by three state-run financial institutions (Industrial & Commercial Bank of China Ltd., China Cinda Asset Management Co. Ltd., China Great Wall Asset Management Co. Ltd.).	N/A	Restructuring completed
Harbin Bank	CNY615 bn [USD89.3 bn (2018)]	N	CN	November 2019	Two state-run financial institutions (Harbin Economic Development and Investment Co. and Heilongjiang Financial Holdings Group Co. Ltd.) became primary shareholders through share transfer.	N/A	Restructuring completed
Baoshang Bank	CNY431 bn [USD62 bn (2016)]	N	CN	May 2019	Taken over by the People's Bank of China and the China Banking and Insurance Regulatory Commission; guarantee on corporate deposits and interbank debts.	N/A	Restructuring completed and declared bankruptcy
Bank Otkritie Financial Corporation PJSC	RUB2.6 tn [USD44 bn (2017)]	Y	RU	August 2017; December 2017; August 2018; 2018	Entered resolution; capital injection by the Central Bank of the Russian Federation (CBR); split into good bank and bad bank.	N/A; RUB456.2 bn; RUB42,72 bn; N/A	In operation, resolution completed, under control of the CBR

Bank	Balance sheet size at time of intervention	SIB (Y/N)	Home jurisdiction	Date measure taken	Description of measure taken	Amount / Source of assistance (if applicable)	Current status of bank
Yes Bank Ltd.	INR2.9 tn [USD41 bn (2019)]	N	IN	March 2020	On recommendation of the Reserve Bank of India, a Scheme of Reconstruction was sanctioned by the Government on March 13, 2020. In terms of the Scheme, the State Bank of India (largest public sector bank) and other private sector banks have invested INR100 bn (USD1.40 bn) in Yes Bank. The Board of the bank was also superseded and after a brief period, a new Board was constituted to manage the affairs of the bank.	A public sector bank invested INR60.5 bn (USD0.85 bn) in Yes Bank.	In operation
Banca Popolare di Vicenza	€34.4 bn [USD36.4 bn (2016)]	N	IT	February 2017; May 2017; June 2017	Received precautionary liquidity support (state guarantee); declared FOLTF by ECB; negative public interest assessment by SRB; forced administrative liquidation by Bank of Italy; entered compulsory administrative liquidation (including €4.8 bn cash injection and €12 bn state guarantees for combined sale of parts of Banca Popolare di Vicenza and Veneto Banca.)	€3 bn; €2.2 bn	Liquidated
Veneto Banca	€28 bn [USD29 bn (2016)]	N	IT	February 2017; May 2017; June 2017	Received precautionary liquidity support (state guarantee); declared FOLTF by ECB; negative public interest assessment by SRB; forced administrative liquidation by Bank of Italy. Entered compulsory administrative liquidation (including €4.8 bn cash injection and €12 bn state guarantees for combined sale of Banca Popolare di Vicenza and Veneto Banca).	€3.5 bn; €1.4 bn	Liquidated

Bank	Balance sheet size at time of intervention	SIB (Y/N)	Home jurisdiction	Date measure taken	Description of measure taken	Amount / Source of assistance (if applicable)	Current status of bank
Banca Carige	€22 bn [USD26 bn (2018)]	N	IT	January 2019	Received precautionary liquidity support in the form of remunerated guarantees that are restricted to solvent banks.[55]	Up to €3 bn	In operation, restructuring
Promsvyazbank	RUB1.4 tn [USD24 bn (2017)]	Y	RU	December 2017; March-May 2018; 2018	Entered resolution; capital injection and financial aid provided by Deposit Insurance Agency (DIA); split into good bank and bad bank; nationalisation.	N/A; RUB244.2 bn, including capital injection (RUB113.4 bn) and financial aid (RUB130.8 bn) by DIA; N/A	In operation under government control
B&N Bank	RUB1,1 tn [USD19 bn (2017)]	N	RU	September 2017; March 2018; 2018	Entered resolution; capital injection by CBR; split into good bank and bad bank.	N/A; RUB56.9 bn; N/A	Good bank merged with Bank Otkritie and under control of the CBR

55 See https://ec.europa.eu/competition/state_aid/cases1/201951/277936_2117778_226_2.pdf.

Annex 5: Membership in ReSG and its subgroups (November 2020 – October 2021)

Authorities from jurisdictions

- **Australia:** Reserve Bank of Australia (RBA), Australian Prudential Regulation Authority (APRA)
- **Belgium:** National Bank of Belgium
- **Brazil:** Banco Central do Brazil
- **Canada:** Department of Finance Canada, Bank of Canada, Canadian Deposit Insurance Corporation (CDIC), Office of the Superintendent of Financial Institutions (OSFI)
- **China:** People's Bank of China, China Banking and Insurance Regulatory Commission (CBIRC)
- **France :** French Ministry of Economy and Finance, Banque de France, Autorité de Contrôle Prudentiel et de Résolution (ACPR), Autorité des Marchés Financiers (AMF)
- **Germany:** Deutsche Bundesbank, Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)
- **Hong Kong SAR:** Hong Kong Insurance Authority (HKIA), Hong Kong Monetary Authority (HKMA), Hong Kong Securities and Futures Commission (SFC)
- **India:** Reserve Bank of India (RBI)
- **Indonesia**: Indonesia Ministry of Finance, Bank Indonesia
- **Italy:** Banca d'Italia, Italian Supervisory Authority for Insurance Undertakings (IVASS)
- **Japan:** Bank of Japan, Japan Financial Services Agency (JFSA)
- **Korea:** Korea Financial Services Commission, Korea Deposit Insurance Corporation
- **Mexico:** Banco de México, Instituto para la Protección al Ahorro Bancario (IPAB)
- **Netherlands:** De Nederlandsche Bank (DNB)
- **Russia:** Bank of Russia
- **Saudi Arabia:** Saudi Central Bank (SAMA)
- **Singapore:** Monetary Authority of Singapore (MAS)
- **South Africa:** South African Reserve Bank (SARB)

- **Spain:** Bank of Spain, Comisión Nacional del Mercado de Valores (CNMV), FROB Executive Resolution Authority
- **Sweden:** Swedish National Debt Office (SNDO)
- **Switzerland:** Swiss Financial Market Supervisory Authority (FINMA)
- **Turkey**: Savings Deposit Insurance Fund (SDIF)
- **United Kingdom:** HM Treasury, Bank of England, Prudential Regulation Authority
- **United States:** U.S. Department of the Treasury, Board of Governors of the Federal Reserve System (FRB), Federal Reserve Bank of New York, Commodity Futures Trading Commission (CFTC), Federal Deposit Insurance Corporation (FDIC), Federal Insurance Office of U.S. Department of the Treasury (FIO), Office of the Comptroller of the Currency, Securities and Exchange Commission (SEC)
- **European Union (EU) and Banking Union:** European Commission (EC), European Central Bank (ECB), European Banking Authority (EBA), European Securities and Markets Authority (ESMA), Single Resolution Board (SRB)

Standard-setting bodies and international financial institutions

- Basel Committee on Banking Supervision (BCBS)
- Bank for International Settlements (Financial Stability Institute)
- Committee on Payments and Market Infrastructures (CPMI)
- International Association of Deposit Insurers (IADI)
- International Association of Insurance Supervisors (IAIS)
- International Monetary Fund (IMF)
- International Organization of Securities Commissions (IOSCO)
- World Bank

Abbreviations

BRRD	Bank Recovery and Resolution Directive (EU)
bankCBCM	FSB Cross-Border Crisis Management Group for banks
CCPs	Central Counterparties
CET1	Common Equity Tier 1
CMG	Crisis Management Group
CoAgs	Cross-border Cooperation Agreements
COVID-19	Coronavirus disease of 2019
CSD	Central Securities Depository
DL	Default loss
EME	Emerging Market Economy
EU	European Union
fmiCBCM	FSB Cross-Border Crisis Management Group for FMIs
FMIs	Financial Market Infrastructures
FOLTF	Failing or likely to fail
FSB	Financial Stability Board
G-SIBs	Global Systemically Important Banks
G-SIIs	Global Systemically Important Insurers
IAIG	Internationally active insurance group
iCBCM	FSB Cross-Border Crisis Management Group for insurance
ISDA	International Swaps and Derivatives Association
JMP	Jurisdictional Modular Protocol (ISDA)
KA	Key Attributes
KAAM	Key Attributes Assessment Methodology
LEI	Legal Entity Identifier
LRE	Leverage Ratio Exposure

MIS	Management information system
MREL	Minimum Requirement for own funds and Eligible Liabilities (EU)
MSG	Material subgroup
NDL	Non-default loss
PPS	Policyholder Protection Scheme
RAP	Resolvability Assessment Process
ReSG	FSB Resolution Steering Group
RRI	Resolution Reform Index
RWA	Risk-Weighted Assets
SIBs	Systemically Important Banks
SIFIs	Systemically Important Financial Institutions
SIIs	Systemically Important Insurers
SI>1	CCP that is systemically important in more than one jurisdiction
TBTF	Too Big To Fail
TLAC	Total Loss-Absorbing Capacity
TLAC TS	TLAC Term Sheet
uTLAC	Unallocated TLAC resources