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STATUTORY INSTRUMENTS

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**2014 No. 3348**

The Bank Recovery and Resolution (No. 2) Order 2014

**PART 4**

Recovery plans

CHAPTER 2

Assessment of group recovery plan where the PRA or FCA is the consolidating supervisor

**Application and interpretation of Chapter 2**

**16.**—(1) This Chapter applies where, in relation to a relevant group—

- (a) the PRA or FCA is the consolidating supervisor; and
- (b) a group entity submits a group recovery plan to the appropriate regulator for assessment<sup>F1</sup>  
....

(2) In this Chapter—

“business changes” means changes to the business of a group institution which would be made with the object of addressing an impediment;

“four month period” means four months beginning with the date on which the appropriate regulator transmits a copy of the group recovery plan under article 17;

“group institution” means—

- (a) the [F2UK] parent undertaking, if it is an institution;
- (b) a group subsidiary which is an institution;

“impediment”, in relation to the group recovery plan, means any material deficiency or measure in the plan which would impede its implementation;

“relevant matters”, in relation to the assessment of the group recovery plan, means the following matters for decision—

- (c) whether the plan meets the criteria for assessment;
- (d) whether group institutions should be required to draw up and submit recovery plans on an individual basis;
- (e) whether the plan contains an impediment;
- (f) whether a group entity should be required to revise the plan;
- (g) whether an impediment has been adequately addressed in a revision of the plan;
- (h) where an impediment has not been adequately addressed in a revision of the plan, whether it can be adequately addressed by directing a group entity to make specific changes to the plan; and
- (i) where an impediment cannot be adequately addressed by specific changes to the plan or by business changes—

- (i) whether a group entity should be directed to take relevant measures; and
- (ii) the terms of any direction to take relevant measures;

“relevant measures” means measures to maintain or restore the viability and financial position of a group institution, including measures to—

- (a) reduce the institution's risk profile, including its liquidity risk profile;
- (b) review its structure and strategy;
- (c) enable it to undertake timely recapitalisation;
- (d) change its funding strategy in order to improve the resilience of core business lines and critical functions; or
- (e) change its governance structure; and

F3  
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**Textual Amendments**

- F1** Words in art. 16(1)(b) omitted (31.12.2020) by virtue of [The Bank Recovery and Resolution and Miscellaneous Provisions \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1394\)](#), reg. 1(2), **Sch. 3 para. 10(2)**; 2020 c. 1, Sch. 5 para. 1(1)
- F2** Word in art. 16(2) substituted (31.12.2020) by [The Bank Recovery and Resolution and Miscellaneous Provisions \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1394\)](#), reg. 1(2), **Sch. 3 para. 10(3)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F3** Words in art. 16(2) omitted (31.12.2020) by virtue of [The Bank Recovery and Resolution and Miscellaneous Provisions \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1394\)](#), reg. 1(2), **Sch. 3 para. 10(3)(b)**; 2020 c. 1, Sch. 5 para. 1(1)

**Changes to legislation:**

There are currently no known outstanding effects for the The Bank Recovery and Resolution (No. 2) Order 2014, Section 16.