

Government Decree 217/2014 (VIII. 28.)

on the business reorganisation plan related to bail-in

Acting on the basis of the authorisation granted under Section 145(1)(b) of Act XXXVII of 2014 on the further development of the institutional system strengthening the safety and security of certain participants of the financial intermediary system and proceeding within its role defined in Section 15(1) of the Fundamental Law, the Government hereby orders the following:

Section 1

In the context of bail-in applied pursuant to the Act on the further development of the institutional system strengthening the safety and security of certain participants of the financial intermediary system, the business reorganisation plan shall be drawn up for the affected institution or financial enterprise in accordance with the present decree.

Section 2

The business reorganisation plan shall include a detailed diagnosis of the factors and problems that caused the institution or financial institution to fail or to be likely to fail, and the in-depth analysis of the circumstances that led to its difficulty.

Section 3

(1) The business reorganisation plan shall set out measures aiming to restore the long-term viability of the affected institution or financial institution and its core business lines within a reasonable timescale, but no longer than one year.

(2) The business reorganisation plan may include the following measures in particular

a) the reorganisation of the activities or services of the affected institution or financial institution,

b) changes to the operational systems and infrastructure supporting the operation within the affected institution or financial institution,

c) the withdrawal from loss-making activities and services,

d) the restructuring of existing activities and services that can be rendered competitive, and

e) the sale of assets, subsidiaries or of business lines.

(3) The business reorganisation plan shall include the timetable and the appointment of responsible persons for the measures comprising the plan.

Section 4

(1) Measures referred to in Section 3 shall be based solely on realistic analyses as to the economic and financial market conditions fundamentally shaping the operation of the affected institution or financial institutions.

(2) The business reorganisation plan shall take account of the current state and future prospects — reflecting best-case and worst-case assumptions — of the financial markets, including a combination of events allowing the identification of the institution's and financial institution's main vulnerabilities.

(3) The actual and target values included in the business reorganisation plan shall be compared with appropriate sector-wide and international benchmarks.

Section 5

This decree shall enter into force on 16 September 2014.

Section 6

This decree has been issued to comply with Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council.

NON-OFFICIAL TRANSLATION