BANKING AGENCY OF REPUBLIKA SRPSKA

OPERATIONAL GUIDANCE FOR FMI CONTINGENCY PLANS

Banja Luka, July 2026

Content

1. PURPOSE AND OBJECTIVES 1

2. SCOPE OF APPLICATION AND PHASE-IN 2

2.1. Scope 2

2.2. Indicative phase-in 2

3. GENERAL GUIDANCE 3

3.1. Introduction 3

3.2. Minimum content 3

3.3. Other considerations 4

4. FINAL PROVISIONS 4

PART I: GENERIC AND AGGREGATE INFORMATION 5

1. Governance, communication and capabilities 5

1.1. Resolution planning governance 5

1.2. Resolution governance, communication and coordination 5

1.3. MIS capabilities 7

2. Overview of critical and essential FMI services providers 8

2.1. FMI service providers covered by the FMI contingency plan 8

2.2. Liquidity overview 8

2.3. Contingency strategy overview 8

PART II: INFORMATION PER FMI SERVICE PROVIDER 9

3. Information on use of FMI services 9

3.1. Membership and participation 9

3.1.1. Identification and mapping 9

3.1.2. Membership/participation criteria, contractual conditions and potential heightened requirements 9

3.1.3. Impact analysis of actions by FMI service providers 9

3.2. Services 10

3.2.1. Positions and transactions 10

3.2.2. Other services provided by FMI service providers 10

3.2.3. Services provided to FMI service providers 10

3.3. Liquidity 10

3.4. Contingency strategy 10

3.4.1. Contingency strategy 10

3.4.2. Alternative arrangements 10

3.4.3. Portability 11

3.4.4. Implementation of contingency strategy 11

3.4.5. Expected outcome 11

Pursuant to Article 22, Paragraph 1, Item f) of the Law on the Banking Agency of Republika Srpska ("Official Gazette of Republika Srpska", No.: 59/13 and 4/17), Article 22, Paragraph 4, Item m) of the Statute of the Banking Agency of Republika Srpska ("Official Gazette of Republika Srpska", No.: 63/17), and Item 3 of the Expectations for banks in resolution planning – guidelines (No. 01-582-1/24 dated 9 April 2024), the Director of the Banking Agency of Republika Srpska issued

OPERATIONAL GUIDANCE FOR FMI CONTINGENCY PLANS

1. PURPOSE AND OBJECTIVES

Banks are expected to prepare FMI contingency plans supporting continued access to critical and/or essential FMI services ahead of and during resolution. Principle 4.6 of the Expectations for Banks (EfB) establishes the expectation that "Banks have developed an FMI contingency plan outlining the measures that they have implemented to support continued access to FMI services or a smooth transfer or wind-down of activities. This includes (1) measures to maximise the likelihood that they would continue meeting the requirements for continued access ahead of and during resolution as well as (2) other measures supporting resolution action."

This document provides additional operational guidance for banks when preparing FMI contingency plans and thereby clarifies the minimum standards against which the Banking Agency of Republika Srpska (hereinafter: the Agency) will assess FMI contingency plans submitted by banks. Such contingency plans enable the Agency to evaluate whether the risk of losing access to a critical and/or essential FMI service provider may represent an impediment to resolvability. When performing the resolvability assessment, the Agency needs to consider the extent to which the FMI contingency plans and measures ensure continuity in access to payment and settlement systems.

Each bank is expected to develop an FMI contingency plan in line with the recommendations provided by the Agency in this Guidance. The FMI contingency plan is an operational playbook, approved by the competent governance body, allowing the bank to present its FMI relationships to the Agency and to work out the measures it may take to enhance the likelihood of preserving access to payment, clearing, settlement and custody services ahead of and during resolution.

This document sets out the expectations with regard to the minimum content of FMI contingency plans prepared by banks. Such plans are expected to contain information, inter alia, on the potential:

- actions each provider of critical FMI services may take ahead of and during resolution, and any resulting additional financial and non-financial requirements;
- ability of the bank to continue meeting the financial and non-financial requirements of FMI service providers for uninterrupted access ahead of and during resolution, and mitigating the actions the bank may take to support continuity of access;
- consequences of termination, suspension, or degraded access on the bank's critical functions and core business lines;
- further mitigating actions the bank could take in case access to critical FMI services were terminated, suspended or degraded.

FMI contingency plans are also expected to include information on the portability of client positions at central counterparties (CCPs), if applicable. Portability relates to the transfer of client positions and assets in the case of the default of a clearing member to another clearing member designated by the client, upon the client's request and without the need for the consent of the defaulting clearing member. By extension, it also refers to the capability to transfer client positions and assets at CCPs or central securities depositories (CSDs) upon a resolution event. The conclusion on the assessment of portability, in addition to informing the Agency's analysis of the credibility of normal insolvency proceedings, which is a key component of the public interest assessment, also contributes to the determination of the preferred resolution strategy and the assessment of resolvability

2. SCOPE OF APPLICATION AND PHASE-IN

Taking into account the principle of proportionality, as well as the specific characteristics and business model of an individual bank, the Agency may, if it deems it necessary and justified, consider redefining the timeline for compliance. Also, the Agency may request information and analysis on specific topics in addition to this guidance when it is relevant to progress in resolution planning and to improving the resolvability of the bank throughout the respective resolution planning cycle.

2.1. Scope

In line with the scope of the EfB, this operational guidance is aimed at banks within the Agency's remit for which the strategy is resolution. Banks are expected to prepare an FMI contingency plan that will eventually cover, at a minimum, all critical and/or essential FMI services needed by the entities in the resolution, to ensure continuity ahead of, during and after resolution.

In order to identify and prioritise the key FMI service providers to be included in the FMI contingency plan, banks are expected to:

(a) identify all their FMI service providers, including intermediaries - stated in the report submitted by banks to the Agency – Z 09.00 Financial market infrastructure services – providers and users – breakdown by critical functions (hereinafter: FMIR);

(b) establish the list of providers of critical and/or essential FMI services based on an objective approach. As outlined in the EfB, this approach is expected to take into account, among others, the potential impact of discontinued or degraded access on:

- their critical functions and core business lines; as well as
- to the extent feasible, on the business of key customers, for the relevant legal entities that act as intermediaries in delivering FMI services to other institutions; and

(c) undertake a thorough analysis of the measures that these FMI service providers may take, in order to assess the risk of discontinued or degraded access.

When the parent of bank or group is located in a third country, the home bank or group is expected to develop a local FMI contingency plan that covers all critical and/or essential FMI services needed by the bank or group, irrespective of whether the FMI services are received through direct FMI memberships, group entities outside the home jurisdiction or third parties. Local FMI contingency plans should enhance the likelihood of maintaining access ahead of and during resolution, for example by including appropriate resolution-resilient clauses in contracts and establishing local capabilities for meeting financial or operational requirements.

The bank's responsibility is to take all necessary measures to ensure that it can fulfil its obligations vis-à-vis FMIs and FMI intermediaries ahead of, during and post resolution.

2.2. Indicative phase-in

Banks are expected to establish the necessary processes and arrangements to ensure continued access before, during, and after resolution to payment, clearing, and settlement services, as well as other financial market infrastructures (FMIs), by the specified deadline. Priority should be given to critical providers capable of implementing risk management measures before and during the resolution process. Such critical FMI service providers are prioritized to ensure the objective of resolution is met namely, the preservation of the continuity of a bank's critical functions. Nevertheless, some banks may decide to prioritise other FMI service providers, for example in cases where the FMI service providers that may take risk management measures provide services without which core business lines – whose continuity is necessary for the effective implementation of the resolution strategy – would be at risk.

The table below shows an indicative timetable for supporting the phase-in, in terms of the scope of FMI service providers covered. The content and focus areas of the FMI contingency plans may be phased in, as outlined in the annex to this document.

At least 5 key FMI service providers, prioritising providers that may take measures before or during resolution.
Expand to cover also, at a minimum: ‣ other critical FMI service providers that may take measures before or during resolution, and ‣ at least 5 essential FMI service providers that may take measures before or during resolution (if different from the providers covered under the first bullet point).
Expand to cover, at a minimum: ‣ all critical FMI service providers, and ‣ other essential FMI service providers that may take measures before or during resolution (if different from the providers covered under the first bullet point).
Finalise FMI contingency plan to include, at a minimum, all critical and essential FMI service providers.

3. GENERAL GUIDANCE

3.1. Introduction

Banks fill in and submit the FMIR to the Agency on a yearly basis. This report covers some of the information required for the purposes of contingency planning with regard to FMI services. The FMI contingency plan is meant to complement the FMIR, and to provide information on assumptions and models that underpin the estimates of liquidity needs under stress and also, inter alia, on the measures banks may take to support continuity of access before and during resolution

Banks are expected to have a good understanding of the rule book and the contractual provisions to which they are subject, as well as of the measures that the relevant FMIs or FMI intermediaries are likely to take in a crisis situation. Banks are expected to provide all the necessary information in their FMI contingency plans to support continued access to FMI services

3.2. Minimum content

The Agency expects the content of the FMI contingency plan to be tailored to the relevant bank and to its specific relationships with FMI service providers. The FMI contingency plan is expected to be based on banks' understanding of FMI rule books and contracts with intermediaries, as well as on discussions between the banks and their FMI service providers. It is expected to contain at least the following information:

- How the provider of critical and essential FMI services would be expected to respond to the lead up to and entry into resolution of a given entity, its parent or affiliate, also taking into account whether the entity with access is meeting all its obligations or not.
- How the entities within the group deemed to remain operational throughout resolution would expect to continue to meet the conditions for uninterrupted access to each of the critical and essential FMI services, including the additional operational or financial requirements that they could be expected to satisfy. Particular emphasis should be given to how the entities in the group would meet the expected financial requirements necessary to maintain continuity of access to critical and essential FMI services, in particular to services involving the extension of credit or liquidity. The bank needs to base this assessment on its use of and limits to any credit or liquidity facility provided by the FMI or FMI intermediary, as well as on its expected volume of activity before and during resolution, taking into account the foreseen resolution strategy.
- The technology, as well as the operational and organisational arrangements, including human resources, that would need to be deployed to operationalise the FMI contingency plans ahead of and during resolution.

- The information that the critical and essential FMI service provider has indicated would be necessary for its risk-management decision-making, the communication plan for delivering this information and the potential constraints or risks in providing this promptly.
- The consequences of any termination, suspension or other degradation in the entity's access to FMI services on its ability to perform critical functions, and the measures that the bank could take to mitigate the impact of a termination or suspension, how rapidly they could be implemented and the expected outcome of those measures.

Banks are encouraged to include any additional information they deem relevant for maintaining access to critical and essential FMI services. The guidance provided in this chapter does not prevent the Agency from asking for additional information at any point in time, if this is necessary for the resolution planning process or for enhancing their preparedness to resolve the bank.

3.3. Other considerations

In drafting the FMI contingency plan, the bank is expected to:

- Document the processes for preparing and submitting the FMIR and FMI contingency plans, including: data gathering, consolidation of data, quality checks, updates and approval by the bank competent body.
- Ensure that the content of the FMI contingency plan is aligned with and takes into account the information submitted in the FMIR.
- Detail the approach followed by the bank to determine, among its complete set of FMI service providers as reported in the FMIR, which are the critical and essential FMI service providers to be covered in the FMI contingency plan.
- Be as specific as possible when outlining the mitigation measures that the bank might take in response to the risk management measures that may be taken by FMI service providers.
- List any assumptions made in respect of the determination of liquidity needs or collateral requirements of FMI service providers prior to and during resolution.

The bank is expected to review the FMI contingency plan as necessary and to update any sections that may not reflect current business relationships with FMI service providers.
Annex I provides more details with regard to the expected content of FMI contingency plans. An outline of these minimum standards is given to ease the preparation of FMI contingency plans for banks that are undertaking this exercise for the first time. Banks that have already prepared such plans are expected to ensure that their content is in line with the Agency's expectations, that is, to undertake activities to prepare operational documents that can provide support in the event of resolution.

4. FINAL PROVISIONS

The FMI Guidance shall enter into force on the eighth day following the date of their adoption and shall be published on the Agency's official website.

A bank for which the Agency, under the resolution plan in effect on the date of entry into force of this act, has envisaged the application of a resolution strategy, shall implement the expectations set out in these Guidance by December 31, 2028.

A bank for which the application of a resolution strategy is not envisaged under the applicable resolution plan, but for which the application of such a strategy is subsequently determined, shall implement the expectations set out in these Guidance within two years from the date of receipt of the notification regarding the application of the resolution strategy.

Number: D-13/26

Date: 2 July 2026

Director

Srđan Šuput

ANNEX I: DETAILED EXPECTATIONS

PART I: GENERIC AND AGGREGATE INFORMATION

1. Governance, communication and capabilities

1.1. Resolution planning governance

The bank needs to describe the governance arrangements in place to support the preparation of the FMIR and FMI contingency plan and other actions for enhancing resolution preparedness in relation to access to FMI services, including the governing bodies responsible for approving the content of the plan.

Please refer to the Agency's expectations with regard to resolution planning governance arrangements concerning access to FMIs (Box 1) in accordance with EfB Section 2.1. Governance and Section 2.6. Communication.

BOX 1: RESOLUTION PLANNING GOVERNANCE

Banks should have appropriate and effective governance arrangements to support continuity of access to FMI services. These arrangements ensure adequate preparedness during the resolution planning phase. In business-as-usual (during the resolution planning phase), banks are expected to have established appropriate and effective governance arrangements to ensure compliance with the expectations related to access to FMIs outlined in the EfB. These arrangements should encompass the preparation of the FMI contingency plans and of the FMIR. In that respect, banks are expected to document in their FMI contingency plans the processes for preparing and submitting FMIR and FMI contingency plans, including: data gathering, consolidation of data, quality checks, updates and approval by the competent governance body. They should also encompass the day-today monitoring and managing of risks related to their relationships with FMI service providers, including escalation processes, triggers and timelines.

Detail the approach followed by the bank to determine among its complete set of FMI service providers as reported in the FMIR which are the critical (and essential) FMI service providers to be covered in the FMI contingency plan.

Please refer to the EfB, Principle 4.4. Identifying, mapping and assessing dependencies on FMI service providers.

1.2. Resolution governance, communication and coordination

The bank needs to describe the governance framework for monitoring and managing the risks related to the bank's relationship with FMI service providers, including escalation processes, triggers and timelines. This may be part of the bank's overall business continuity plan, in which case the bank may cross-refer to the relevant section of that plan.

Please refer to the Agency's expectations with regard to resolution governance arrangements concerning access to FMIs (Box 2).

BOX 2: RESOLUTION GOVERNANCE

Banks should have appropriate and effective governance arrangements to support continuity of access to FMI services. These arrangements ensure that key organisational areas are mobilised swiftly ahead of and during resolution, and have access to adequate information and resources to execute the resolution strategy.

Banks are also expected to have established appropriate and effective governance arrangements that will be activated in the event of a crisis and will remain operational if and when they fail. With a view to ensuring access to FMI services across group entities, all relevant areas of the business are expected to be involved: treasury, risk management, operations, and any other areas necessary for monitoring and meeting FMIs and FMI intermediaries expectations and for maintaining the relationship with FMI service providers. The involvement of the appropriate level of management should support effective and timely decision-making.

Crisis governance arrangements should rely on readily available data and information, a clear overview of the key personnel necessary for maintaining continuity of access to FMI services (including crisis contact lists), and should be embedded in the overall crisis response structure and/or business continuity plan of the banks.

The following should be included either in the FMI contingency plan or in the bank's overall communication plan for resolution (in both cases, please cross-refer):

- A summary of key communication and coordination plans in place with FMI service providers to ensure continuity of access during resolution.
- A contact list with relevant information on the key personnel assigned to ensure continuity of access (including where this relates to communication and coordination with other relevant bodies of the group), as well as key contacts at corresponding FMIs and FMI intermediaries, distinguishing as necessary between business-as-usual and crisis contacts. The frequency and the conditions for updating this contact list should be described.
- Whether and to which extent assumptions and arrangements supporting continuity of access have been reviewed and/or validated by the bank's FMI service providers.
- Any barriers to communication and coordination, including possible actions to mitigate them.

Please refer to the Agency's expectations with regard to communication planning concerning access to FMIs (Box 3).

BOX 3: COMMUNICATION PLANNING

Banks should have an up-to-date **list of contacts for each critical and essential FMI and FMI intermediary and a communication plan** for providing timely information to these FMI service providers in the event of resolution.

Banks are expected to maintain relevant contact details for each FMI service they are using. They are expected to provide these contact details in the FMIR or the FMI contingency plans.

Banks are expected to have a communication plan in place, based on pre-established communication protocols and taking into account the specificities of the FMIs and intermediaries they are using. For example, different timelines may be relevant for different FMIs, and it is likely that the information CCPs would need to receive would differ from the information requested by payment systems. This should be aligned with and may be included in banks overall communication plan for resolution.

Banks are expected to consider how and when they would communicate to their own clients, including other banks for which they may act as intermediaries, any measures they might take ahead of and during resolution that may impact such clients (such as reducing intraday credit lines provided to clients).

When references are made to other internal framework documents such as the communication plan or the overall business continuity plan, those references should be developed sufficiently so that the FMI Contingency Plan can be used as a standalone operational playbook.

1.3. MIS capabilities

Explain in the FMI contingency plan whether the bank's management information systems (MIS) support the preparation of the FMIR and of the FMI contingency plan by maintaining:

- Detailed, up-to-date information on the list of providers of critical and essential FMI services, and mapping to the legal entities receiving the services, core business lines and critical functions.
- Detailed granular information on proprietary and client exposures/positions and delivery obligations on a daily basis and, if this is not the case, how and within what timeframe the bank plans to develop such capabilities.

Describe whether the bank maintains a record of, and is able to provide, information prior to or upon entry into resolution with regard to:

- The collateral pledged by the bank, distinguishing collateral that supports proprietary and client activities, by: type, aggregate values, which FMIs and FMI intermediaries the collateral is pledged to and the jurisdiction in which the security interest of the collateral is enforceable against the bank. Banks should also seek to be able to map the above information to their material and/or relevant legal entities.
- A list of the types of collateral accepted by FMIs and FMI intermediaries and the expected haircuts on various types of collateral, identifying the relevant types of collateral that would support the particular activities of the bank.
- A list of material upcoming settlement and delivery obligations, by value and type of asset, for a specified upcoming period to and/or via FMIs and FMI intermediaries.
- List the components of the MIS that contribute to the preparation of the FMIR and FMI contingency plan and that contain the information listed above, and map them to the critical systems identified in template Z 10.01 Key information systems (general information) (KIS).
- Explain how long it takes to generate such information and how frequently it is updated (taking into account the need to support real-time/intraday monitoring).
- Provide a snapshot of the information contained in these components.

Describe the liquidity needs analyses that the bank performs, including any additional collateral requirements, related to the use of FMI services (including on an intraday basis) for all FMI service

providers and for each provider individually, which contribute to the bank's preparedness for a potential resolution, and:

- how frequently the bank performs such analyses;
- whether these analyses are aligned with and/or included in other liquidity monitoring and stress-testing activities.

Please refer to the EfB, in particular Principle 5.1 MIS capabilities to provide information necessary for the preparation and update of resolution plans.

2. Overview of critical and essential FMI services providers

The sections below are designed to provide an overview of FMI service providers, aggregating information on all providers considered in the FMI contingency plan, in accordance with the specific items.

2.1. FMI service providers covered by the FMI contingency plan

Detail the approach followed by the bank to determine, among its complete set of FMI service providers as reported in the FMIR, which are the critical and essential FMI service providers to be covered in the FMI contingency plan. Specify the FMI service providers covered by the present version of the FMI contingency plan.

Please refer to the EfB, Principle 4.4 Identifying, mapping and assessing dependencies on FMI service providers and Section 2 of the present document, for guidance on how to determine which FMI service providers are within the scope of the previously mentioned Principle, and how to prioritise among FMI service providers.

2.2. Liquidity overview

Based on the aggregate information on liquidity, confirm the maximum liquidity and/or collateral that may be required to ensure continuity of access to FMIs, FMI intermediaries, and other related service providers necessary for continued access to FMI services, at aggregated level in domestic currency and at the level of currencies relevant to the bank's participation in FMIs. Explain how the bank's liquidity management strategy would support continued access to FMI services. Explain whether this information is included in the bank's general Contingency Funding Plan and cross-refer to the relevant section(s).

Please refer to the EfB, Principle 3.1 Estimation of liquidity and funding needs in resolution and Principle 5.1 MIS capabilities to provide information and data necessary for the preparation and update of resolution plans.

2.3. Contingency strategy overview

Based on the individual FMI contingency strategy sections (3.4 of this Guidance), provide an overview of what the bank's overall contingency strategy may look like in respect of its critical and essential FMI participations and memberships, and its use of intermediaries for payment, clearing, settlement and custody services. This should adequately reflect any possible conflicts between individual strategies.

Please refer to the EfB, Principle 4.6 FMI contingency plan and measures, to ensure continuity in access to FMI services.

PART II: INFORMATION PER FMI SERVICE PROVIDER

3. Information on use of FMI services

The information below is expected to be phased in over time to cover each critical and essential FMI service provider.

3.1. Membership and participation

3.1.1. Identification and mapping

Banks report in the FMIR the FMIs in which they participate and the FMI intermediaries that they use, and provide a mapping to critical functions and core business lines. Include, in the contingency plan, as appropriate, supplementary information on:

- The jurisdiction which the provider of FMI services comes under and the relevant jurisdiction in the case of a dispute, if different from the law governing the relationship.
- An assessment of whether contracts with FMI service providers can be considered resolution-resilient, including whether contractual amendments have been made to recognise home/third-country resolution regimes.
- Legal entities in the group which act as intermediaries delivering critical FMI services to other entities within and outside of the group. Intermediaries providing indirect access to FMIs are expected to map such services to the other banks receiving the services, at a minimum to domestic banks.

Please also refer to the EfB, Principle 4.4 Identifying, mapping and assessing dependencies on FMI service providers.

3.1.2. Membership/participation criteria, contractual conditions and potential heightened requirements

Provide information on FMI admission criteria/membership requirements (operational, financial, capital and other), if applicable.

Provide information on the contractual conditions governing the bank's relationship with FMI intermediaries, with a particular emphasis on FMI intermediaries' requirements for maintaining the service, and on suspension and termination clauses.

Explain whether the bank has (and, if not, whether and by when it intends to do so) engaged with FMI service providers to understand how they are likely to respond under stress and in a resolution procedure (such as with increased reporting and communication requirements, reduced credit lines, additional liquidity/collateral requirements, suspension and termination).

Include information on the potential additional/heightened requirements that may be imposed by the FMI service providers prior to and during resolution, including financial (such as partial or full pre-funding or increased margin), operational, information or communication requirements.

Provide, for these FMI service providers, if applicable, an overview of the substantive obligations of the contract, in particular financial and operational obligations, which the successor entity may have difficulties performing post-resolution.

List any other service providers necessary for maintaining access to FMIs and the related substantive obligations under their contracts with such providers. If such providers are used to support access to several FMIs (e.g. communication service providers such as SWIFT), you may cross-refer.

Please also refer to the EfB, Principle 4.5 Understanding the requirements for continued access.

3.1.3. Impact analysis of actions by FMI service providers

Describe any additional risk management measures that FMI service providers may take prior to and when terminating or suspending access, should the above requirements not be met, and their consequences for the bank in resolution. Assess the impact on critical functions and core business lines. Where possible, discuss the likelihood of these actions and the circumstances in which they may be

undertaken, and the timeframe in which the FMI service provider is likely to implement such actions (e.g. intraday or within a few days).

3.2. Services

Banks deliver information on services received from FMI service providers in the FMIR.

3.2.1. Positions and transactions

Information on relevant time-critical obligations (type of obligation, average value and peak value) and the time frames in which these would need to be executed should be provided in the FMI contingency plan. Explain if additional time-critical obligations may arise in a stress situation.

3.2.2. Other services provided by FMI service providers

If the services relate to activities other than payment, clearing, settlement, and custody (e.g., securities lending/borrowing or collateral management), a description of the service must be included in the FMI contingency plan, specifying the terms of use and how such terms may be modified prior to or during resolution.

3.2.3. Services provided to FMI service providers

Where applicable (for services other than standard payment, clearing, settlement, or custody services), the FMI contingency plan must include a description of such services provided to FMI service providers.

3.3. Liquidity

Provide, in the FMI contingency plan, information on the currency and form in which liquidity or collateral requirements would be expected to materialise (e.g. increased margin, additional default fund contributions, pre-funding, requests to provide collateral of higher quality such as government bonds with a minimum rating), as well as the assumptions and models underpinning the calculation of the estimated liquidity needs under stress, including any assumptions related to the expected volume of business activity.

Please also refer to the EfB, Principle 3.1 Estimation of liquidity and funding needs in resolution and Principle 4.5 Understanding the requirements for continued access.

3.4. Contingency strategy

3.4.1. Contingency strategy

Identify which actions the bank may undertake prior to and during resolution, to mitigate the actions that FMI service providers may take prior to and during resolution. This may include, for example, an active management of exposures (such as by reducing intraday credit lines provided to the bank's clients or reducing business activity) and the pre-funding of obligations or credible ex-ante arrangements (see below). Please detail the steps, processes and teams involved, to ensure that the FMI contingency plan constitutes an operational playbook.

The focus should be on ensuring that the bank can continue to meet the substantive obligations under the relevant rule books and contracts, in particular by ensuring that payment and delivery obligations can continue to be met at all times. The FMI contingency plan should make clear which measures are already identified in the recovery plan or in the bank's Contingency Funding Plan.

Please also refer to the EfB, Principle 4.6 FMI contingency plan and measures, to ensure continuity in access to FMI services.

3.4.2. Alternative arrangements

Identify possible substitute service providers or other alternative arrangements (such as the use of intermediaries instead of direct access to FMIs) and explain whether they are already in place or will be put in place as part of the bank's preparedness for resolution, including the expected timeline for establishing the relationship. For banks part of a group, please consider arrangements with substitute providers outside of the group. If accesses to other FMIs or FMI intermediaries are (planned to be) set

up ex ante, assess how credible it is that such accesses would remain operational in the event of resolution.

3.4.3. Portability

For banks offering (to their clients, some of which may be other banks) indirect access to CCPs: assess the feasibility and challenges of porting should clients wish to do so ahead of or during resolution, or should the Agency decides to do so during resolution.

If applicable, provide details on whether the bank has the resources and systems in place to maintain up-todate information that could be provided rapidly in resolution (please also see point 1.3 on MIS capabilities in this regard) to ensure that:

- Client positions at CCPs are transferred smoothly, including the list of:
    - individual clients for each omnibus account;
    - client positions; and
    - lient margins and assets received as collateral.
- Client assets at CSDs are transferred smoothly, including the list of:
    - clients for each omnibus account; and
    - individual client assets held at the CSD.

Please also refer to the EfB, Principle 4.6 FMI contingency plan and measures, to ensure continuity in access to FMI services.

3.4.4. Implementation of contingency strategy

Include an implementation plan that specifies, inter alia, the infrastructure, processes and operational arrangements that have been put in place based on a thorough identification of key systems and staff, and the arrangements to ensure they remain available or can credibly be replaced in a crisis. The bank should also ensure that it can provide, in a timely manner, the information that the provider of critical FMI services has indicated would be essential.

3.4.5. Expected outcome

Contemplate the effect of the proposed measures on the bank’s ability to continue performing critical functions and running core business lines, as well as the impact of these measures on clients.