Report template

on the resolvability audit of entities according to Art. 2 (1) (a)-(d) SAG (*Sanierungs- und Abwicklungsgesetz*)

(Appendix A3)

December 2023

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***[XXXX] Resolution entity (Resolution group) / Liquidation entity***

Report according to Art. 19 (5) SAG [reporting year]

*[The parts highlighted in italics and grey are to be understood as instructions, those in italics and yellow as exemplary specifications. Non-italicized text instructions are mandatory]*

1. Framework

*See annex A2 (german version)*

1. Additional mandates of the auditor

*See annex A2 (german version)*

1. Summary

*See annex A2 (german version)*

* 1. Objections

*Table/text*

* 1. Recommendations

*Table/text*

* 1. Objections from the previous year

*Table/text*

* 1. Recommendations from the previous year

*Table/text*

* 1. Confirmation regarding FMA requirements (Resolvability)

*See annex A2 (german version)*

* 1. Key findings of internal audit (Resolvability)

*See annex A2 (german version)*

* 1. Key findings by third parties (Resolvability)

*See annex A2 (german version)*

* 1. Summary of auditor’s findings and overall assessment

*See annex A2 (german version)*

1. Findings

*The auditor evaluates the audit elements within audit areas with the following interventions: "Yes (Detailed Examination)," "Yes (Critical Assessment)," or "No." These audit findings serve as confirmations for both types of audit depths (detailed audit or critical assessment). In the case of a "critical assessment," regardless of the wording of the audit element, the confirmations are to be interpreted as "negative assurance."*

*The auditor evaluates the audit elements in line with the* «*FMA-Richtlinie betreffend die spezialgesetzliche Prüfung der Abwicklungsfähigkeit (RPR-ABW)». If the intervention leads to an objection, the audit finding should be marked as "No," and an assessment of the potential impact should be provided. If the intervention does not result in any objection, "Yes" should be indicated. If the conditions for a recommendation are met, the auditor should provide an appropriate explanation.*

*Explanations for audit areas with objections shall include at least the following: Clear information about actual and expected situations with references to legal bases and/or European/International standards (e.g., EBA guidelines), precise timing of the matter (timeframe), responsibility within the company, and underlying sources for the audit result (evidence).*

*Any reliance on internal audit results should be highlighted within the respective audit area and independently recognised. It should be indicated to what extent the internal audit has conducted audit procedures and the conclusions it has drawnd.*

*In the subsequent sections, the auditor comments on each audit area according to the audit strategy.*

*If no intervention occurred in an audit area or field in the reporting year, they do not need to be listed in the report, and the corresponding report numbers including the formatting templates can be deleted.*

*For all audit areas or fields where interventions took place (detailed auditor critical assessment), meaningful explanations are mandatory.*

*The auditor should design the scope and depth of the explanations in a way that provides the board of directors of the company or group and the FMA with an adequate understanding of the covered audit field. The explanations must be informative and provide insights into the individual minimum audit contents or audit elements. Additionally, explanations about the sampling method and sample size in relation to the total volume should be provided.*

*For the sample report and modules, minimum audit contents apply (each adaptable to the underlying audit field) that need to be covered by the auditor's audit procedures for the assessment and provision of the audit confirmations. It is the responsibility of the auditor to adjust and potentially expand the minimum audit contents to the specific situation of the entity being audited or to the audit depth. If the performed audit procedures do not fully cover the minimum audit contents, the report should indicate this and provide reasoning.*

1. General part
	1. Default and liquidation perspective

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| --- | --- | --- |
| Net risk | Intervention reporting period | Indication of the year with the last intervention with the following audit depth (before the reporting year)  |
| *low/medium/high* | *detailed audit / critical assessment* | Detailed audit: *year* | critical assessment:*year* |
| *References (example):* * Art. 39 and 100 SAG
* Commission Delegated Regulation (EU) 2016/1401 with regard to regulatory technical standards for methodologies and principles on the valuation of liabilities arising from derivatives
* Commission Delegated Regulation (EU) 2018/344 of 14 November 2017 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodologies for valuation of difference in treatment in resolution
* Commission Delegated Regulation (EU) 2018/345 of 14 November 2017 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for assessing the value of assets and liabilities of institutions or entities
* FMA Communication 2022/02 – Communication on the determination of the minimum requirement for own funds and eligible liabilities (“MREL”) and corresponding resolution planning interlinkages for banks and investment firms (“MREL Policy”).
 |
|  |
| 1 | Confirmation that the internal procedures include mechanisms to identify a failure or likely failure of the institution according to Art. 39 SAG and to enable immediate notification to the financial market authority (FMA) if necessary (Art. 100 para. 1 SAG).  | *Yes (detailed audit/critical assessment)/ No* |
| 2 | Confirmation that the internal procedures allow for an assessment of all balance sheet items based on liquidation values, including their ranking in insolvency, netting options, and any segregation and preferential rights, specifically broken down by their recoverability and liquidability. | *Yes (detailed audit/critical assessment)/ No* |
| 3 | Confirmation that the internal procedures allow for an estimation of insolvency costs according to different scenarios if necessary. | *Yes (detailed audit/critical assessment)/ No* |

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| ***Audit elements*** | ***Minimum audit contents (“Sample”)*** |
| *Internal organisation* | * + *The internal organizational structure (e.g. directives, technical, human and professional resources) ensures that procedures exist to identify a failure or likely failure*
 |
| *Internal control system, processes and reporting* | * + *The internal procedures* provide *for the use of the four-eyes principle and the separation of functions for key controls*
	+ *Data quality assurance controls are defined*
	+ *The internal structures provide for a timely notification to the FMA in the event of a default or likely default*
	+ *Internal procedures* *provide for the estimation of insolvency costs as well as the company value according to different scenarios*
 |

* 1. Payment moratorium

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| Net risk | Intervention reporting period | Indication of the year with the last intervention with the following audit depth (before the reporting year) |
| *low/medium/high* | *detailed audit / critical assessment* | Detailed audit: *year* | critical assessment: *year* |
| *reference (example):* * FMA Communication on the determination of the minimum requirement for own funds and eligible liabilities (“MREL”) and corresponding resolution planning interlinkages for banks and investment firms (“MREL Policy”).
 |
|  |
| 1 | Confirmation that the internal procedures provide for mechanisms which, if necessary, implement and internally and externally communicate a moratorium in accordance with Art. 36a SAG and other comparable supervisory measures that lead to the (partial) cessation of operations, such as the suspension of termination rights as well as payment and delivery obligations, including the prevention of internal transfers (e.g. to a securities account) ("payment moratorium"). | *Yes (detailed audit/critical assessment)/ No* |
| 2 | Confirmation that the internal procedures are capable of assessing the operational and financial impact of a regulatory suspension of payment or delivery obligations on the institution within a reasonable time. | *Yes (detailed audit/critical assessment)/ No* |

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| --- | --- |
| ***Audit elements*** | ***minimum audit contents (“Sample”)*** |
| *Internal organisation* | * + *The internal organisational structure (e.g. directives, technical, human and professional resources) ensures that procedures exist which enable a payment moratorium to be implemented if necessary*
 |
| *Internal control system, processes and reporting* | * + *The internal procedures* *provide for mechanisms to implement a moratorium if necessary*
	+ *A communication strategy is defined, including internal and external communication measures*
	+ *The processes allow the (partial) cessation of operations such as the suspension of termination rights as well as payment and delivery obligations, including the prevention of internal transfers*
	+ *The internal procedures* *enable an analysis of the operational and financial impact of an official suspension of payment or delivery obligations (“payment moratorium”) on the institution*
 |

* 1. Distribution of subordinated eligible liabilities

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| Net risk | Intervention reporting period | Indication of the year with the last intervention with the following audit depth (before the reporting year) |
| *low/medium/high* | *detailed audit / critical assessment* | Detailed audit: *year* | critical assessment: *year* |
| *reference (example):* * Art. 57a SAG
 |
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| 1 | Confirmation that the internal procedures enable compliance with the requirements for the sale of subordinated eligible liabilities in accordance with Art. 57a SAG. | *Yes (detailed audit/critical assessment)/ No* |

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| ***Audit elements*** | ***minimum audit contents (“Sample”)*** |
| *Internal organisation* | * *The internal organisational structure (e.g. directives, technical, human and professional resources) ensures that procedures for complying with the specifications for the sale of subordinated eligible liabilities exist and are documented in written form*
 |
| *Internal control system, processes and reporting* | * *The internal procedures* *provide for the application of the four-eyes principle and the separation of functions for key controls*
* *The processes enable the identification of subordinated eligible liabilities*
 |

* 1. Reporting

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| --- | --- | --- |
| Net risk | Intervention reporting period | Indication of the year with the last intervention with the following audit depth (before the reporting year) |
| *low/medium/high* | *detailed audit / critical assessment* | Detailed audit: *year* | critical assessment: *year* |
| *References (examples):** Art. 61 SAG
* Commission Implementing Regulation (EU) 2018/1624 with regard to procedures and standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms
* Commission Implementing Regulation (EU) 2021/763 with regard to procedures and standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms
* FMA Communcation 2019/03 regarding resolution reporting
* FMA Communication 2022/02 – Communication on the determination of the minimum requirement for own funds and eligible liabilities (“MREL”) and corresponding resolution planning interlinkages for banks and investment firms (“MREL Policy”).
 |
|  |
| 1 | Confirmation that the internal procedures ensure correct and complete reports in accordance with the Commission Implementing Regulation (EU) 2018/1624 | *Yes (detailed audit/critical assessment)/ No* |
| 2 | Confirmation that the internal procedures ensure correct and complete reports in accordance with the Commission Implementing Regulation (EU) 2021/763 | *Yes (detailed audit/critical assessment)/ No* |
| 3 | Confirmation that internal procedures are in place to enable higher reporting frequencies if necessary | *Yes (detailed audit/critical assessment)/ No* |

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| ***Audit elements*** | ***Minimum audit contents (“Sample”)*** |
| *Internal organisation* | * + *The internal organisational structure (e.g. directives, technical, human and professional resources) entails procedures that ensure proper reporting*
	+ *The internal procedures* *provide for clear responsibilities regarding the reports*
 |
| *Internal control system, processes and reporting* | * + *The internal procedures* *ensure high data quality (e.g. through four-eyes principle during the creation and transmission process as well as regular validation) and the recording of all manual adjustments and checks carried out*
	+ *Data quality assurance controls for correct and complete reporting are defined*
	+ *The internal procedures* *provide for a higher reporting frequency if necessary and which can be assessed as appropriate in the event of resolution*
 |

* 1. Disclosure

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| Net risk | Intervention reporting period | Indication of the year with the last intervention with the following audit depth (before the reporting year) |
| *low/medium/high* | *detailed audit / critical assessment* | Detailed audit: *year* | critical assessment: *year* |
| *References (examples):** Art. 61 SAG
* Commission Implementing Regulation (EU) 2021/763 with regard to procedures and standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms
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| 1 | Confirmation that the internal procedures ensure correct and complete disclosure in accordance with Art. 61 SAG and Title II of the Commission Implementing Regulation (EU) 2021/763. | *Yes (detailed audit/critical assessment)/ No* |

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| ***Audit elements*** | ***Minimum audit contents (“Sample”)*** |
| *Internal organisation* | * + *The internal organisational structure (e.g. directives, technical, human and professional resources) entails procedures that ensure proper disclosure*
	+ *The internal procedures* *define clear responsibilities regarding disclosure*
 |
| *Internal control system, processes and reporting* | * + *The internal procedures* *provide for appropriate data quality assurance controls for correct and complete disclosure*
	+ *The internal procedures* *provide for the use of the four-eyes principle and the separation of functions for key controls*
 |

1. Special part
	1. Feasibility of the resolution plan

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| Net risk | Intervention reporting period | Indication of the year with the last intervention with the following audit depth (before the reporting year) |
| *low/medium/high* | *detailed audit / critical assessment* | Detailed audit: *year* | critical assessment: *year* |
| *References (examples):** Commission Delegated Regulation (EU) 2016/1712 specifying a minimum set of the information on financial contracts that should be contained in the detailed records and the circumstances in which the requirement should be imposed
* EBA Guidelines on improving resolvability for institutions and resolution authorities under articles 15 and 16 BRRD (Resolvability Guidelines; EBA/GL/2022/01)
* FMA Communication 2022/02 – Communication on the determination of the minimum requirement for own funds and eligible liabilities (“MREL”) and corresponding resolution planning interlinkages for banks and investment firms (“MREL Policy”).
 |
|  |
| 1 | Confirmation that the internal procedures provide for robust governance mechanisms that support the preparation and implementation of the resolution strategy, if necessary, and that their implementation is appropriately reflected in manuals and internal regulations (excl. transfer strategies). | *Yes (detailed audit/critical assessment)/ No* |
| 2 | Confirmation that internal procedures enable an assessment of the impact of significant business and/or operational events, including the application of recovery options, on the institution’s resolvability. | *Yes (detailed audit/critical assessment)/ No* |
| 3 | Confirmation that internal procedures enable an appropriate internal and external communication strategy (even if impediments to resolvability in accordance with Art. 26 (3) DelVO 2016/1075 are identified) before and during resolution. | *Yes (detailed audit/critical assessment)/ No* |
| 4 | Confirmation that internal procedures , if necessary, enable the assessment and quantification of tax-, labor- and social law effects as well as the ESG-conformity of the implementation of the resolution plan or other resolution measures (e.g. reorganization gain according to tax law, transfer of business under labor law, etc.) on the group and individual entity. | *Yes (detailed audit/critical assessment)/ No* |
| 5 | Confirmation that the internal procedures allow a list to be maintained in accordance with the Annex to delVO (EU) 2016/1712 (information on financial contracts). | *Yes (detailed audit/critical assessment)/ No* |
| 6 | Confirmation that the internal procedures allow for a valuation by an independent valuer based on the assessment criteria in accordance with Art. 47 SAG. | *Yes (detailed audit/critical assessment)/ No* |

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| ***Audit elements*** | ***Minimum audit contents (“Sample”)*** |
| *Internal organisation* | * + *The internal organisational structure (e.g. directives, technical and human and professional resources) ensures that procedures exist which enable the feasibility of the resolution plan and the provision of the necessary information for an independent external valuation if necessary*
	+ *The resolution plans have been approved by the relevant bodies (management and board of directors) and the corresponding responsibilities and escalation mechanisms are clearly defined*
	+ *The main risks relating to a possible resolution are continuously identified, evaluated, measured, limited, monitored and managed*
 |
| *Internal control system, processes and reporting* | * *The internal procedures* *provide for the application of the four-eyes principle or the separation of functions for key controls*
* *Data quality assurance controls are defined*
* *A communication strategy is defined, including internal and external communication measures before and during resolution*
* *Procedures for identifying impediments to resolvability are defined*
* *In the case of impediments to resolvability identified in the reporting year, the resolution authority was informed in a timely manner.*
* *Procedures are defined for maintaining a list of financial contracts that contains the information described in the Annex to delVO 2016/1712*
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* 1. Management Information System (MIS)

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| Net risk | Intervention reporting period | Indication of the year with the last intervention with the following audit depth (before the reporting year) |
| *low/medium/high* | *detailed audit / critical assessment* | Detailed audit: *year* | critical assessment: *year* |
| *References (examples):** Commission Delegated Regulation (EU) 2016/1401 with regard to regulatory technical standards for methodologies and principles on the valuation of liabilities arising from derivative
* Commission Delegated Regulation (EU) 2018/344 of 14 November 2017 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodologies for valuation of difference in treatment in resolution
* Commission Delegated Regulation (EU) 2018/345 of 14 November 2017 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for assessing the value of assets and liabilities of institutions or entities
* EBA Guidelines on improving resolvability for institutions and resolution authorities (EBA/GL/2022/01)
* EBA Valuation Handbook (“Handbook of valuation for purposes of resolution”)
* FMA Communication 2022/02 – Communication on the determination of the minimum requirement for own funds and eligible liabilities (“MREL”) and corresponding resolution planning interlinkages for banks and investment firms (“MREL Policy”).
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|  |
| 1 | Confirmation that the internal procedures enable an adequate data infrastructure, which contains the necessary information for the implementation of the resolution tools according to EBA/GL/2022/01 (including information about the ownership of assets and infrastructure, pricing, contractual rights and agreements, as well as outsourcing agreements). | *Yes (detailed audit/critical assessment)/ No* |
| 2 | Confirmation that the internal procedures enable an appropriate Management Information System (MIS) even in times of crisis, providing the resolution authority with relevant information (including information about the ownership of assets and infrastructure, pricing, contractual rights and agreements, as well as outsourcing agreements) in a timely manner before and during resolution. | *Yes (detailed audit/critical assessment)/ No* |

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| ***Audit elements*** | ***Minimum audit contents (“Sample”)*** |
| *Internal organisation* | * + *The internal organisational structure (e.g. technical, human and professional resources as well as IT systems) ensures the continuous functioning of an appropriate MIS, even during resolution*
	+ *There is an appropriate data infrastructure, which contains inter alia information about the services provided, ownership of assets and infrastructure, pricing, contractual rights and agreements as well as outsourcing agreements (“service catalogue”)*
 |
| *Internal controls*  | * + *The IT systems enable extraction of relevant information (including information about ownership of assets and infrastructure, pricing, contractual rights and agreements, and outsourcing agreements) within a reasonable period of time*
	+ *The internal procedures* *ensure appropriate documentation and archiving*
	+ *The internal procedures* *provide for the application of the four-eyes principle or the separation of functions for key controls*
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* 1. Operational Continuity

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| Net risk | Intervention reporting period | Indication of the year with the last intervention with the following audit depth (before the reporting year) |
| *low/medium/high* | *detailed audit / critical assessment* | Detailed audit: *year* | critical assessment: *year* |
| *References (examples):** Commission Delegated Regulation (EU) 2016/778 with regard on the criteria for the determination of the activities, services and operations with regard to critical functions, and for the determination of the business lines and associated services with regard to core business lines in conjunction with the core business areas Commission Implementing Regulation (EU) 2018/1624
* EBA Guidelines on improving resolvability for institutions and resolution authorities (EBA/GL/2022/01)
* EBA Guidelines on the minimum list of services or facilities that are necessary to enable a recipient to operate a business transferred to it under Article 65(5) of Directive 2014/59/EU (EBA/GL/2015/06)
* FMA Communication 2022/02 – Communication on the determination of the minimum requirement for own funds and eligible liabilities (“MREL”) and corresponding resolution planning interlinkages for banks and investment firms (“MREL Policy”).
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| 1 | Confirmation that the entity has internal procedures in place to maintain the operation of critical functions before and during resolution and that these are designed in a coherent and/or complementary manner to the Business Continuity Management (BCM) according to the EBA/GL/2022/01, 4.1.1. | *Yes (detailed audit/critical assessment)/ No* |
| 2 | Confirmation that the internal procedures enable a correct mapping of core business areas and critical functions in accordance with the Implementing Regulation (EU) 2018/1624 in conjunction with SAG Annexes 2 and 3. | *Yes (detailed audit/critical assessment)/ No* |
| 3 | Confirmation that internal procedures enable the maintenance of an appropriate level of staffing in the event of a resolution and access to operationally necessary assets and resources (“operational assets” such as real estate, trademark rights, patents, IT systems and applications, software databases) at all times. | *Yes (detailed audit/critical assessment)/ No* |
| 4 | Confirmation that internal procedures enable an appropriate assessment of service contracts (e.g. service-level agreements) with regard to their liquidation- and resolution-resilience (“BRRD-robust” according to EBA/GL/2022/01, point 17ctd.)  | *Yes (detailed audit/critical assessment)/ No* |
| 5 | Confirmation that internal procedures enable the provision of services and facilities within the group in accordance with Art. 84 SAG both actively (resolution entity as service provider) and passively (resolution entity as service recipient). | *Yes (detailed audit/critical assessment)/ No* |

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| ***Audit elements*** | ***Minimum audit contents (“Sample”)*** |
| *Internal organisation* | * + *The internal organisational structure (e.g. directives, technical, human and professional resources) entails procedures which enable the resolution plan to be implemented if necessary*
 |
| *Internal control system, processes and reporting* | * *The internal procedures* *provide for the application of the four-eyes principle or the separation of functions for key controls*
* *The internal procedures* *for maintaining critical functions are in line with the BCM*
* *Procedures for mapping of core business areas and critical functions to legal entities are defined*
* *Procedures are defined for maintaining an appropriate level of staff and resources in the event of resolution*
* *Procedures are defined for access to operationally necessary assets at any time*
* *Procedures for evaluating service contracts with regard to their liquidation- and resolution-resilience are defined*
* *Procedures are defined for the group-internal provision of services and facilities in the event of a resolution*
 |

* 1. Loss Absorption and Recapitalization

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| Net risk | Intervention reporting period | Indication of the year with the last intervention with the following audit depth (before the reporting year) |
| *low/medium/high* | *detailed audit / critical assessment* | Detailed audit: *year* | critical assessment: *year* |
| *References (examples):** Art. 55 and 78 SAG
* Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation
* Commission Delegated Regulation (EU) 2016/860 of 4 February 2016 specifying further the circumstances where exclusion from the application of write-down or conversion powers is necessary under Article 44(3) of Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms
* Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions Text with EEA relevance
* Commission Delegated Regulation (EU) 2021/1340 determining the content of the contractual terms on recognition of resolution stay powers
* EBA Guidelines on improving resolvability for institutions and resolution authorities (EBA/GL/2022/01)
* EBA Guidelines on the rate of conversion (EBA-GL-2017-03)
* FMA Communication 2022/02 – Communication on the determination of the minimum requirement for own funds and eligible liabilities (“MREL”) and corresponding resolution planning interlinkages for banks and investment firms (“MREL Policy”).
 |
|  |
| 1 | Confirmation that the internal procedures enable the quantification of the capacity of eligible liabilities in accordance with Part 2 Chapter 5a CRR and to allocate it to individual creditors at any time. | *Yes (detailed audit/critical assessment)/ No* |
| 2 | Confirmation that the internal procedures enable the implementation and quantification of the full write-down and conversion of capital instruments and eligible liabilities (“write-down and conversion”) in accordance with Article 78 (3) CRR in conjunction with Article 49 (2) SAG. | *Yes (detailed audit/critical assessment)/ No* |
| 3 | Confirmation that no indications of restrictions on the use of the bail-in tool have been identified. | *Yes (detailed audit/critical assessment)/ No* |
| 4 | Confirmation that potential resolution measures are included in relevant banking and/or operational contracts (e.g. write-down and/or transfer of assets and liabilities). | *Yes (detailed audit/critical assessment)/ No* |

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| ***Audit elements*** | ***Minimum audit contents (“Sample”)*** |
| *Internal organization* | * *The internal organisational structure (e.g. directives, technical, human and professional resources) ensures that procedures for the quantification and allocation of eligible liabilities, for the permissible reduction of liabilities under Article 78a CRR and for the complete write-down or conversion of capital instruments or liabilities, exist*
 |
| *Internal control system, processes and reporting* | * *The internal procedures* *provide for the application of the four-eyes principle or the separation of functions for key controls*
* *Data quality assurance controls are defined*
* *Potential resolution actions are considered in banking and/or operational contracts*
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* 1. Liquidity and Funding

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| Net risk | Intervention reporting period | Indication of the year with the last intervention with the following audit depth (before the reporting year) |
| *low/medium/high* | *detailed audit / critical assessment* | Detailed audit: *year* | critical assessment: *year* |
| *References (examples):** EBA Guidelines on improving resolvability for institutions and resolution authorities under articles 15 and 16 BRRD (Resolvability Guidelines; EBA/GL/2022/01)
* FMA Communication 2022/02 – Communication on the determination of the minimum requirement for own funds and eligible liabilities (“MREL”) and corresponding resolution planning interlinkages for banks and investment firms (“MREL Policy”).
 |
|  |
| 1 | Confirmation that the internal procedures enable the establishment of a liquidity analysis according to EBA/GL/2022/01 (Chapter 4.2.1). | *Yes (detailed audit/critical assessment)/ No* |
| 2 | Confirmation that internal procedures enable the entity to identify and, if necessary, mobilize any assets or other sources of liquidity, including intra-group guarantee arrangements, that can potentially serve as collateral to provide funds in the event of resolution. | *Yes (detailed audit/critical assessment)/ No* |

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| ***Audit elements*** | ***Minimum audit contents (“Sample”)*** |
| *Internal organization* | * + *The internal organizational structure (e.g. directives, technical, human and professional resources) ensures that procedures exist which enable sources of liquidity to be identified and a liquidity analysis to be carried out*
 |
| *Internal control system, processes and reporting* | * *The liquidity analysis meets the requirements of EBA/GL/2022/01 Chapter 4.2.1*
* *The internal procedures* *provide for the application of the four-eyes principle or the separation of functions for key controls*
* *Data quality assurance controls are defined*
 |

* 1. Transfer strategies

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| Net risk | Intervention reporting period | Indication of the year with the last intervention with the following audit depth (before the reporting year) |
| *low/medium/high* | *detailed audit / critical assessment* | Detailed audit: *year* | critical assessment: *year* |
| *References (examples):** Commission Delegated Regulation (EU) 2017/867 of 7 February 2017 on classes of arrangements to be protected in a partial property transfer under Article 76 of Directive 2014/59/EU of the European Parliament and of the Council
* EBA Guidelines on factual circumstances amounting to a material threat to financial stability and on the elements related to the effectiveness of the sale of business tool under Article 39(4) of Directive 2014/59/EU.
* EBA Guidelines on improving resolvability for institutions and resolution authorities under articles 15 and 16 BRRD (Resolvability Guidelines; EBA/GL/2022/01)
* Guidelines for institutions and resolution authorities to complement the resolvability assessment for transfer strategies (Transferability guidelines; EBA/GL/2022/11)
* SRB Operational Guidance for Banks on separability for transfer tools
* FMA Communication 2022/02 – Communication on the determination of the minimum requirement for own funds and eligible liabilities (“MREL”) and corresponding resolution planning interlinkages for banks and investment firms (“MREL Policy”).
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|  |
| 1 | Confirmation that the internal procedures enable a sales process (roadshow) to be initiated at any time if necessary, including the short-term establishment of a secure virtual data room (MREL Policy, Chapter 5.2.2). | *Yes (detailed audit/critical assessment)/ No* |
| 2 | Confirmation that the internal procedures enable the performance of market analysess to identify and monitor potential purchasers of assets (considering potential regulatory or other significant impediments from the purchaser's perspective) on at least an annual basis (MREL Policy, Chapter 5.2.2). | *Yes (detailed audit/critical assessment)/ No* |
| 3 | Confirmation that the internal procedures are able to develop suitable transfer parameters ("Scope of transfer"; EBA/GL/2022/11) as well as a detailed report on the separability of assets and liabilities ("SAR"), incl. sales value appraisals. | *Yes (detailed audit/critical assessment)/ No* |
| 4 | Confirmation that manuals ("Transfer Playbook") define the operational implementation of the transfer strategy (including simulation of the transfer of individual customers with regard to loans, deposits, securitiesy account, collateral and entire customer bases, including an estimate of the duration, pricing and costs of the transactions and potential conflicts of interest). | *Yes (detailed audit/critical assessment)/ No* |
| 5 | Confirmation that the internal procedures enable regular tests of the operational feasibility of the transfer strategy (“dry runs”) in accordance with manuals (“Transfer Playbook”) under various resolution scenarios (EBA/GL/2022/11, Chapter 5.3). | *Yes (detailed audit/critical assessment)/ No* |

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| --- | --- |
| ***Audit elements*** | ***Minimum audit contents*** |
| *Internal organization* | * + *The internal organizational structure (e.g. instructions, technical, human and professional resources) ensures that there are procedures for initiating a sales process, for carrying out market analyses and tests of the transfer strategy (“dry runs”)*
 |
| *Internal control system, processes and reporting* | * *The internal procedures* *provide for the application of the four-eyes principle or the separation of functions for key controls*
* *Procedures are defined for initiating a sales process including setting up a virtual data room*
* *Procedures are defined for the annual implementation of market analyses to identify potential buyers*
* *Te manuals define the operational implementation of the transfer strategy and contain assessments of the duration, pricing, costs and potential conflicts of interest.*
* *Dry runs are carried out at least annually to assess the adequacy of the MIS. The dry runs are carried out assuming various crisis scenarios*
* *A Separability Analysis Report (“SAR”) is prepared annually*
 |

1. Further notes

*The other comments/notes serve to supplement the facts listed above. They are intendend, where the auditor deems necessary, to round out the overall picture of the audit report. They must not be formulated in such a way that they relativize the explicit confirmations made in the present report.*

1. Signature / confirmation of the auditor

*The report on the audit must be signed by the lead auditor («auditor» and another persion with signing authority)*

1. Annex

*The following documents must be submitted with the audit report:*

*a) If there are deviations from the versions submitted to the FMA: Form Risk Analysis/audit strategy*

*b) For resolution groups: diagram to graphically depict the regulatory scope of consolidation and the resolution group, if these differ from one another.*