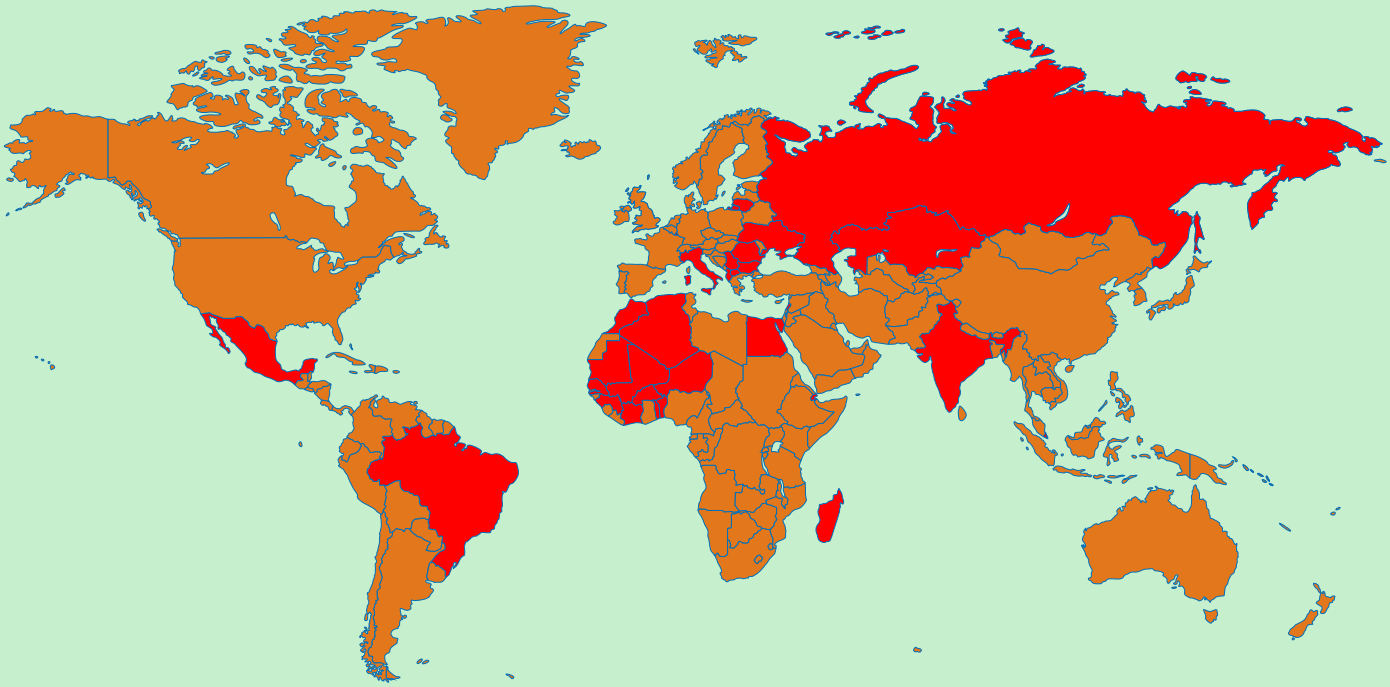
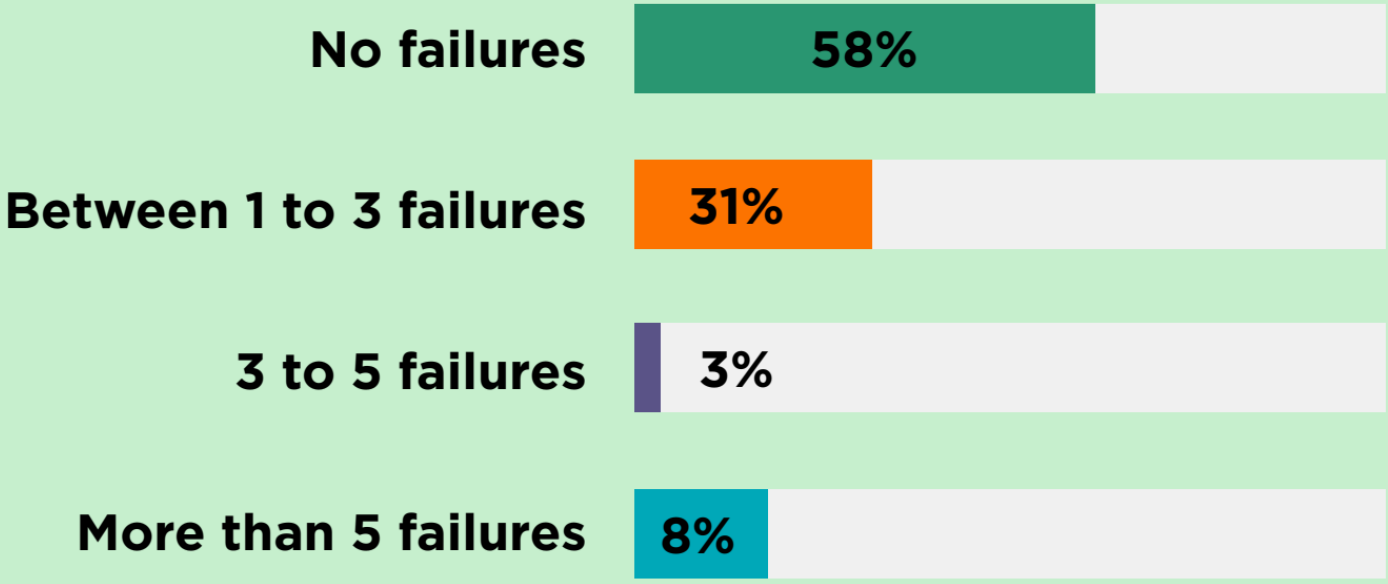
2022 Benchmark

Benchmark Legal Experts and Financial Crises

ANSWERS FROM 32 CENTRAL BANKS AND



OVER THE PAST FIVE YEARS, HAVE YOU EXPERIENCED ANY FAILURES OF CREDIT INSTITUTIONS IN YOUR JURISDICTION?



DO YOU THINK THAT YOUR NATIONAL FRAMEWORK TO LIQUIDATE FIRMS FACING DIFFICULTIES IS APPROPRIATE FOR BANKS?

NO
29%

YES
71%

WHAT NEW ELEMENT WOULD BE IMPORTANT TO IMPROVE YOUR FRAMEWORK TO LIQUIDATE BANKS?

An harmonization of the creditors hierarchy

Providing attractive measures allowing the private or public sector to take over a bank facing difficulties in order to maintain both the bank's network, its assets and its employees

A well defined process to transfer of business as for example an efficient valuation process, Virtual Data Room ...

A specific, swift, liquidation regime with a single Court competent for all liquidation cases

YOUR COUNTRY HAS ADOPTED A RESOLUTION FRAMEWORK FOLLOWING THE FSB'S KEY ATTRIBUTES OF EFFECTIVE RESOLUTION REGIMES FOR FINANCIAL INSTITUTIONS

NO 35%

YES 65%

IN YOUR COUNTRY BANKS HAVE TO PREPARE AND SET UP RECOVERY PLANS

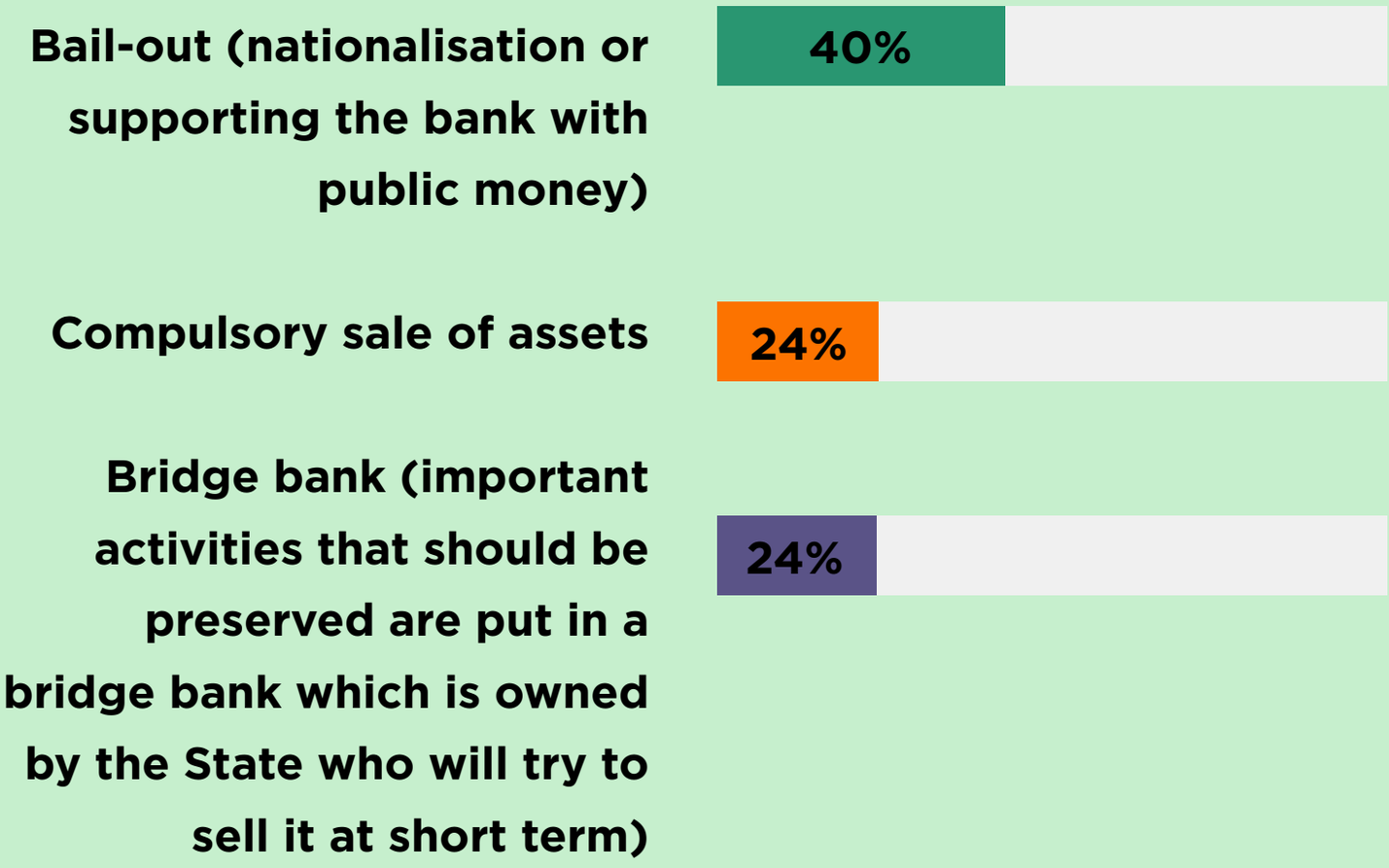
YES
100%

A DISTRESSED BANK HAS ALREADY APPLY ITS RECOVERY PLAN IN YOUR COUNTRY

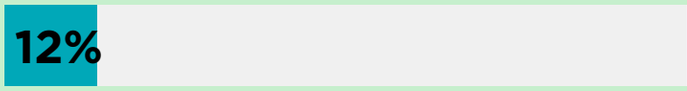
YES
22%

NO
78%

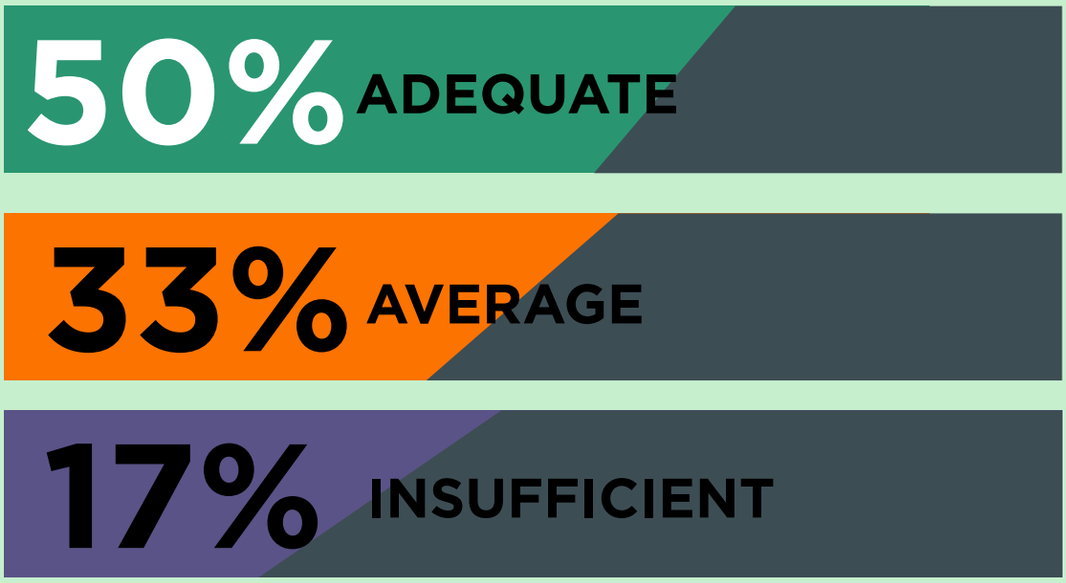
DID YOUR COUNTRY ALREADY IMPLEMENTED ONE OF THE FOLLOWING RESOLUTION MEASURES?



have to support the cost of the bank's losses)

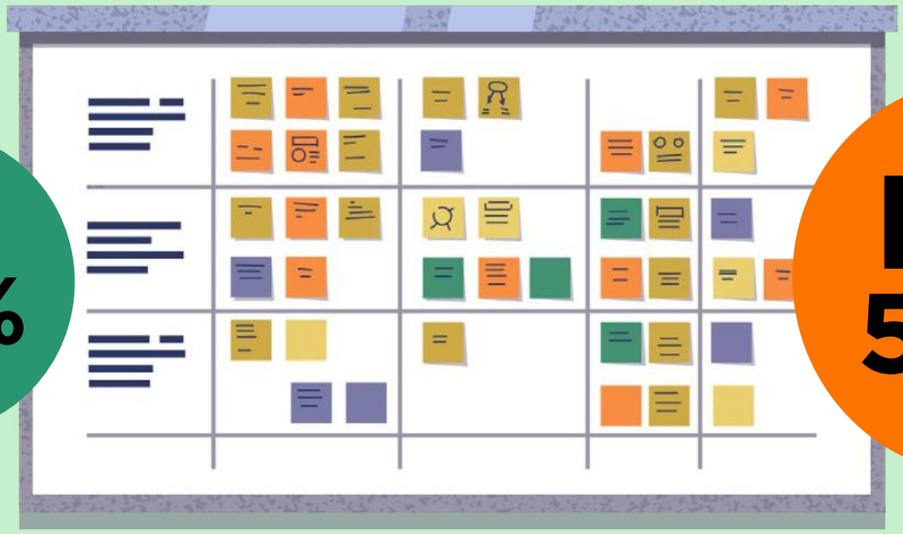


THE APPLICATION OF THESE RESOLUTION MEASURES GAVE A RESULT:



DID THE IMPLEMENTATION OF YOUR RESOLUTION FRAMEWORK RESULTED INTO A LITIGATION BEFORE COURTS?

YES
44%



NO
56%

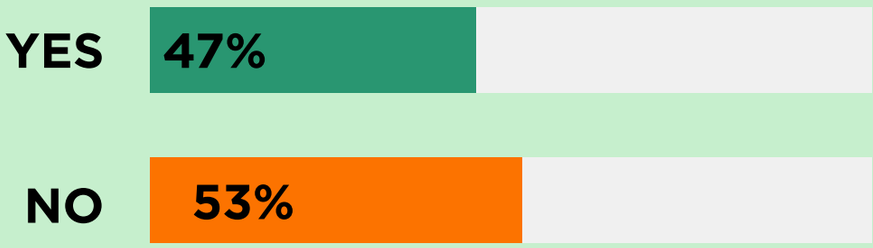
WHAT TYPES OF LEGAL GRIEVANCES HAVE BEEN ALLEGED AGAINST THE RESOLUTION PROCESS?

Parties usually require compensation for alleged unlawfull losses caused by the decision of the resolution authority to initiate the insolvency regime.

The write down of the deposits of the parties and the nationalization of business

Losses to the shareholders, lack of opportunity to file objections, coordination issues between the regulators and the timeframe of taking actions

DID YOUR COUNTRY ADOPTED A FRAMEWORK FOR ADDITIONAL OWN FUNDS IN ORDER FOR BANKS TO SUPPORT A BAIL-IN ? EXAMPLE: TLAC OR MREL



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