

Regulations and guidelines 2/2015

Development of recovery plans and early intervention

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Further information

Legal Issues in Banking Supervision / Financial Supervisory Authority



Legal nature of regulations and guidelines

Regulations

Financial Supervisory Authority (FIN-FSA) regulations are presented under the heading 'Regulation' in FIN-FSA's regulations and guidelines. FIN-FSA regulations are binding legal requirements that must be complied with.

FIN-FSA issues regulations only by virtue of and within the limits of legal provisions that entitle it to do so.

Guidelines

FIN-FSA interpretations of the contents of laws and other binding provisions are presented under the heading 'Guideline' in FIN-FSA's regulations and guidelines.

Also recommendations and other operating guidelines that are not binding are presented under this heading, as are FIN-FSA's recommendations on compliance with international guidelines and recommendations.

The formulation of the guideline shows when it constitutes an interpretation and when it constitutes a recommendation or other operating guideline. A more detailed description of the formulation of guidelines and the legal nature of regulations and guidelines is provided on the FIN-FSA website.

[Fin-fsa.fi](http://fin-fsa.fi) > Regulation > FIN-FSA regulations > New set of regulations

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1 Scope of application and definitions

1.1 Scope of application

(1) These regulations and guidelines are applicable to the following authorised supervised entities as referred to in section 4 of the Act on the Financial Supervisory Authority (878/2008):

- a credit institution or a holding company and financial institution belonging to the same consolidation group in accordance with chapter 8a, sections 1 and 8 of the Credit Institutions Act (610/2014);
- an investment firm that trades in financial instruments on its own account or underwrites issues in accordance with the Act on Investment Firms (747/2012) or a holding company and financial institution belonging to the same consolidation group;
- an amalgamation of deposit banks in accordance with chapter 3, section 20 a of the Act on the amalgamation of deposit banks (599/2010).

2

Recommendation on the development of a recovery plan

- (1) On 23 January 2013, the European Banking Authority issued a recommendation to major European banking groups on the development of a recovery plan (EBA/REC/2013/02). The guidance concerning the development of such plans has subsequently been supplemented by Directive 2014/59/EU of the Parliament and of the Council.

GUIDELINE (p a r a g r a p h 2)

- (2) The Financial Supervisory Authority recommends that entities falling within the scope of application of the Recommendation and groupings consisting of such entities comply with the recommendation of the EBA in designing the structure of the recovery plan and also take into account the requirements laid down in the Decree of the Ministry of Finance (1286/2014) on the information to be included in recovery plans. The EBA Recommendation is available at Finanssivalvonta.fi.

3

Recommendation on the coverage of entities in the group recovery plan

- (1) On 1 January 2018, the European Banking Authority (EBA) issued recommendations on the coverage of entities in the group recovery plan (EBA/REC/2017/02).

GUIDELINE (paragraph 2)

- (2) The Financial Supervisory Authority (FIN-FSA) recommends that entities falling within the scope of application of the Recommendations and groupings consisting of such entities comply with the EBA Recommendations on the coverage of entities in the group recovery plan. The EBA Recommendations are available at Finanssivalvonta.fi.

4 Guidelines on the range of scenarios to be used in recovery plans

- (1) On 18 July 2014, the European Banking Authority (EBA) issued Guidelines on the range of scenarios to be used in recovery plans (EBA/GL/2014/06). The Guidelines entered into force on 1 January 2015.

GUIDELINE (paragraph 2)

- (2) The Financial Supervisory Authority recommends that entities falling within the scope of application of the Recommendation and groupings consisting of such entities comply with the minimum requirements on the scenarios provided in the Guidelines. The EBA Guidelines are available at Finanssivalvonta.fi.

5

Guideline on qualitative and quantitative recovery plan indicators

- (1) On 9 November 2021, the European Banking Authority (EBA) issued Guidelines on recovery plan indicators (EBA/GL/2021/11). The Guidelines are applicable as of 18 February 2022.

GUIDELINE (paragraph 2)

- (2) The Financial Supervisory Authority recommends that entities falling within the scope of application of the Guidelines and groupings consisting of such entities comply with the EBA Guidelines. The EBA Guidelines are available at [Finanssivalvonta.fi](https://www.finanssivalvonta.fi).

6

Guidelines on triggers for use of early intervention measures

- (1) On 29 July 2015, the European Banking Authority (EBA) issued Guidelines on triggers for the use of early intervention measures (EBA/GL/2015/03). The Guidelines are applicable as of 1 January 2016.
- (2) The Guidelines are addressed to supervision authorities, ie as regards institutions under the ECB's direct supervision, the ECB, and as regards other institutions, the Financial Supervisory Authority.

GUIDELINE (paragraph 3)

- (3) Despite the designated target group of the Guidelines, the Financial Supervisory Authority recommends that entities falling within its scope of application familiarise themselves with the EBA Guidelines on triggers for use of early intervention measures and take them into account in preparing their recovery plans. The EBA Guidelines are available at Finanssivalvonta.fi.

7 Guidelines on interpretations concerning when an institution shall be considered as failing or likely to fail

- (1) On 6 August 2015, the European Banking Authority (EBA) issued Guidelines on the interpretation of the different circumstances in which an institution shall be considered to be failing or likely to fail under Article 32(6) of Directive 2014/59/EU (EBA/GL/2015/07) The Guidelines are applicable as of 1 January 2016.
- (2) The Guidelines are addressed to supervision authorities and crisis resolution authorities. Supervision authorities refer to, as regards institutions under the ECB's direct supervision, the ECB, and as regards other institutions, the Financial Supervisory Authority. Crisis resolution authorities refer to, as regards institutions under the ECB's direct supervision, the Single Resolution Board, and as regards other institutions, the Financial Stability Authority.

GUIDELINE (paragraph 3)

- (3) The Guidelines also apply to entities falling within the scope of application by virtue of Article 81 (1) of Directive 2014/59/EU and groupings of such entities if they consider themselves to be near failing or likely to fail. The Financial Supervisory Authority recommends that entities falling within the scope of application of the Guidelines and groupings consisting of such entities comply with the EBA Guidelines in terms of the sections referred to above and take the aforesaid into account in circumstances referred to above. However, the sections of the Guidelines referring to the conditions for resolution laid out in Article 32 (1) (b) and (c) of Directive 2014/59/EU are not applicable to institutions. The EBA Guidelines are available at Finanssivalvonta.fi.



8

Guidelines on specifying the conditions for group financial support under Article 23 of Directive 2014/59/EU

- (1) On 8 December 2015, the European Banking Authority (EBA) issued Guidelines specifying the conditions for group financial support under Article 23 of Directive 2014/59/EU (EBA/GL/2015/17). The Guidelines are applicable as of 9 February 2016.
- (2) The Guidelines are directed at institutions within their scope of application as well as the concerned supervisory authorities, ie the ECB in respect of institutions under the ECB's direct supervision, and FIN-FSA in respect of other institutions.

GUIDELINE (paragraph 3)

- (3) The FIN-FSA recommends institutions within the scope of application of the Guidelines and conglomerates consisting of such institutions to comply with the EBA Guidelines. The EBA Guidelines are available at Finanssivalvonta.fi.

9

Guidelines on the provision of information in summary or collective form for the purposes of Article 84(3) of Directive 2014/59/EU

- (1) On 9 July 2016, the European Banking Authority (EBA) provided Guidelines on the application of Article 84(3) of Directive 2014/59/EU (EBA/GL/2016/03). The Guidelines apply as of 30 September 2016.
- (2) The guidelines are addressed to competent authorities; with respect to institutions under the ECB's direct supervision, they are addressed to the ECB; and with respect to other institutions, the Financial Supervisory Authority. In addition, they are addressed to resolution authorities and other authorities and persons who, in the context of crisis resolution, must handle confidential information. Furthermore, the guidelines apply to financial institutions referred to in Article 4(1) of Regulation (EU) N:o 1093/2010.

GUIDELINE (paragraph 7)

- (3) The FIN-FSA recommends that institutions, within the scope of application of the Guidelines and conglomerates consisting of such institutions, comply with the EBA Guidelines. The EBA Guidelines are available at Finanssivalvonta.fi



10 Revision history

These regulations and guidelines have been amended after their entry into force as follows:

- new chapter 7 added. The amendment incorporates a new guideline by the European Banking Authority (EBA) on specifying the conditions for group financial support.
- Issued on 20.1.2016, valid from 9.2.2016
- new chapter 8 added. The amendment incorporates a new guideline by the European Banking Authority (EBA) on the provision of information in summary or collective form for the purposes of Article 84(3) of Directive 2014/59/EU.
- Issued on 5.9.2016, valid from 30.9.2016
new chapter 3 added. The amendment incorporates new recommendations by the European Banking Authority (EBA) on the coverage of entities in the group recovery plan. At the same time, the numbering of the subsequent chapters was changed. In addition, the contents of chapter 5 have been revised where reference is made to the updated EBA Guidelines (Guidelines on recovery plan indicators). The updated EBA Guidelines EBA/GL/2021/11 repeal the old EBA Guidelines on the minimum list of qualitative and quantitative recovery plan indicators (EBA/GL/2015/02).
- Issued on 7.2.2022, valid from 18.2.2022