

April 29, 2019

## Resolution Planning Requirements

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### Federal Reserve and FDIC Propose Revisions to Dodd-Frank Resolution Plan Requirements for Foreign and Domestic Banking Organizations

### FDIC Seeks Input on Future Approach to Insured Depository Institution Resolution Plans

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#### SUMMARY

On April 8, 2019, the Board of Governors of the Federal Reserve System (the “*Federal Reserve*”) proposed for public comment an amended and restated version of the regulation (the “*Original Rule*”) implementing the resolution planning requirements of section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“*Dodd-Frank*”). On April 16, 2019, the Federal Deposit Insurance Corporation (the “*FDIC*” and, together with the Federal Reserve, the “*Agencies*”) followed suit with a substantially identical proposal (together with the Federal Reserve proposal, the “*Resolution Plan Proposal*”).<sup>1</sup> The Resolution Plan Proposal is intended to (i) address relevant amendments to Dodd-Frank made by the Economic Growth, Regulatory Relief, and Consumer Protection Act (“*EGRRCPA*”)<sup>2</sup> and (ii) incorporate lessons learned by the Agencies over the course of multiple Resolution Plan review cycles since the Original Rule first became effective in 2011.<sup>3</sup>

Notable proposed revisions to the Original Rule include:

- **Allocation of Covered Companies into three groups of filers.**<sup>4</sup> The Resolution Plan Proposal would apply the tailoring framework outlined in EGRRCPA, and the Federal Reserve’s recent proposals for tailoring enhanced prudential standards generally, to resolution planning requirements under Section 165(d) of Dodd-Frank.<sup>5</sup> Figure 1 below (page 3) summarizes (i) the three groups of filers (the “Resolution Plan Filing Groups”) that would be established, (ii) how the Resolution Plan Filing Groups correspond to the categories (each, a “Category,” e.g., Category I, Category II, etc.) set out by the proposals for tailoring enhanced prudential standards to large U.S. banking organizations (the “*domestic tailoring proposals*”) and to the U.S. operations of

foreign banking organizations (the “*FBO proposals*”),<sup>6</sup> (iii) the plan filing frequency and required plan content for each Resolution Plan Filing Group, and (iv) the criteria that would determine a firm’s inclusion in each of the three Resolution Plan Filing Groups.

- **Multi-year submission cycles.** In recognition of the practical disadvantages—from the perspective of both the Agencies and filers—of maintaining the annual submission schedule set out by the Original Rule, and the varying degrees of potential impact that the failure of firms within different categories of filers could be expected to have on U.S. financial stability, the Resolution Plan Proposal would create three distinct Resolution Plan Filing Groups in terms of submission cycles—biennial, triennial full and triennial reduced. The group of Biennial Filers corresponds to Category I firms, as determined by application of the domestic tailoring proposals; the group of Triennial Full Filers corresponds to Category II and III firms, as determined by application of the same proposals; and the group of Triennial Reduced Filers corresponds to other FBOs that have greater than or equal to \$250 billion in global assets, but for which the extent of U.S. activity is insufficient to place the firm in Category II or III. Figure 1 below summarizes the size and risk-based indicator thresholds that are applied to determine which Category a firm falls into under the domestic tailoring proposals and FBO proposals, which in turn determines which Resolution Plan Filing Group a firm falls within (if any).
- **Differentiated levels of required plan content.** To tailor the content of resolution plan filings to match the risk-based attributes of distinct categories of filers, the Resolution Plan Proposal would establish three types of resolution plan submissions—full, targeted and reduced. Biennial Filers and Triennial Full Filers would alternate between submitting full plans and targeted plans, while Triennial Reduced Filers would always submit reduced plans. Full plans would consist of the full set of information currently required to be included in resolution plan submissions. For full plans, the Resolution Plan Proposal would establish a new process by which filers may apply for a waiver from the obligation to produce certain informational content in the plan submission. Targeted plans would include the information required in a full plan in relation to capital, liquidity and the Covered Company’s plan for executing any contemplated recapitalization (the “*core elements*”). Targeted plans would also be required to include sections addressing material changes to the firm or its resolution strategy since the prior filing or changes made in response to regulatory requirements, guidance or feedback—as well as information addressing any specific topics of interest specified in advance by the Agencies. All plan types would continue to include a public section and detail regarding actions taken to address any shortcomings or deficiencies identified by the Agencies. Reduced plans would simply address material changes since the previous filing. In the judgment of the Agencies, these lighter requirements reflect that this set of exclusively FBO filers generally maintains limited U.S. activities and interconnections with U.S. market participants, resulting in a low probability that failure of a firm within this group would threaten U.S. financial stability.<sup>7</sup> For all three categories, the Resolution Plan Proposal would establish a formal process for Covered Companies and the Agencies to identify critical operations (*i.e.*, those operations the failure or discontinuance of which would pose a threat to U.S. financial stability) and review such designations periodically.

The following figure summarizes the criteria for inclusion in each of the three Resolution Plan Filing Groups, and indicates the associated plan filing frequency and level of required plan content. Please note that this is a summary table that is intended as an illustration of how firms would be assigned to a Resolution Plan Filing Group under the Resolution Plan Proposal. For a more complete description of the tailoring framework under the EPS tailoring proposals, please see our [Memorandum to Clients](#) on the domestic tailoring proposals and our [Memorandum to Clients](#) on the FBO proposals.

As an additional resource, a comparison of the text of the Resolution Plan Proposal against the Original Rule is linked to this memorandum: [https://www.sullcrom.com/files/upload/Regulation\\_QQ\\_Redline.pdf](https://www.sullcrom.com/files/upload/Regulation_QQ_Redline.pdf).

**Figure 1: Resolution Plan Filing Groups**

Resolution Plan Filing Group	Tailoring Category	Relevant Banking Organizations	Tailoring Category Determined Based on Size*	Tailoring Category Determined Based on Size and Other Risk-Based Indicator(s)*	
				Size Threshold	Other Risk-Based Indicator Threshold(s) <sup>†</sup>
<b>Biennial</b>	I	U.S. G-SIBs only	None	None	U.S. G-SIB status
<b>Triennial Full</b>	II	U.S. BHCs	≥\$700B total consolidated assets	≥\$100B total consolidated assets	≥\$75B cross-jurisdictional activity
		FBOs	≥\$700B combined U.S. assets	≥\$100B combined U.S. assets	≥\$75B cross-jurisdictional activity based on CUSO
	III	U.S. BHCs	≥\$250B total consolidated assets	≥\$100B total consolidated assets	≥\$75B in: • nonbank assets, • weighted short-term wholesale funding, or • off-balance sheet exposure
		FBOs	≥\$250B combined U.S. assets	≥\$100B combined U.S. assets	≥\$75B in: • nonbank assets, • weighted short-term wholesale funding, or • off-balance sheet exposure based on CUSO
<b>Triennial Reduced</b>	IV <sup>‡</sup> or None (FBOs only, based on global size)	FBOs	≥\$250B global consolidated assets	None	None
<b>None</b>	IV (U.S. BHCs only)	U.S. BHCs	≥\$100B total consolidated assets	None	None
	IV <sup>‡</sup> or None (FBOs only, based on global size)	FBOs	<\$250B global consolidated assets	None	None

\* The tailoring categories in this figure are listed in decreasing order of stringency. Under the categorization proposals, a domestic banking organization or FBO would be assigned to the most stringent category for which it satisfies the applicable thresholds.

<sup>†</sup> Under the EPS tailoring proposals, the calculation of certain risk-based indicators as applied to FBOs would differ from the corresponding calculations for a domestic BHC.

<sup>‡</sup> Each FBO identified in the Federal Reserve staff memorandum released with the FBO proposals as potentially in Category IV (based on data for the third quarter of 2018 and an approach to measuring cross-jurisdictional activity that, unlike the FBO proposals, would exclude all transactions with non-U.S. affiliates) has more than \$250 billion in global consolidated assets and would therefore be a Triennial Reduced Filer.

The FDIC staff Memorandum on the Resolution Plan Proposal explains that the Proposal is expected to “modify the expected costs imposed by the [Original] Rule while seeking to preserve the firms’ resolvability and the benefits to U.S. financial stability provided by the [Original] Rule.”<sup>8</sup> Federal Reserve Chair Jerome H. Powell characterized the Resolution Plan Proposal as “not changing [the] substantive review standards for the largest and most complex banks” and “generally formalizing the current practices that have developed over recent years.”<sup>9</sup> Notably, Federal Reserve Governor Lael Brainard and FDIC

Director Martin Gruenberg each voted against the Resolution Plan Proposal and issued dissenting statements.<sup>10</sup> In each case, the dissent focused on the provisions of the Resolution Plan Proposal that would alter the plan filing cycle for large U.S. BHCs that are not G-SIBs to three years (with a full plan due every six years) and the procedural feature of the waiver process that would deem requests by firms to eliminate or reduce certain plan content as automatically granted nine months prior to the date that the resolution plan it relates to is due unless *jointly* disapproved by *both* Agencies.

In addition, on April 16, 2019, the FDIC issued an Advance Notice of Proposed Rulemaking (the “*IDI Plan Proposal*”) on potential revisions to the FDIC’s existing requirement that certain insured depository institutions (“*IDIs*”) periodically submit a resolution plan (the “*IDI Plan*”) to the FDIC (the “*IDI Rule*”).<sup>11</sup> The IDI Plan Proposal solicits comment on how to tailor the requirements of the IDI Rule to reflect differences in size, complexity and other factors among the population of large IDIs, and on whether to increase the current threshold of \$50 billion in IDI assets that triggers application of the rule. The FDIC also extended the date by which covered IDIs (“*CIDIs*”) must submit their next resolution plans to a date to be specified by future rulemaking.<sup>12</sup> The previously applicable plan deadline for IDI filers was July 1, 2020.<sup>13</sup>

Comments on the Resolution Plan Proposal and the IDI Plan Proposal are due by June 21, 2019.

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## BACKGROUND

Section 165(d) of Dodd-Frank, as originally enacted, required Covered Companies to submit to the Agencies a plan for the firm’s rapid and orderly resolution in the event of its material financial distress or failure.<sup>14</sup> Section 165(d) left detailed implementation of the resolution planning requirement to the Agencies and, in November 2011, the Original Rule took effect. The Original Rule set forth the requirements for resolution plan submissions by Covered Companies and has not been amended since it was issued.<sup>15</sup> Since the first wave of resolution plan submissions in 2012, the Agencies have engaged in an iterative process by which they have reviewed the periodic resolution plan submissions and have provided both firm-specific feedback and general guidance applicable to particular subsets of Covered Companies.<sup>16</sup> Most recently, on December 20, 2018, the Agencies published final guidance for future resolution plan submissions by U.S. global systemically important banks (“*G-SIBs*”).<sup>17</sup> As a result of the enactment of EGRRCPA, the Agencies on April 8, 2019 issued the Resolution Plan Proposal to reflect the requirements of EGRRCPA and to otherwise modify the Original Rule to reflect lessons from its implementation to date.

## REVISIONS TO THE RULE

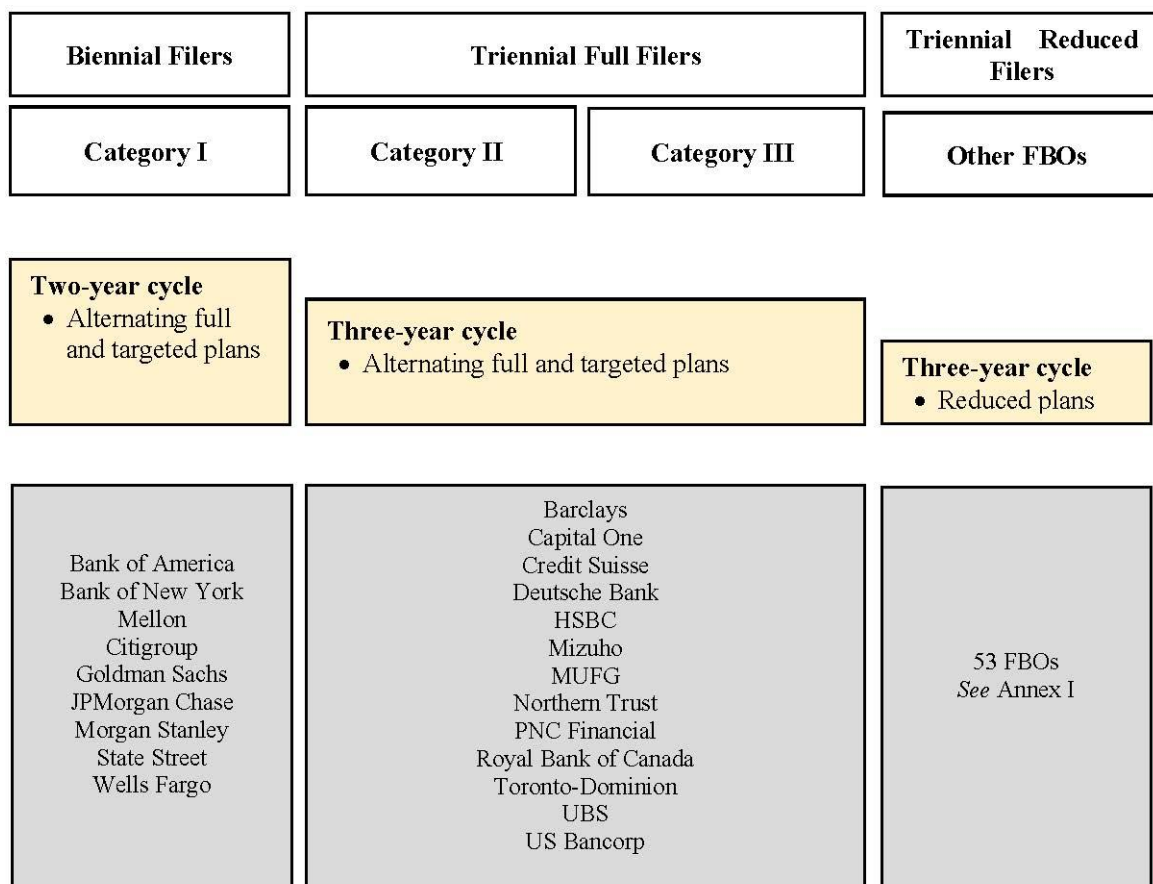
### A. FIRMS SUBJECT TO THE RESOLUTION PLANNING REQUIREMENT

The Resolution Plan Proposal would implement EGRRCPA's increase in the asset threshold above which a BHC or FBO is required to file a resolution plan under Section 165(d) of Dodd-Frank.<sup>18</sup> Under the Resolution Plan Proposal, the following types of companies would be "Covered Companies," required to file a resolution plan with the Agencies:

- Any U.S. G-SIB;
- Any U.S. BHC that has \$250 billion or more in total consolidated assets;
- Any FBO that has \$250 billion or more in total consolidated assets globally;
- Any Category II or Category III banking organization, to the extent not captured in the categories above (as discussed further below);<sup>19</sup> and
- Any nonbank financial company that has been designated by the Financial Stability Oversight Council ("FSOC") as a systemically important firm ("*Nonbank SIF*").<sup>20</sup>

The Agencies have also proposed tailoring the timing cycle and required content of the resolution plan filings, as illustrated in the following figure:<sup>21</sup>

**Figure 2: Resolution Plan Filings Groups II**



The Categories referenced in the Figure 2 above correspond to the Categories outlined in the domestic tailoring proposals and FBO proposals,<sup>22</sup> as shown in Figure 1 above.

Under the Resolution Plan Proposal, approximately 53 FBOs that have total global consolidated assets of at least \$250 billion but that do not meet Category II or III standards would be required to file a reduced resolution plan every three years. Category IV firms that are U.S. BHCs would not be required to submit resolution plans. Category IV status would not by itself cause an FBO to be subject to resolution plan filing requirements but, according to the Agency materials that accompanied the FBO proposals, all FBOs that would occupy Category IV exceed \$250 billion in global consolidated assets and therefore would be Triennial Reduced Filers.

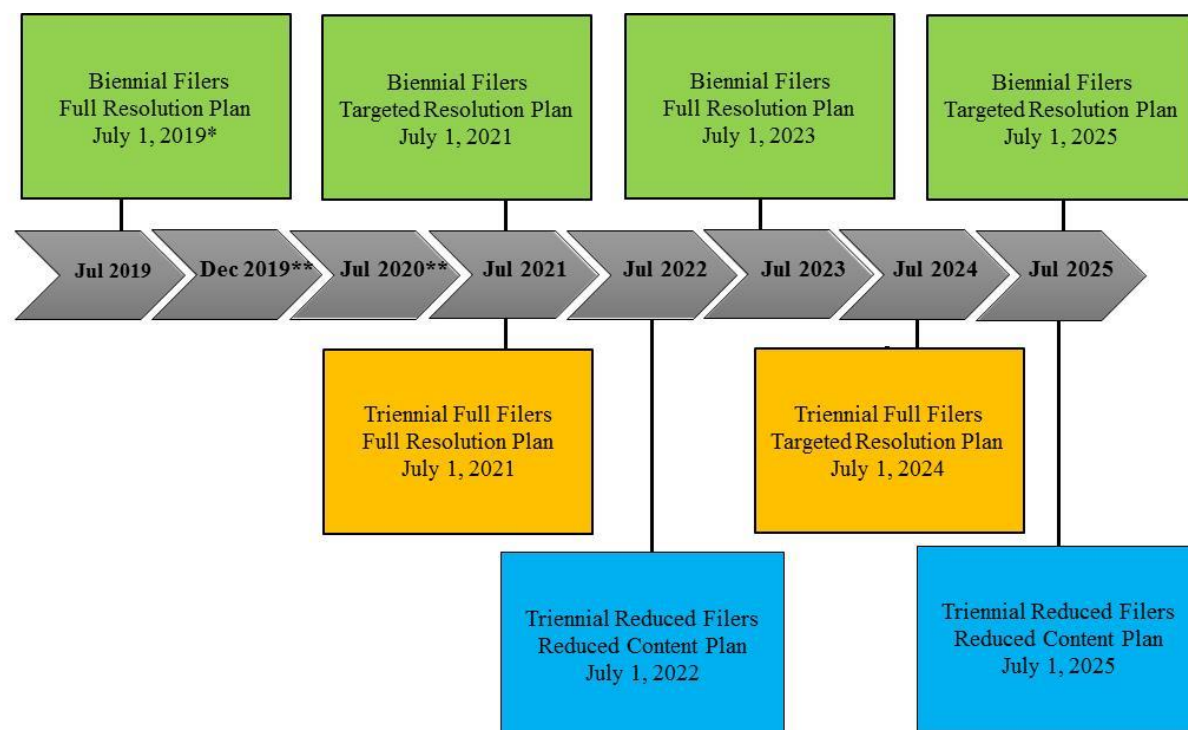
A firm ceases to be a Covered Company under the rule when (1), for a U.S. BHC, its total consolidated assets are less than \$250 billion for each of the four most recent quarters and, over the same period, if its total consolidated assets are at least \$100 billion, it does not have \$75 billion or more in any of the risk-based indicators, (2) for an FBO that files quarterly reports on Form FR Y-7Q with the Federal Reserve, its total global assets are less than \$250 billion for each of the four most recent quarters and, over the same period, if its CUSO assets are at least \$100 billion, it does not have \$75 billion or more in one of the risk-based indicators and (3) for an FBO that files annual reports on Form FR Y-7Q on an annual basis with the Federal Reserve, its total global assets are less than \$250 billion over two consecutive years and, over the same period, if its CUSO assets are at least \$100 billion, it does not have \$75 billion or more in any of the risk-based indicators.<sup>23</sup> The Agencies retain the discretion to jointly determine that a firm is no longer a Covered Company at an earlier time.<sup>24</sup> Any firm that ceases to be, or to be treated as, a bank holding company or that is de-designated as a Nonbank SIFI by FSOC is no longer a Covered Company and does not have any further resolution planning requirements as of the effective date of such action.<sup>25</sup>

## B. FILING GROUPS

As noted above, the Resolution Plan Proposal divides Covered Companies into three Resolution Plan Filing Groups, generally corresponding to the Agencies' assessment of the potential impact that the failure of such companies would have on U.S. financial stability.<sup>26</sup> As illustrated in Figure 2 above, the Resolution Plan Proposal differentiates, for each Resolution Plan Filing Group, the length of the resolution plan filing cycle and associated informational content requirements.<sup>27</sup> The three Resolution Plan Filing Groups are (a) Biennial Filers, (b) Triennial Full Filers and (c) Triennial Reduced Filers.<sup>28</sup> All filers would have a July 1 submission date, in place of the current requirement for certain firms to submit on July 1 and others December 31.<sup>29</sup> The following graphic illustrates the envisioned filing cycle for each Resolution Plan Filing Group:<sup>30</sup>



**Figure 3: Proposed Resolution Plan Submission Dates**



\* These submissions from the firms ("Biennial Filers" under the proposal) are subject to the requirements of the current Rule.

\*\* In accordance with the Agencies' feedback letters dated December 20, 2018 and March 29, 2019, certain firms are to provide updates to their previously-submitted resolution plans.

The Resolution Plan Proposal would also provide the Agencies with the flexibility to move filing dates and increase the required scope of informational content where appropriate in light of changes in risks presented by individual firms or changes in the market.<sup>31</sup> The Agencies would be required to notify existing Covered Companies at least 180 days prior to the new filing date.<sup>32</sup>

### 1. Biennial Filers

Firms subject to Category I standards, as well as any Nonbank SIFI that has not been specifically designated as a Triennial Full Filer by the joint action of the Agencies, would be required to file a resolution plan every two years.<sup>33</sup> For such Biennial Filers, the resolution plan submission would alternate between a full resolution plan and a targeted resolution plan.<sup>34</sup> The Resolution Plan Proposal envisions that—after the ordinary course full resolution plan submission that is due on July 1, 2019—Biennial Filers would file a targeted resolution plan in July 2021, to be followed by a full resolution plan in July 2023.<sup>35</sup>

### 2. Triennial Full Filers

Firms subject to Category II or III standards, as well as any Nonbank SIFI that has been specifically designated a Triennial Full Filer by the joint action of the Agencies, would be required to file a resolution plan every three years.<sup>36</sup> For Triennial Full Filers, the resolution plan submission would alternate

between a full resolution plan and a targeted resolution plan.<sup>37</sup> The Resolution Plan Proposal envisions that Triennial Full Filers would file a full resolution plan in July 2021, to be followed by a targeted resolution plan in July 2024.<sup>38</sup>

### 3. Triennial Reduced Filers

Any FBO with total global assets of \$250 billion or more that is not subject to Category II or III standards would be required to file a reduced resolution plan every three years.<sup>39</sup> This would include FBOs subject to Category IV standards that meet that global asset threshold. The Resolution Plan Proposal envisions that Triennial Reduced Filers that have previously filed a full resolution plan (*i.e.*, all of the 53 FBOs listed in the Agency staff memo as expected to be included in this Resolution Plan filing Group) would file a reduced resolution plan in July 2022 and every three years thereafter.<sup>40</sup> Any Triennial Reduced Filer that has not in the past filed a resolution plan submission would be required to file a full resolution plan followed by a reduced resolution plan every three years thereafter.<sup>41</sup>

### C. RESOLUTION PLAN CONTENT

The information required in a Covered Company's resolution plan submission is a function of the type of Covered Company and the sequence of the resolution plan submission cycle. As discussed above, Covered Companies will file either a full resolution plan, a targeted resolution plan or a reduced resolution plan. The Resolution Plan Proposal would eliminate the tailored plan option, which historically allowed certain bank-centric firms to focus their resolution plan submissions on nonbank activities.<sup>42</sup>

The following figure contrasts the requirements for full versus targeted resolution plans:<sup>43</sup>



**Figure 4: Full and Targeted Resolution Plan Requirements**

FULL RESOLUTION PLANS	TARGETED RESOLUTION PLANS
<b>Public Section</b> An executive summary of the resolution plan that describes the business of the company and includes certain key elements material to an understanding of the company	<b>Public Section</b> An executive summary of the resolution plan that describes the business of the company and includes certain key elements material to an understanding of the company
<b>Confidential section<sup>*</sup></b>  Executive summary  Strategic analysis  Corporate governance relating to resolution planning  Organizational structure and related information  Management information systems  Interconnections and interdependencies  Identification of agencies with supervisory, regulatory, or resolution authority over company	<b>Confidential section (subset of full resolution plan addressing only items listed below)</b>  Core elements of a full resolution plan: capital, liquidity, and plan for executing any recapitalization <sup>**</sup>  Changes resulting from changes in laws or regulations, agency guidance or feedback, and material changes (as defined in the proposal)  Information responsive to a targeted information request <sup>***</sup>

<sup>\*</sup> A covered company may request changes to certain informational requirements for its full resolution plan, as described in the proposal.

<sup>\*\*</sup> For additional information about core elements, *see* Supplementary Information section III.B.3 of the proposal.

<sup>\*\*\*</sup> Targeted information requests may be made by the agencies at least 12 months prior to a targeted resolution plan submission date.

## 1. Full Resolution Plan

The Resolution Plan Proposal would not generally modify the existing components or informational requirements of a full resolution plan.<sup>44</sup> The Resolution Plan Proposal would require the confidential executive summary to describe changes made to the firm’s resolution plan, including in the firm’s resolvability or resolution strategy or how the strategy is implemented. Actions taken by the firm in response to feedback provided by the Agencies, guidance issued by the Agencies, or legal or regulatory changes would also need to be described.<sup>45</sup> Current applicable guidance, including the recently published final guidance for U.S. G-SIBs<sup>46</sup> and firm-specific feedback letters<sup>47</sup> recently issued to specific full resolution plan filers concerning the content of their upcoming submissions would remain in force.<sup>48</sup>

### a. Waiver Process

In relation to the full plan requirement, the Agencies specifically acknowledge that certain aspects of a Covered Company’s resolution plan may “reach a steady state or become less material such that regular updates would not be useful to the [A]gencies in their review of the plan.”<sup>49</sup> Consequently, the Resolution Plan Proposal would continue to permit the Agencies to waive certain information content requirements for one or more firms on the Agencies’ joint initiative.<sup>50</sup> Notably, the Resolution Plan Proposal also seeks to establish a process whereby a Covered Company that has previously submitted a resolution plan may apply for a waiver of certain informational content requirements of a full resolution plan (such waivers are not available for targeted or reduced resolution plans).<sup>51</sup> Covered Companies would be permitted to

make only a single waiver request (which may cover multiple topics) for any full resolution plan submission and any such request must be made at least 15 months in advance of the filing date.<sup>52</sup> The waiver application must include a public section that provides a list of the requirements that the Covered Company is requesting be waived. The waiver application must also include a more detailed confidential section that provides a clear and complete explanation of why each requirement sought to be waived is not a non-waivable requirement (as discussed below), why the information sought to be waived would not be relevant to the Agencies' review of the Covered Company's next full resolution plan and why a waiver of each requirement would be appropriate.<sup>53</sup> Failure to provide appropriate explanation or any information requested by the Agencies in a timely manner could lead the Agencies to deny the waiver request.<sup>54</sup> Where a waiver is granted, the full resolution plan should specify the content that has been omitted due to the waiver.<sup>55</sup> In a notable procedural aspect of the proposed waiver framework, a waiver request would be automatically granted on the date that is nine months prior to the due date of the relevant plan unless the Agencies *jointly* deny the waiver.<sup>56</sup>

Under the Resolution Plan Proposal, Covered Companies would not be able to request waivers for certain informational requirements specified under the Rule. Such non-waivable informational requirements would include:

- The “core elements” of the full resolution plan;
- Information regarding the manner and extent to which any insured depository institution affiliated with the Covered Company is adequately protected from risks arising from the activities of any nonbank subsidiaries of the Covered Company;
- Full descriptions of the ownership structure, assets, liabilities, and contractual obligations of the Covered Company;
- Identification of the cross-guarantees tied to different securities, identification of major counterparties and a process for determining to whom the collateral of the Covered Company is pledged;
- Information about changes the Covered Company has made to its resolution plan in response to a “material change” (*i.e.*, any “event, occurrence, change in conditions or circumstances, or other change that results in, or could reasonably be foreseen to have, a material effect on (1) the resolvability of the Covered Company, (2) the Covered Company’s resolution strategy, (3) or how the resolution strategy is implemented”).
  - Material changes of this nature would include the identification of a new critical operation or core business line, identification of a new material entity or de-identification of a material entity, as well as material changes with respect to operational and financial interconnectivity;
- Information required in the public section of a full resolution plan; and
- Information about a deficiency or shortcoming that has not been adequately remedied or satisfactorily addressed.<sup>57</sup>

Importantly, the obligation to include required information that is not subject to waiver may alternatively be satisfied via incorporation by reference to a previous plan submission if the information meets specified requirements for incorporation by reference, as described in section E.9 of this Memorandum.<sup>58</sup>

## 2. Targeted Resolution Plan

Under the Resolution Plan Proposal, the targeted resolution plan required of Biennial Filers and Triennial Full Filers following submission of each full plan is designed to provide the Agencies with updated information on structural or other changes affecting a firm's resolution strategy, while eliminating the necessity for repeat submission of information that remains largely unchanged since the prior submission.<sup>59</sup> A targeted resolution plan would include:

- An update of the information required as core elements, including updated quantitative financial information and analyses important to the execution of the Covered Company's resolution strategy;
- A description of material changes experienced by the Covered Company since the filing of the Covered Company's previously submitted resolution plan and a description of changes made to the resolution plan in response;
- Changes to the resolution plan made in response to feedback provided by the Agencies, guidance issued by the Agencies, or legal or regulatory changes;
- A public section with the same content as required for a full resolution plan; and
- Material relating to targeted areas of interest identified by the Agencies. The Agencies would notify Covered Companies of such targeted areas of interest at least 12 months prior to the applicable resolution plan submission date.<sup>60</sup>
  - Subject matter of this type may be requested by the Agencies on a firm-specific basis or posed to a specified sub-group of targeted plan filers.

## 3. Reduced Resolution Plan

The required components of a reduced resolution plan would be limited to the following:

- A description of material changes experienced by the Covered Company since the filing of its previously submitted resolution plan and changes made to the strategic analysis in response to these changes;
- Changes to the resolution plan made in response to feedback provided by the Agencies, guidance issued by the Agencies, or legal or regulatory changes; and
- Information required to be included in the public section would be limited to the names of material entities, a description of core business lines, the identities of principal officers and a high-level description of the firm's resolution strategy, referencing the applicable resolution regimes for its material entities.<sup>61</sup>

## D. CRITICAL OPERATIONS

As under the Original Rule, critical operations are defined in the Resolution Plan Proposal as those operations of a Covered Company, including associated services, functions and support, the failure or discontinuance of which would pose a threat to U.S. financial stability.<sup>62</sup> In 2012, the Agencies jointly identified the critical operations of certain Covered Companies.<sup>63</sup> The Resolution Plan Proposal states that this initial set of identified critical operations has been largely unchanged since 2012, although some Covered Companies, as a result of changes to operating structures, realignment of business entities and changing market conditions, have submitted requests seeking reconsideration of particular past

determinations.<sup>64</sup> Accordingly, the Agencies have concluded that “a periodic, comprehensive review of critical operations identifications would help to ensure that resolution planning remains appropriately focused on key areas.”<sup>65</sup>

The Resolution Plan Proposal would also add a definition of “identified critical operations” to clarify that critical operations can be identified by either the Covered Company itself or jointly identified by the Agencies.<sup>66</sup> When an operation has been identified by either method, it would need to be addressed as a critical operation in the resolution plan.<sup>67</sup>

### 1. Identification of Critical Operations by Covered Companies

The Resolution Plan Proposal would require Biennial Filers and Triennial Full Filers to establish and maintain a process for the identification of critical operations on a scale that reflects the nature, size, complexity and scope of their operations.<sup>68</sup> Under the Resolution Plan Proposal, such methodology for identifying critical operations must be designed to identify and assess (1) the *economic functions* engaged in by the Covered Company (e.g., deposit taking; lending; payments, clearing and settlement; custody; wholesale funding; and capital markets and investment activities); (2) the *markets* or *activities* through which the Covered Company engages in those economic functions; (3) the *significance* of those markets and activities to U.S. financial stability; and (4) the *significance* of the *Covered Company* as a provider or participant in those markets or activities.<sup>69</sup> In determining whether a market or activity is significant to U.S. financial stability or whether the firm is a significant provider or participant in such market or activity, the firm would be expected to consider factors such as substitutability, market concentration, interconnectedness, and the impact of cessation.<sup>70</sup> The Resolution Plan Proposal states that this analysis should focus on the significance of the activity to U.S. *financial stability* and *not* whether a particular activity is significant for a foreign parent or other foreign affiliate of the firm.<sup>71</sup>

The Resolution Plan Proposal would require a Covered Company to undertake the critical operations review with at least the same frequency as its resolution plan submission cycle and that the review process be documented in the Covered Company’s corporate governance policies and procedures.<sup>72</sup>

The Resolution Plan Proposal would permit Covered Companies that have previously submitted a resolution plan but that do not currently have an identified critical operation to apply for a waiver of the requirement to institute a process and methodology to identify critical operations.<sup>73</sup> As is the case with all waivers, a Covered Company would need to submit such a waiver request at least 15 months in advance of the filing date for its next resolution plan, the waiver request would be automatically granted on the date that is nine months prior to the plan due date, unless the Agencies *jointly* deny the waiver request before that time.<sup>74</sup> The waiver request must include a public section stating the Covered Company is seeking to waive this requirement. The waiver request would also include a confidential section in which the Covered Company would be required to present reasons why a waiver would be appropriate, including an explanation of why the process and methodology to be instituted would be unlikely to identify

any critical operation given the Covered Company's business model, operations and organizational structure.<sup>75</sup>

## **2. Identification of New Critical Operations by the Agencies, Rescission of Past Identifications and Periodic Agency Review**

The Resolution Plan Proposal would permit the Agencies to identify a new critical operation or rescind a prior identification at any time. In addition, the Agencies would be required to review all identified critical operations and the operations of Covered Companies for consideration as critical operations at least every six years, in order to either jointly identify any additional critical operation or jointly rescind any prior identification.<sup>76</sup>

## **3. Requests for Reconsideration and De-Identification of Self-Identified Critical Operations**

The Resolution Plan Proposal would allow a Covered Company to submit a written request that the Agencies reconsider the Agencies' past identification of a critical operation.<sup>77</sup> A Covered Company's written request would need to present all relevant information it expects the Agencies to consider and, if applicable, a description of the material differences between the current request and the most recent prior reconsideration request related to the same critical operation.<sup>78</sup> Any such request must be submitted "sufficiently before [the Covered Company's] next resolution plan to provide the [A]gencies with a reasonable period to reconsider the identification."<sup>79</sup> The Agencies say they would generally expect to complete such reconsideration no later than 90 days after receipt of all requested information.<sup>80</sup>

The Resolution Plan Proposal would also require a Covered Company to notify the Agencies if the Covered Company ceases to identify an operation as a critical operation.<sup>81</sup> The notice in this case should provide a complete and clear explanation of why the Covered Company previously identified the operation as a critical operation and why it no longer identifies the operation as a critical operation.<sup>82</sup> The submission of the notice should provide the Agencies with sufficient time (generally 12 months prior to a plan submission date) to consider whether, in response, they should act jointly to identify the operation as critical using their own authority.<sup>83</sup> Therefore, a Covered Company would generally be required to continue to treat an operation as a self-identified critical operation in any resolution plan it is required to submit within 12 months of the notification.<sup>84</sup>

## **E. CERTAIN RULE CLARIFICATIONS**

### **1. Resolution Strategy for Foreign-based Covered Companies**

The Resolution Plan Proposal would underscore that an FBO Covered Company should not assume in its plan submission successful execution of resolution actions outside of the United States that would eliminate the need for any U.S. subsidiaries to enter into resolution proceedings.<sup>85</sup> This reflects the inherent divergence between the SPOE resolution strategies of certain FBOs (which, if successfully carried out by authorities in the FBO's home country, would eliminate the need for the firm's U.S.

operations to enter resolution) and the Dodd-Frank statutory requirement that a Covered Company present a plan for its orderly resolution under the U.S. bankruptcy code.

## **2. Covered Company in Multi-tier FBO**

To address situations in which the top-tier holding company of a FBO is a government, sovereign entity or family trust, the Resolution Plan Proposal includes a formal process by which the Agencies would identify a subsidiary of such entity to serve as the Covered Company that would be required to file the resolution plan.<sup>86</sup> In making this identification, the Agencies will consider (i) the ownership of the FBO, including whether the FBO is owned or controlled by a foreign government, (ii) whether the action would be consistent with the purposes of the Proposed Rule, and (iii) any other factors that the Agencies determine are relevant.<sup>87</sup> The Agencies note that they have addressed these issues and identified alternative filers on a case-by-case basis to date and that the creation of a formal process is intended to promote clarity.

## **3. Removal of Incompleteness Concept and Related Review**

The Agencies propose to remove the requirement that they review a resolution plan within 60 days of submission and jointly inform the Covered Company if the plan is informationally incomplete or additional information is required.<sup>88</sup> The Agencies state that this process has not led to a finding of incompleteness since 2012.

## **4. Assessment of New Covered Companies, Effects of Merger**

The Resolution Plan Proposal would clarify that a FBO's status as a Covered Company, and presumably the associated assignment to a given Resolution Plan Filing Group, is to be routinely assessed by the company (i) quarterly for FBOs that file the Federal Reserve's Form FR Y-7Q on a quarterly basis and annually for FBOs that file the FR Y-7Q on an annual basis only and (ii) on the basis of total consolidated assets (and presumably risk-based indicators) as averaged over the preceding four calendar quarters.<sup>89</sup>

In the case of a firm whose assets have grown due to a recent merger, acquisition, combination or similar transaction, the Agencies would have the discretion to consider the relevant assets reflected in one or more of the four most recent reports of the pre-combination entities (*i.e.*, the FR Y-9C in the case of a U.S. firm and the FR Y-7Q in the case of a FBO) to assign the combined firm to initial Covered Company status or to a new Resolution Plan Filing Group.<sup>90</sup>

## **5. Timing of Initial Filings, Notices of Extraordinary Events and Changes to Resolution Plan Filing Group**

The Resolution Plan Proposal provides that when a firm becomes a Covered Company its first submission will be a full resolution plan to be due the next time the firm's applicable Resolution Plan Filing Group (biennial, triennial full or triennial reduced) submits resolution plans (whether full or targeted) as long as such submission deadline is at least 12 months after the time the firm becomes a Covered



Company. After its initial plan, subsequent plans would be of the same type (full or targeted) as the other filers in the firm's group.<sup>91</sup>

If a Covered Company undergoes a change in Resolution Plan Filing Group (e.g., where a Triennial Reduced Filer becomes a Triennial Full Filer), the generally applicable resolution plan submission deadline for its new group may be different from its old group, and the type of plan (full or targeted) the new group is preparing to submit may be different from the type the old group was preparing to submit. The Resolution Plan Proposal specifies the timing and type of resolution plan a Covered Company would be required to next submit in such a case.<sup>92</sup> The following figure summarizes these provisions.

**Figure 5: Changes in Filing Categories**

<b>Resolution Plan Submission Deadline for Newly Applicable Resolution Plan Group</b>		
	<b>If new deadline is same as prior group</b>	<b>If new deadline is different from prior group</b>
<b>And if new deadline is within 12 months</b>	<ul style="list-style-type: none"> <li>• Submit resolution plan by the deadline</li> <li>• Type of resolution plan based on prior or new group status</li> </ul>	<ul style="list-style-type: none"> <li>• Not required to submit resolution plan on the deadline; can wait until following deadline for new group</li> <li>• Type of resolution plan based on new group status</li> </ul>
<b>And if new deadline is after 12 months or later</b>	<ul style="list-style-type: none"> <li>• Submit resolution plan by the deadline</li> <li>• Type of resolution plan based on new group status</li> </ul>	<ul style="list-style-type: none"> <li>• Submit resolution plan by the deadline</li> <li>• Type of resolution plan based on new group status</li> </ul>
<b>Triennial Reduced Filer becomes Triennial Full Filer</b>		
<ul style="list-style-type: none"> <li>• Triennial Reduced Filer that becomes a Triennial Full Filer (e.g., due to the firm's U.S. assets growing to meet or exceed \$250 billion or meet or exceed \$100 billion with a risk-based indicator meeting or exceeding \$75 billion) must submit a full resolution plan by its next deadline that occurs at least 12 months in the future</li> <li>• After the Covered Company submits a full resolution plan, future submissions would be of the same type of resolution plan as other members of its new group submit</li> </ul>		

The Resolution Plan Proposal reserves the authority of the Agencies to require a Covered Company to submit a resolution plan earlier than the deadline for the new group's submission with 180 days advance notice. The proposal would also allow the Agencies to require a full resolution plan to be submitted within such time period as specified by the Agencies. Although the Agencies noted that, in such a case, they believe that 12 months is a reasonable period of time, a shorter period may be reasonable "in light of facts and circumstances."<sup>93</sup>

Further, the Resolution Plan Proposal would replace the requirement under the Original Rule for firms to notify the Agencies of "material events" (a term left undefined) with a requirement to provide notice of "extraordinary events." For this purpose, an "extraordinary event" is defined as a material merger, acquisition of assets or other similar transactions, or a fundamental change to the Covered Company's resolution strategy (e.g., change from SPOE to MPOE).<sup>94</sup>

## 6. Clarification of Mapping Expectations for FBOs

The Resolution Plan Proposal would clarify that FBOs are expected to map (i) the interconnections and interdependencies among their U.S. subsidiaries, branches and agencies; (ii) the interconnections and interdependencies between these U.S. entities and any critical operations and core business lines; and



(iii) the interconnections and interdependencies between these U.S. entities and any foreign-based affiliates.<sup>95</sup>

## 7. Deficiencies and Shortcomings – Standard of Review

Although the Agencies have previously defined “deficiency” and “shortcoming” in a public statement,<sup>96</sup> the Resolution Plan Proposal has included explicit regulatory definitions of these terms in order to enable public comment on their content.<sup>97</sup> Below is the proposed definition and associated consequence of each finding:

**Figure 6: Deficiencies and Shortcomings**

	Definition	Consequence
<b>Deficiency</b>	An aspect of a firm’s resolution plan that the Agencies jointly determine presents a weakness that—individually or in conjunction with other aspects—could undermine the feasibility of the firm’s plan.	The Covered Company must correct the deficiency and submit a revised resolution plan to avoid becoming subject to more stringent capital, leverage or liquidity requirements, or restrictions on the growth, activities or operations of the covered company or relevant subsidiary.
<b>Shortcoming</b>	A weakness or gap that raises questions about the feasibility of a firm’s plan, but is not jointly determined by the Agencies to rise to the level of a deficiency.	<ul style="list-style-type: none"> <li>• May require additional analysis or work by the Covered Company, including possibly in the form of an interim update.</li> <li>• If the shortcoming is not satisfactorily addressed substantively, with a corresponding appropriate explanation in the Covered Company’s resolution plan, it may be found to be a deficiency.</li> </ul>

## 8. Deletion of Reference to MIS-Related “Deficiencies”

The Resolution Plan Proposal deletes the term “deficiencies” from the regulatory text requiring that the resolution plan include information about “deficiencies, gaps or weaknesses” in a Covered Company’s management information systems (“MIS”), though the Agencies explain that this change is intended purely to eliminate potential confusion relative to the defined term “deficiency” and does not substantively change the information required relating to MIS.<sup>98</sup>

## 9. Incorporation by Reference

The Resolution Plan Proposal would continue to allow a Covered Company to incorporate by reference information from its previously submitted resolution plans, subject to the requirements that referenced information remain “accurate in all respects that are material to the resolution plan” and that the Covered Company clearly identify the information it is incorporating and the specific location of the information in the previously submitted plan.<sup>99</sup> No waiver request need be filed in order for this to take place.

## 10. Alternative Scoping and Tailoring Criteria

Consistent with the domestic tailoring proposals and FBO proposals, the Resolution Plan Proposal requests comment on the concept of adopting an alternative scoring methodology based on the U.S. G-SIB scoring methodology to determine whether to apply the resolution planning requirements to firms with

\$100 billion or more but less than \$250 billion in total consolidated assets, as well as the categorization for firms with \$250 billion or more in total consolidated assets. Under such an approach, the Agencies would use such scores to divide U.S. and foreign firms into the three proposed Resolution Plan Filing Groups that would determine the frequency and content of resolution plan filings.<sup>100</sup>

#### F. TRANSITION PERIOD

The Agencies have proposed that the Amended and Restated Resolution Plan Rule take effect on the *earlier* of (i) the first day of the first calendar quarter after issuance of the final rule and (ii) November 24, 2019.<sup>101</sup> The Agencies provided the chart incorporated here as Figure 3 above to summarize expected future filing deadlines for each proposed Resolution Plan Filing Group.

The specified effective date of November 24, 2019 corresponds with the effective date of the EGRRCPA provisions that raise the minimum asset threshold for automatic application of section 165(d) resolution planning requirement to \$250 billion in total consolidated assets. This suggests that the Agencies plan to finalize the rule in advance of the effective date of EGRRCPA to confirm formally (what has already been indicated in firm-specific feedback letters) that Category IV U.S. BHCs would not need to file a resolution plan at year-end 2019 and to avoid a situation in which a firm that is under the \$250 billion asset threshold, but also is proposed to become a Category II or III firm (and thus a Triennial Full Filer), would technically lapse out of the resolution planning requirement under EGRRCPA on a statutory basis, only to be subjected once more to the requirement when the rule ultimately becomes effective.

#### G. REQUEST FOR COMMENT

The Agencies posed a number of questions, summarized below.

- **Firms subject to resolution planning requirement.** For purposes of the Federal Reserve's discretion to apply the resolution planning requirement to U.S. firms with total consolidated assets of \$100 billion to \$250 billion, comment is requested on the categories of the proposed risk-based indicators and the levels at which they should be set.<sup>102</sup>
- **Filing groups.** For purposes of defining Resolution Plan Filing Groups, the Agencies request comment on (i) the advantages and disadvantages of the proposed risk-based indicators and (ii) the levels at which such indicators should be set for FBOs' U.S. operations. The Agencies also request comment on whether the risk-based indicators and thresholds are appropriate for distinguishing Biennial Filers, Triennial Full Filers and Triennial Reduced Filers, and whether the proposed submission cycles are appropriate.<sup>103</sup>
- **Resolution plan content.** The Agencies request comment on (i) the information content requirements of the current rule, (ii) the proposed content of targeted resolution plans and reduced resolution plans and (iii) whether the tailored plan category should be retained.<sup>104</sup>
- **Waivers.** The Agencies also request comment on the process identified for Covered Companies to request waivers and on areas where the Agencies should consider granting a waiver in the next plan submissions of the Covered Companies.<sup>105</sup>
- **Identification of critical operations.** The Agencies request comment on (i) all aspects of the proposal for firms to establish and implement a process to identify their critical operations, (ii) the frequency with which the Agencies should conduct a new identification process and review existing

critical operations identifications and (iii) what information should be considered in addressing a Covered Company's request to rescind an identified critical operation.<sup>106</sup>

- **Waiver of critical operation identification methodology requirement.** The Agencies request comment on how long, and in what circumstances, a waiver from the critical operations methodology should remain valid. The Agencies also request comment on whether firms that do not currently have identified critical operations should develop and maintain a process for identifying critical operations or be permitted to seek a waiver from this requirement.<sup>107</sup>
- **Alternative scoping criteria.** With respect to firms with \$100 billion to \$250 billion in total consolidated assets, comment is requested on (i) the advantages and disadvantages to using the alternative scoring methodology and category thresholds instead of the proposed thresholds; (ii) whether, if the alternative scoring methodology were adopted, the method 1 and/or method 2 scores should be used; (iii) the frequency with which banking organizations should be required to calculate their scores; (iv) the level at which method 1 or method 2 score thresholds should be set; and (v) other approaches that should be considered in setting thresholds for determining whether to apply the resolution planning requirements.<sup>108</sup>
- **Alternative tailoring criteria.** The Agencies request comment on whether, if the Federal Reserve were to use the alternative scoring methodology to determine whether to apply resolution planning requirements to firms with \$100 billion to \$250 billion in total consolidated assets, such methodology should be used to tailor resolution planning requirements. The Agencies also request comment on other approaches they should consider in setting thresholds for tailoring resolution planning requirements.<sup>109</sup>
- **Other items.** The Agencies request comment on whether (i) the incompleteness concept and related review should be retained, (ii) the definition of extraordinary of events, (iii) the definitions of "deficiency" and "shortcoming" and (iv) the proposed transition period.<sup>110</sup>

#### H. IDI PLAN PROPOSAL

As with the Resolution Plan Proposal, the FDIC has put forth the IDI Plan Proposal in light of developments, including EGRRCPA, and lessons learned over the course of reviewing multiple rounds of IDI Plan submissions.<sup>111</sup> The IDI Plan filing obligation currently applies to IDIs with \$50 billion or more in total assets, a level that was set in alignment with the original \$50 billion threshold for BHCs to file resolution plans under section 165(d) of Dodd-Frank. The IDI Plan Proposal notes that the IDI Rule is not required by Dodd-Frank or any other statute, but is instead an exercise of the FDIC's general statutory authority as the deposit insurer and receiver for failed IDIs.<sup>112</sup> Although noting that the IDI Rule and Dodd-Frank resolution planning requirements are "distinct in many ways," the IDI Plan Proposal seeks comment on whether the asset threshold for application of the IDI Rule should be raised above \$50 billion in keeping with the principles underlying EGRRCPA.<sup>113</sup> The IDI Plan Proposal also proposes (i) creation of tiered requirements based on differences in size, complexity and other relevant factors; (ii) revisions to the frequency and required content of IDI Plans; and (iii) improvements to the process for periodic engagement between the FDIC and institutions on resolution-related matters.<sup>114</sup>

In explaining the principles that might guide the establishment of tiered requirements, the IDI Proposal identifies three broad categories of challenges for resolving IDIs: size, complexity and the degree to which the IDI relies on uninsured or market-based funding.<sup>115</sup> In assessing these challenges, the IDI Plan Proposal starts with a baseline recognition that 95 percent of resolutions since 2007 have been

conducted by the FDIC using a purchase and assumption (“P&A”) format, in which the IDI’s franchise and assets are sold to an open institution in an assisted transaction, generally to a single acquirer that assumes nearly all of the failed IDI’s liabilities.<sup>116</sup> The IDI Plan Proposal casts the purpose of the IDI Rule as helping the FDIC prepare for a successful IDI resolution where the P&A format is not readily available – resulting, for such IDIs, in “a focus on the challenges that resolution involving a bridge bank would entail.”<sup>117</sup>

For instance, “[c]ertain CIDs may be too large to be acquired by any other open institution in a P&A transaction, due to legal limitations on liability concentration or operational or economic conditions,”<sup>118</sup> justifying – in the FDIC’s view – IDI-specific resolution planning focused on the FDIC’s ability to execute a bridge bank resolution strategy.<sup>119</sup> Likewise, where an IDI exhibits a heightened degree of “complexity” in the form of “multiple business lines, frequently involving affiliated, interconnected legal entities and extensive, geographically dispersed branch networks,” “capital markets activities in multiple jurisdictions” or participation “in multiple payment, clearing and settlement systems,” execution of either a bridge bank or P&A transaction will require “separation of the CID from its parent and affiliate entities, including both organizational and contractual connections, in a manner that preserves the value and allows the continuation of the business of the CID either by a bridge bank or as a component of an acquirer’s business.”<sup>120</sup> In addition to these elements of complexity, reliance by a CID on uninsured deposits and market-based funding can add to the challenges faced by the FDIC in resolution.<sup>121</sup>

With these broad features in mind as the elements that might appropriately guide the IDI tailoring efforts, the IDI Plan Proposal presents two alternative tailoring frameworks:

- Under Alternative One, CIDs would be divided into three groups of filers: Group A would include the largest, most complex, internationally active IDIs; Group B would include larger, more complex regional IDIs; and Group C would include smaller, less complex regional IDIs.<sup>122</sup>
  - The proposal notes that for the envisioned set of Group A firms, “[a] P&A transaction with an assuming institution is highly unlikely.”<sup>123</sup>
  - For the envisioned set of Group B firms, “it may be unlikely that an assuming institution would be available to purchase the assets and assume the liabilities of the failed CID at the time of its failure,” due to the “complexity of its operations, or the specialized nature of its business”.<sup>124</sup> However, because Group B IDIs do not have the features of size, complexity and funding exhibited by Group A IDIs, they would be permitted to submit a “further streamlined” IDI plan.<sup>125</sup>
- Under Alternative Two, CIDs would be divided into two groups of filers: The first group would include CIDs that would be Group A or B CIDs under Alternative One (*i.e.*, the “Larger” CIDs), and the second group would be the Group C CIDs.<sup>126</sup>
  - Larger CIDs would be required to make IDI Plan submissions according to individually-tailored firm-specific informational requirements to be specified by the FDIC based on where a particular CID sits on a “continuum” of complexity.

Under each Alternative, CIDs in Group A and B (but not those in Group C) would continue to be required to submit IDI Plans. However, Group C CIDs would, along with Group A and B CIDs, be required to

engage with FDIC staff on resolution planning matters and undergo periodic capabilities testing to support the FDIC's resolution planning efforts.<sup>127</sup> Specifically, the FDIC is considering modifying the existing requirement that a CIDI make its personnel available to facilitate the FDIC's assessment of the IDI Plan to further require that the CIDI engage with the FDIC to provide feedback on the development of the FDIC's resolution strategy for the CIDI.<sup>128</sup> The scope of this outreach would differ for Larger CIDs as opposed to Group C CIDs.<sup>129</sup> The FDIC is also considering implementing supplemental resolution planning outreach and engagement when it determines that a CIDI is in stress or becomes troubled.<sup>130</sup>

Also under each Alternative, each CIDI would continue to be subject to periodic capabilities testing to verify (i) the ability of the CIDI to promptly provide critical information if required to do so and (ii) in the case of a CIDI that submits IDI Plans, the accuracy of IDI Plan information. The nature of the testing would be tailored according to the size, complexity and other factors of the CIDI.<sup>131</sup>

Where the two alternative approaches to establishing tiered requirements truly diverge is in how they would implement the proposed revisions to the frequency and required content of IDI Plans, as summarized in the figure below:<sup>132</sup>

**Figure 7: Content and Frequency under IDI Plan Proposal Alternatives**

Tiered Requirements	Alternative One	Alternative Two
<b>Content</b>	<ul style="list-style-type: none"> <li>Group A and B firms would have distinct informational requirements that would be uniformly applicable within a given Group <ul style="list-style-type: none"> <li>Group A: subject to all content requirements of the amended IDI Rule, which would be streamlined compared to current IDI Rule</li> <li>Group B: subject to a subset of the content requirements</li> </ul> </li> <li>Waivers may be provided to allow elimination of content where appropriate, incorporation by reference to the prior plans (including 165(d) resolution plans) is also available</li> </ul>	<ul style="list-style-type: none"> <li>Larger CIDs: informational requirements would be specified by the FDIC based on where the particular CIDI sits on a "continuum" of complexity. Each CIDI would be required to include informational elements based on the presence or absence of specific "components of complexity" at that CIDI</li> <li>The IDI Plan Proposal explains that a Larger CIDI that engages in significant cross-border operations, but that does not have a significant qualified financial contracts ("QFC") business or provide systemically important functions, would probably (i) be required to include a robust discussion of its cross-border operations but (ii) be allowed to provide streamlined content on the items related to QFCs and systemically important functions, or possibly to omit certain content in these areas</li> </ul>
<b>Frequency</b>	<ul style="list-style-type: none"> <li>Group A: submit IDI Plans biennially</li> <li>Group B: submit IDI Plans triennially</li> </ul>	<ul style="list-style-type: none"> <li>Larger CIDs: submit IDI Plans biennially or triennially based on the CIDI's characteristics</li> </ul>
	Under either Alternative, filing could alternate between full IDI Plan submissions and streamlined content submissions	

With respect to content, the FDIC is also considering (i) eliminating the expectation that the CIDI self-assess the viability of its IDI Plan; (ii) eliminating or diminishing the requirement that the CIDI provide detailed information on the corporate governance structure for developing, approving and filing the IDI Plan; and (iii) clarifying that it is the responsibility of the FDIC, not the CIDI, to develop the preferred

resolution strategy in this context and to confirm that such strategy would satisfy the least cost test, on the basis of information provided by the CIDI.<sup>133</sup>

Although the FDIC invites comment on “all aspects” of its large IDI resolution planning activities and process, the IDI Plan Proposal and the IDI Rule,<sup>134</sup> it has also posed a number of questions in connection with the IDI Plan Proposal, including with respect to the following topics:

- **Tiered submission groups:** The FDIC seeks comment on (i) the metrics that should be used to determine which institutions are subject to the IDI Rule; (ii) how, under the proposed Alternatives, the FDIC should determine which CIDs are in which group; (iii) the pros and cons of each Alternative and any variations of either Alternative that the FDIC should consider; (iv) the usefulness and feasibility of, and criteria that should be used under, Alternative Two; and (v) whether, and in what circumstances, the FDIC should have discretion to move a CIDI to a different filing group.<sup>135</sup>
- **Content:** The FDIC seeks comment on (i) the costs and benefits, and the most burdensome aspects, of the current IDI Plan content requirements; (ii) the costs and benefits of IDI Plans for CIDs whose parent companies have adopted SPOE, and any specific requirements of the IDI Rule that may not be necessary for such CIDs; (iii) any additional steps the FDIC should take to remove duplication between 165(d) resolution plans and the IDI Plans; (iv) what content requirements should be modified for CIDs required to submit IDI Plans; (v) the usefulness, and possible expanded uses, of waivers; (vi) the advisability of the Alternative Two approach to informational requirements; (vii) any content not presently required by the IDI Rule that could improve the effectiveness of IDI Plans and planning; (viii) balancing the goal of having transparent content requirements against the goal of streamlining based on the features of individual CIDs; (ix) any changes to the public portions of IDI Plans to make the resolution planning process more transparent; (x) whether FDIC feedback letters on IDI Plans should be made public; and (xi) anything else the FDIC should consider tailor the burden of preparing and submitting IDI Plans, including any relevant technology.<sup>136</sup>
- **Engagement and capabilities testing:** The FDIC seeks comment on (i) the costs and benefits of replacing CIDI Plans for Group C CIDs with engagement; (ii) the most effective format for engagement with CIDs to solicit feedback on resolution strategies and plans developed by the FDIC; (iii) the approach to CIDI capabilities testing; and (iv) whether the FDIC should conduct simulations with CIDs and, if it does, whether any aspects of such simulations should be made public.<sup>137</sup>
- **Frequency:** The FDIC seeks comment on the frequency with which (i) IDI Plans should be required and (ii) the FDIC should conduct resolution planning outreach with each group of CIDs. The FDIC also seeks comment on (i) the costs and benefits of the proposed two/three-year and alternating full/streamlined content cycles; (ii) whether and how the IDI Plan submission timeline should be synchronized with the 165(d) resolution plan submission timeline; (iii) whether the FDIC should consider a program under which information on various content areas is due at various times, instead of all on one date; and (iv) conditions-based triggers to increase resolution planning engagement with CIDs experiencing stress or troubled conditions.<sup>138</sup>

The FDIC Board of Directors also voted to delay the next round of submissions under the IDI Rule until the rulemaking process, which will involve a subsequent Notice of Proposed Rulemaking, has been completed.<sup>139</sup>

\* \* \*



ANNEX I<sup>140</sup>

Foreign banking organizations that would be triennial reduced filers		
Agricultural Bank of China	Australia and New Zealand Banking Group	Banco Bradesco
Banco De Sabadell	Banco Do Brasil	Banco Santander
Bank of China	Bank of Communications	Bank of Montreal
Bank of Nova Scotia	Bayerische Landesbank	BBVA Compass
BNP Paribas	BPCE Group	Caisse Federale de Credit Mutuel
Canadian Imperial Bank of Commerce	China Construction Bank Corporation	China Merchants Bank
CITIC Group Corporation	Commerzbank	Commonwealth Bank of Australia
Cooperative Rabobank	Credit Agricole Corporate and Investment Bank	DNB Bank
DZ Bank	Erste Group Bank AG	Hana Financial Group
Industrial and Commercial Bank of China	Industrial Bank of Korea	Intesa Sanpaolo
Itau Unibanco	KB Financial Group	KBC Bank
Landesbank Baden-Weurtemberg	Lloyds Banking Group	National Agricultural Cooperative Federation
National Australia Bank	Nordea Group	Norinchukin Bank
Oversea-Chinese Banking Corporation	Shinhan Bank	Skandinaviska Enskilda Banken
Societe Generale	Standard Chartered Bank	State Bank of India
Sumitomo Mitsui Financial Group	Sumitomo Mitsui Trust Holdings	Svenska Handelsbanken
Swedbank	UniCredit Bank	United Overseas Bank
Westpac Banking Corporation	Woori Bank	



## ENDNOTES

- <sup>1</sup> Federal Reserve and FDIC, Notice of proposed rulemaking (April 8, 2019), available at <https://www.federalreserve.gov/aboutthefed/boardmeetings/files/resolution-plans-fr-notice-20190408.pdf> (the “NPR”). See our Memorandum to Clients, *Regulatory Tailoring: Federal Bank Regulators Propose Significant Revisions to the Application of Prudential Standards for Foreign Banking Organizations, Seek comment on Whether to Impose Standardized Liquidity Requirements on Their U.S. Branches and Agencies, and Propose Significant Revisions to Resolution Planning Requirements* (April 8, 2019), available at <https://www.sullcrom.com/regulatory-tailoring>.
- <sup>2</sup> See Pub. L. No. 115-174 (2018), available at <https://www.congress.gov/115/bills/s2155/BILLS-115s2155enr.pdf>. For further discussion of the EGRRCPA, see our Memorandum to Clients, *Financial Services Regulatory Reform Legislation: “Economic Growth, Regulatory Relief, and Consumer Protection Act” is Enacted* (May 24, 2018), available at <https://www.sullcrom.com/financial-services-regulatory-reform-legislation-economic-growth-regulatory-relief-and-consumer-protection-act-is-enacted>.
- <sup>3</sup> See NPR at 1.
- <sup>4</sup> Covered Companies are defined by Section 165(d) of Dodd-Frank, as originally enacted, as nonbank financial companies supervised by the Federal Reserve and BHCs with \$50 billion or more in total consolidated assets. 12 U.S.C. § 5365(d). EGRRCPA (i) eliminated the section 165(d) resolution planning requirement for firms with less than \$100 billion in total consolidated assets; (ii) raises the minimum asset threshold for automatic application of the requirement from \$50 billion to \$250 billion in total consolidated assets, effective November 24, 2019; and (iii) provides the Federal Reserve with the authority to apply the resolution planning requirement to firms with \$100 billion to \$250 billion in total consolidated assets. Under Section 401(f) of EGRRCPA, any U.S. BHC that has been identified as a G-SIB under the Federal Reserve’s regulations is considered a BHC with total consolidated assets of \$250 billion or more, regardless of the BHC’s actual asset size.
- <sup>5</sup> Federal Reserve Staff, *Notice of proposed joint rulemaking regarding resolution plans* (April 1, 2019) at 3–4, available at <https://www.federalreserve.gov/aboutthefed/boardmeetings/files/resolution-plans-board-memo-20190408.pdf>.
- <sup>6</sup> NPR at 8.
- <sup>7</sup> *Id.* at 4–5.
- <sup>8</sup> Doreen R. Eberley, Director, FDIC Division of Risk Management Supervision, and Alexandra S. Barrage, Associate Director, FDIC Office of Complex Financial Institutions, *Proposed Amendments to 12 C.F.R. Part 381 – Notice of Proposed Rulemaking* (April 4, 2019) at 20, available at <https://www.fdic.gov/news/board/2019/2019-04-16-notice-dis-b-mem.pdf>.
- <sup>9</sup> Jerome H. Powell, Chair, Federal Reserve, *Opening Statement on Proposals to Modify Enhanced Prudential Standards for Foreign Banks and to Modify Resolution Plan Requirements for Domestic and Foreign Banks* (April 8, 2019), available at <https://www.federalreserve.gov/newsevents/pressreleases/powell-opening-statement-20190408.htm>.
- <sup>10</sup> Lael Brainard, Governor, Federal Reserve, *Statement on Proposals to Modify Enhanced Prudential Standards for Foreign Banks and to Modify Resolution Plan Requirements for Domestic and Foreign Banks* (April 8, 2019), available at <https://www.federalreserve.gov/newsevents/pressreleases/3B1F641BEB4A485B994EBC38165F0F3B.htm> (the “Brainard Statement”); *Statement by Martin J. Gruenberg Member, FDIC Board of Directors, Notice of Proposed Rulemaking: Title I Resolution Plans* (April 16, 2019), available at <https://www.fdic.gov/news/news/speeches/spapr1619.html>.

ENDNOTES (CONTINUED)

- 11 FDIC, *Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets*, 84 Fed. Reg. 16620 (April 22, 2019), available at <https://www.fdic.gov/news/board/2019/2019-04-16-notice-dis-c-fr.pdf>.
- 12 Doreen R. Eberley, Director, FDIC Division of Risk Management Supervision, and Bret D. Edwards, Director, FDIC Division of Resolutions & Receiverships, *Advance Notice of Proposed Rulemaking Relating to 12 C.F.R. § 360.10 and Extension of Insured Depository Institution Resolution Plan Submission Deadlines* (April 10, 2019) at 2, available at <https://www.fdic.gov/news/board/2019/2019-04-16-notice-dis-c-mem.pdf> (the “IDI Plan Proposal Memo”).
- 13 FDIC, *Agencies Extend Deadline for Certain Resolution Plan Submissions* (August 30, 2018), available at <https://www.fdic.gov/news/news/press/2018/pr18052.html>.
- 14 12 U.S.C. § 5365(d).
- 15 See 12 C.F.R. Part 243.
- 16 See, e.g., Board of Governors of the Federal Reserve System and FDIC, *Guidance for 2017 § 165(d) Annual Resolution Plan Submissions by Domestic Covered Companies that Submitted Resolution Plans in 2015* (April 12, 2016), available at <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20160413a1.pdf>.
- 17 Board of Governors of the Federal Reserve System and FDIC, *Guidance for 2019 165(d) Resolution Plan Submissions by Domestic Covered Companies that Submitted Resolution Plans in July 2017*, 84 Fed. Reg. 1438 (February 4, 2019). For a further discussion of this guidance, see our Memorandum to Clients, *Final Resolution Planning Guidance for U.S. G-SIBs* (December 26, 2018), available at <https://www.sullcrom.com/final-resolution-planning-guidance-for-us-g-sibs>. The U.S. G-SIBs are Bank of America Corporation; The Bank of New York Mellon Corporation; Citigroup, Inc.; The Goldman Sachs Group, Inc.; JPMorgan Chase & Co.; Morgan Stanley; State Street Corporation; and Wells Fargo & Company.
- 18 EGRRCPA generally increased the asset threshold above which certain enhanced prudential standards apply to certain financial companies from \$50 billion in total consolidated assets to \$250 billion in total consolidated assets and granted the Federal Reserve discretion to determine whether a financial institution with assets equal or greater than \$100 billion should be subject to such standards. See Section 401 of Pub. L. No. 115-174.
- 19 See Proposed Rule at § \_\_\_\_\_.2(j) and § \_\_\_\_\_.13.
- 20 Currently, there are no non-bank financial companies that are supervised by the Board.
- 21 This figure is adapted from the Presentation Materials for Resolution Plan Requirements for Foreign and Domestic Banking Organizations, presented at the Board’s open meeting held on April 8, 2019, available at <https://www.federalreserve.gov/aboutthefed/boardmeetings/files/resolution-plans-visuals-20190408.pdf>.
- 22 See NPR p. 8-10. For more detail regarding the categories, see Federal Reserve, Prudential Standards for Large Bank Holding Companies and Savings and Loan Holding Companies, 83 Fed. Reg. 61408, 61412 (November 29, 2018) and our Memorandum to Clients, *Regulatory Tailoring for Large U.S. Banking Organizations* (November 5, 2018), available at <https://www.sullcrom.com/regulatory-tailoring-for-large-us-banking-organizations>.
- 23 NPR at 19; Proposed Rule at § \_\_\_\_\_.2(j)(3).
- 24 *Id.*
- 25 NPR at 19-20.
- 26 *Id.* at 20; Proposed Rule at § \_\_\_\_\_.4.
- 27 NPR at 20.
- 28 *Id.*; Proposed Rule at § \_\_\_\_\_.4.

## ENDNOTES (CONTINUED)

- 29 *Id.*
- 30 This figure is adapted from the Presentation Materials for Resolution Plan Requirements for Foreign and Domestic Banking Organizations, presented at the Board's open meeting held on April 8, 2019, available at <https://www.federalreserve.gov/aboutthefed/boardmeetings/files/resolution-plans-visuals-20190408.pdf>.
- 31 NPR at 27; Proposed Rule at § \_\_\_\_4(d)(2).
- 32 *Id.* The Agencies would notify any new Covered Company that has never filed a plan at least 12 months prior to the new filing date. *Id.*
- 33 NPR at 20-21; Proposed Rule at § \_\_\_\_4(a).
- 34 *Id.*
- 35 See Memorandum of the Staff of the Federal Reserve to the Board of Governors, *Notices of proposed rulemaking to align prudential standards for foreign banking organizations with those proposed for domestic banking organizations and to amend resolution planning requirements*, Appendix C (April 1, 2019) (hereinafter Board Memo), available at <https://www.federalreserve.gov/aboutthefed/boardmeetings/files/resolution-plans-board-memo-20190408.pdf>.
- 36 NPR at 21-22; Proposed Rule at § \_\_\_\_4(b).
- 37 NPR at 25; Proposed Rule at § \_\_\_\_4(b).
- 38 See Board Memo at Appendix C.
- 39 NPR at 26-27; Proposed Rule at § \_\_\_\_4(c). The filing requirement for FBOs with more than \$250 billion in total global assets is a statutory requirement included in Section 165(d) of Dodd-Frank, as amended by EGRRCPA. See 12 U.S.C. § 5365(d).
- 40 See Board Memo at Appendix C.
- 41 *Id.*
- 42 NPR at 37.
- 43 This figure is adapted from the Presentation Materials for Resolution Plan Requirements for Foreign and Domestic Banking Organizations, presented at the Board's open meeting held on April 8, 2019, available at <https://www.federalreserve.gov/aboutthefed/boardmeetings/files/resolution-plans-visuals-20190408.pdf>.
- 44 For the full informational requirements of a full resolution plan, see Proposed Rule at § \_\_\_\_5.
- 45 *Id.* at 37 n.23; Proposed Rule at § \_\_\_\_5(b).
- 46 Board of Governors of the Federal Reserve System and FDIC, *Guidance for 2019 165(d) Resolution Plan Submissions by Domestic Covered Companies that Submitted Resolution Plans in July 2017*, 84 Fed. Reg. 1438 (February 4, 2019).
- 47 The U.S. G-SIBs each received a feedback letter related to their 2017 resolution plan on December 19, 2017. Four FBOs each received a feedback letter related to their 2018 resolution plan on December 20, 2018. Fourteen BHCs each received a feedback letter related to their 2017 resolution plan on March 29, 2019. These letters are available at <https://www.federalreserve.gov/supervisionreg/resolution-plans.htm>.
- 48 NPR at 28.
- 49 NPR at 29.
- 50 NPR at 29; Proposed Rule at § \_\_\_\_4(d)(6)(i).
- 51 NPR at 29; Proposed Rule at § \_\_\_\_4(d)(6)(ii).

ENDNOTES (CONTINUED)

- 52 NPR at 29; Proposed Rule at § \_\_\_\_4(d)(6)(ii)(C).
- 53 NPR at 31; Proposed Rule at § \_\_\_\_4(d)(6)(ii)(B).
- 54 NPR at 31.
- 55 *Id.*
- 56 NPR at 29; Proposed Rule at § \_\_\_\_4(d)(6)(ii)(D). Governor Brainard, in her statement explaining her dissenting vote, objected to the requirement that the Agencies jointly deny the waiver request and argued that such a requirement may weaken the resolution planning process for very large banking firms and leave the financial system less safe. See Brainard Statement at 3.
- 57 NPR at 30; Proposed Rule at § \_\_\_\_4(d)(6)(ii)(A).
- 58 NPR at 30.
- 59 NPR at 32.
- 60 NPR at 32-35; Proposed Rule at § \_\_\_\_6.
- 61 NPR at 36-37; Proposed Rule at § \_\_\_\_7.
- 62 See 12 C.F.R. § 381.2(g); NPR at 39; Proposed Rule at § \_\_\_\_2(k).
- 63 NPR at 37-38.
- 64 NPR at 38.
- 65 *Id.*
- 66 NPR at 39; Proposed Rule at § \_\_\_\_2(s).
- 67 NPR at 39.
- 68 NPR at 39; Proposed Rule at § \_\_\_\_3(a)(1)
- 69 NPR at 39-40; Proposed Rule at § \_\_\_\_3(a)(1)(ii).
- 70 NPR at 40.
- 71 *Id.*
- 72 NPR at 40; Proposed Rule at § \_\_\_\_3(a)(1)(i).
- 73 NPR at 41; Proposed Rule at § \_\_\_\_3(a)(2).
- 74 NPR at 41-42; Proposed Rule at § \_\_\_\_3(a)(2)(ii)-(iii).
- 75 NPR at 41; Proposed Rule at § \_\_\_\_3(a)(2)(i). Failure to provide appropriate information jointly requested by the Agencies in a timely manner could lead the Agencies to deny the waiver request. NPR at 41.
- 76 NPR at 42-43; Proposed Rule at § \_\_\_\_3(b).
- 77 NPR at 43; Proposed Rule at § \_\_\_\_3(d).
- 78 NPR at 43; Proposed Rule at § \_\_\_\_3(d)(1).
- 79 NPR at 43; Proposed Rule at § \_\_\_\_3(d)(2)(ii).
- 80 The Proposed Rule provides that if a request for reconsideration is submitted at least 270 days before the date on which the Covered Company is required to submit its next resolution plan, the Agencies will complete their reconsideration at least 180 days before the date the next resolution plan is due, although the Agencies may jointly extend this period by no more than 90 days. The Agencies may also jointly request more information to complete their reconsideration if necessary. See Proposed Rule at § \_\_\_\_3(d)(2)(ii).
- 81 NPR at 43; Proposed Rule at § \_\_\_\_3(e)(1).

ENDNOTES (CONTINUED)

- 82 *Id.*
- 83 NPR at 43; Proposed Rule at § \_\_\_\_3(e)(2).
- 84 NPR at 43.
- 85 NPR at 45; Proposed Rule at § \_\_\_\_4(h)(3).
- 86 NPR at 45; Proposed Rule at § \_\_\_\_2(j)(4).
- 87 Proposed Rule at § \_\_\_\_2(j)(4).
- 88 NPR at 46.
- 89 NPR at 46; Proposed Rule at § \_\_\_\_2(j)(1)(iv).
- 90 NPR at 47; Proposed Rule at §§ \_\_\_\_2(j)(1)(iii)–(iv).
- 91 NPR at 47–48; Proposed Rule at §§ \_\_\_\_4(a)(6), (b)(5), (c)(5).
- 92 NPR at 48–49; Proposed Rule at § \_\_\_\_4(d)(1).
- 93 NPR at 50; Proposed Rule at § \_\_\_\_4(d)(2).
- 94 NPR at 50; Proposed Rule at § \_\_\_\_4(d)(4).
- 95 NPR at 51; Proposed Rule at § \_\_\_\_5(a)(2)(i).
- 96 Federal Reserve and FDIC, *Resolution Plan Assessment Framework and Firm Determinations (2016)* (April 13, 2016) at 19, available at <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20160413a2.pdf>.
- 97 NPR at 51; Proposed Rule at §§ \_\_\_\_8(b), (e).
- 98 NPR at 53; Proposed Rule at §§ \_\_\_\_5(f)(1)(v)(B).
- 99 NPR at 53–54; Proposed Rule at § \_\_\_\_4(j).
- 100 NPR at 54.
- 101 NPR at 65.
- 102 NPR at 16–17.
- 103 NPR at 25, 27–28.
- 104 NPR at 29, 35 and 37.
- 105 NPR at 32.
- 106 NPR at 44.
- 107 NPR at 42.
- 108 NPR at 58–59, 63–64.
- 109 NPR at 65.
- 110 NPR at 46, 51, 53, 67.
- 111 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16623.
- 112 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16623.
- 113 *Id.* Authority cited for the original IDI Rule includes: 12 U.S.C. §§ 1817(b), 1818(a)(2), 1818(t), 1819(a) Seventh, Ninth and Tenth, 1820(b)(3), (4), 1821(d)(1), 1821(d)(10)(c), 1821(d)(11), 1821(e)(1), 1821(e)(8)(D)(i), 1823(c)(4), 1823(e)(2); Sec. 401(h), Pub. L. 101–73, 103 Stat. 357.

ENDNOTES (CONTINUED)

- 114 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16620.
- 115 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16622.
- 116 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16621.
- 117 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16622.
- 118 *Id.* (citing—at note 9—12 USC § 1852 (concentration limits on large financial firms)).
- 119 *Id.*
- 120 *Id.*
- 121 *Id.*
- 122 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16624.
- 123 *Id.*
- 124 *Id.*
- 125 *Id.*
- 126 *Id.*
- 127 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16626–27.
- 128 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16626.
- 129 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16626–27.
- 130 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16627.
- 131 *Id.*
- 132 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16625–27.
- 133 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16625.
- 134 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16624.
- 135 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16624–25.
- 136 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16626.
- 137 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16627.
- 138 Resolution Plans Required for Insured Depository Institutions with \$50 Billion or More in Total Assets, 84 Fed. Reg. at 16627–28.

ENDNOTES (CONTINUED)

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<sup>139</sup> FDIC, Press Release, FDIC Seeks Comment on New Approaches to Insured Depository Institution Resolution Planning (April 16, 2019), *available at* <https://www.fdic.gov/news/news/press/2019/pr19034.html>.

<sup>140</sup> This figure is adapted from the Presentation Materials for Resolution Plan Requirements for Foreign and Domestic Banking Organizations, presented at the Board's open meeting held on April 8, 2019, *available at* <https://www.federalreserve.gov/aboutthefed/boardmeetings/files/resolution-plans-visuals-20190408.pdf>.



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