

Bank of England PRA

Appendices to CP14/25 – Amendments to Resolution Assessment threshold and Recovery Plans review frequency

Consultation paper | CP14/25

July 2025



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1: Draft PRA Rulebook: CRR Firms: Resolution Assessment Amendment Instrument

PRA RULEBOOK: CRR FIRMS: RESOLUTION ASSESSMENT (AMENDMENT) INSTRUMENT 2025

Powers exercised

- A. The Prudential Regulation Authority ("PRA") makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):
 - (1) section 137G (The PRA's general rules); and
 - (2) section 137T (General supplementary powers);
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

PRA Rulebook: CRR Firms: Resolution Assessment (Amendment) Instrument 2025

- C. The PRA makes the rules in the Annex to this instrument.

Commencement

- D. This instrument comes into force on [DATE]

Citation

- E. This instrument may be cited as the PRA Rulebook: CRR Firms: Resolution Assessment (Amendment) Instrument 2025.

By order of the Prudential Regulation Committee
[DATE]

Annex

Amendments to the Resolution Assessment Part

In this Annex new text is underlined and deleted text is struck through.

1 APPLICATION AND DEFINITIONS

- 1.1 Unless otherwise stated, this Part applies to a *firm* that is a *UK bank* or *building society* that, on the *firm's* last *accounting reference date*, had *retail deposits* equal to or greater than ~~£50~~£100 billion on:

- (1) an individual basis;
- (2) if the *firm* is a *UK parent institution*, the basis of its *consolidated situation*; or
- (3) if the *firm* is controlled by a UK parent financial holding company or by a UK parent mixed financial holding company and the PRA is responsible for supervision of that holding company on a consolidated basis, the basis of the consolidated situation of that holding company.

- 1.2 In this Part, the following definitions shall apply:

deposit

has the meaning given in the Table of Part 2 of Annex II to Regulation (EU) No 1071/2013 of the European Central Bank of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector as it had effect in EU law immediately before IP completion day~~30, Part 1, Annex V (Reporting on financial information) of the European Banking Authority's Implementing Technical Standards amending the Commission's Implementing Regulation (EU) No 680/2014 on supervisory reporting under Regulation (EU) No 575/2013 of the European Parliament and of the Council.~~

retail deposit

means *deposits* from “households” as defined in paragraph 42(f) of Part 1 of Annex V to the Reporting (CRR) Part~~35(f), Part 1, Annex V (Reporting on financial information) of the European Banking Authority's Implementing Technical Standards amending the Commission's Implementing Regulation (EU) No 680/2014 on supervisory reporting under Regulation (EU) No 575/2013 of the European Parliament and of the Council.~~

2: Draft PRA Rulebook: CRR Firms and Non-Authorised Persons: Recovery Plans Amendment Instrument

PRA RULEBOOK: CRR FIRMS: NON-AUTHORISED PERSONS: RECOVERY PLANS INSTRUMENT 2025

Powers exercised

- A. The Prudential Regulation Authority ("PRA") makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):
 - (3) section 137G (The PRA's general rules); and
 - (4) section 137T (General supplementary powers);
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

PRA Rulebook: CRR Firms: Non-authorized Persons: Recovery Plans Instrument 2025

- C. The PRA makes the rules in the Annex to this instrument.

Commencement

- D. This instrument comes into force on [DATE]

Citation

- E. This instrument may be cited as the PRA Rulebook: Non-authorized Persons: Recovery Plans Instrument 2025.

By order of the Prudential Regulation Committee
[DATE]

Annex

Amendments to the Recovery Plans Part

In this Annex, new text is underlined and deleted text is struck through.

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4 REVIEW OF RECOVERY PLAN AND GROUP RECOVERY PLAN

4.1 This Chapter applies to a *BRRD undertaking* which is required to draw up a *recovery plan* or *group recovery plan* under 2 or 3.

4.2 A *BRRD undertaking* that is a *firm* must:

(1) review its *recovery plan* or *group recovery plan* at least once every two years in the case of an *SDDT* and at least once a year in the case of every other *firm*; and

...

[Note: Art. 5(2) of the *BRRD*]

4.3 A *BRRD undertaking* that is a *qualifying parent undertaking* must make arrangements to ensure that:

(1) its *group recovery plan* is reviewed at least every two years if it is an *SDDT consolidation entity* and otherwise at least once a year; and

...

[Note: Art. 5(2) of the *BRRD*]

3: Draft amendments to SS9/17 – Recovery planning

In this appendix, new text is underlined and deleted text is struck through.

...

1.3 This SS complements and should be read in conjunction with:

- the Recovery Plans Part of the PRA Rulebook;
- the Commission Delegated Regulation (EU) 2016/1075;¹
- the European Banking Authority (EBA) ‘Guidelines on the range of scenarios to be used in recovery plans’;²
- the EBA ‘Guidelines on the minimum list of qualitative and quantitative recovery plan indicators’;³
- the EBA ‘Recommendation on the coverage of entities in a group recovery plan’;⁴
- the Commission Delegated Regulation (EU) 2019/348;⁵
- SS1/22 ‘Trading activity wind-down’; and
- Statement of Policy (SoP) ‘Trading activity wind-down’.

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¹ Available at: <https://www.legislation.gov.uk/eur/2016/1075/contents>
<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1075&from=EN>.

² Available at: <https://www.bankofengland.co.uk/-/media/boe/files/paper/2020/december/Guidelines%20on%20the%20range%20of%20scenarios%20to%20be%20used%20in%20recovery%20plans.pdf>
<https://www.eba.europa.eu/sites/default/documents/files/documents/10180/760136/05cc62a3-661c-4eee-ad07-d051f3eeda07/EBA-GL-2014-06%20Guidelines%20on%20Recovery%20Plan%20Scenarios.pdf>.

³ Available at: <https://www.bankofengland.co.uk/-/media/boe/files/paper/2020/december/Guidelines%20on%20recovery%20plans%20indicators.pdf>
<https://www.eba.europa.eu/documents/10180/1064487/EBA-GL-2015-02+GL+on+recovery+plan+indicators.pdf>.

⁴ Available at: <https://www.bankofengland.co.uk/-/media/boe/files/paper/2020/december/Recommendations%20on%20the%20coverage%20of%20entities%20in%20a%20group%20recovery%20plan.pdf>
<https://www.eba.europa.eu/sites/default/documents/files/documents/10180/1770344/1fb547a6-2bbc-4487-9cc7-79a5318bfde2/EBA-Rec-2017-02%20%28Recommendation%20on%20coverage%20of%20entities%20in%20group%20recovery%20plans%20.pdf>.

⁵ Available at: <https://www.legislation.gov.uk/eur/2019/348/contents>
<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0348&rid=1>

2 Key recovery plan components and considerations

(viii) Governance

(b) Governance associated with the production, review and sign off of the recovery plan

...

2.84A For small firms with very simple business models, for which key prudential metrics have not changed materially year on year, the firm's governing body may decide at its annual review (or at its biennial review if the firm is a small domestic deposit taker (SDDT) or SDDT consolidation entity), that the information, plans, and triggers from the previous year continue to be appropriate.

2.84B The PRA expects SDDT firms to use the additional time afforded by the extended biennial review cycle to develop higher quality recovery plans than they would on an annual review cycle. Higher quality recovery plans should be understood in the context of the expectations and considerations set out within Chapter 2 of this SS.

2.84C Firms should ensure that their recovery plans or group recovery plans are updated to reflect any change to the legal or organisational structure of the firm or group, its business or its financial situation, which could have a material effect on, or necessitates a change to, the recovery plan or group recovery plan. Firms should review more promptly than the minimum review frequency as necessary.

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3 Recovery planning for UK subsidiaries of groups based outside of the UK

3.1 In recognition of the continued improvements of global recovery planning, the PRA is clarifying its expectations¹⁹ for UK subsidiaries of groups based outside of the UK. This is not a fundamental change to the PRA's expectations on recovery planning but rather an overview of how the PRA expects requirements relevant to UK entities²⁰ to be met in the context of global cross-border groups.

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3.3 The recovery plan for a UK subsidiary of a group based outside of the UK should be consistent with any group recovery plan. The level of detail and analysis provided by firms should be proportionate to their size and complexity. The following principles summarise the PRA's expectations as to how Chapter 2 should be applied to these firms:

¹⁹ ~~As set out in the previous SS on recovery planning, SS18/13 'Recovery planning', which is superseded by this SS. [Deleted]~~

²⁰ As set out in paragraph 1.32 of this SS.

...

(ii) The plan should include UK specific scenarios: firms should follow the guidance set out in Chapter 2 (iv) in designing scenarios, but for UK subsidiaries of groups based outside of the UK, the PRA would expect to see at least one scenario specific to a stress in the UK entity and one scenario in relation to a macroeconomic stress which impacts the UK entity. For O-SIIs,²¹ the PRA expects to have sight of the group recovery plan which should contain additional scenarios which set out and test the group's recovery capacity. For smaller subsidiaries of groups based outside of the UK, the PRA expects at least the two scenarios listed above.

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Annex: SS9/17 updates

This appendix details changes made to SS9/17 following its initial publication in December 2017.

[Date]

This SS was updated following Policy Statement (PS) XX/XX 'Amendments to Resolution Assessment threshold and Recovery Plans review frequency'.²⁵ The changes update that a Small Domestic Deposit Taker is required to review its recovery plan from at least annually to at least every two years.

Minor changes have also been made to the SS to refresh hyperlinks and references, as well as edit typos.

6 May 2022

This SS was updated following publication of ~~Policy Statement (PS) 4/22~~ 'Trading activity wind-down'.²² The changes update the PRA's recovery planning expectations in relation to trading activity wind-down and add further details in respect of the orderly wind-down of trading activities.

Text related to the UK's membership of the EU in this SS have been updated to reflect the UK's withdrawal from the EU.

Minor changes have also been made to the SS to improve drafting.

²¹ ~~As defined by the EBA Guidelines on the criteria for the assessment of O-SIIs – pursuant to Article 131(3) of Directive 2013/36/EU. See [The PRA's approach to identifying O-SIIs Statement of Policy](#).~~

²⁵ [Link to PS]