

Federal Reserve and FDIC Issue Proposed Guidance on U.S. G-SIBs' 2019 Resolution Plan Submissions

By [The Davis Polk FIG Team](#) on June 29, 2018

POSTED IN [FDIC](#), [FEDERAL RESERVE](#), [RESOLUTION](#)

Today, the Federal Reserve and FDIC issued and invited comments on proposed guidance on the 2019 and subsequent submissions of the U.S. G-SIBs' 165(d) resolution plans. The Proposed Guidance is available [here](#).

The Proposed Guidance is largely similar to the guidance issued by the Agencies in April 2016, with information on the Agencies' expectations in the same six substantive areas: capital; liquidity; governance mechanisms; operational; legal entity rationalization and separability; and derivatives and trading activities. Its issuance does not come as a surprise, because the feedback letters on the U.S. G-SIBs' 2017 resolution plan submissions stated that the Agencies had identified four specific areas that require additional work to improve resolvability: intra-group liquidity, internal loss absorbing capacity, payment, clearing, and settlement services ("**PCS**") and derivatives and trading activities. In addition to the six general areas in the April 2016 Guidance, the Proposed Guidance addresses the latter two topics and states that additional guidance on the former two will be forthcoming, although that timing is unclear.

Eight specific questions are raised for comment, but comments are invited on all aspects of the Proposed Guidance within 60 days of its publication in the Federal Register. Because the Proposed Guidance restates most of the resolution planning guidance issued by the Agencies in April 2016, the broad request for comment opens all areas to potential change, not only those relating to PCS and derivatives and trading activities.