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Answers of the European Financial Congress to the questions asked in the Financial Stability Board's consultative document on Temporary Funding Needed to Support the Orderly Resolution of a Global Systemically Important Bank

1a. Are the principles on temporary funding in resolution identified in the report appropriate?

In general, Polish experts think that the principles of temporary funding of resolution presented in the Report are appropriate for:

1) minimising the risk of moral hazard,
2) preventing resolution to be funded by public funds and limiting the impact on the stability of public finance,
3) maintaining critical functions,
4) building confidence in institutions.

We present below some essential comments on the proposed principles of temporary funding in resolution:

1. As a rule, it should not be assumed that private funding may be unavailable or insufficient to conduct resolution processes. Such an approach may tempt banks to indulge in abuse. In order to avoid abuse, public authorities (the supervisor, resolution authorities, central government) should make every effort to ensure that the funding that public authorities consider – to the best of their knowledge – to be the necessary minimum for resolution to be completed, actually find themselves in the bank. In particular, temporary public support should contribute to reassuring the markets and restoring confidence in firms in resolution, since it is only when confidence is restored that private funding can be obtained and critical functions maintained.
2. For each bank, the level of liquid assets and assets available as collateral of liquidity assistance must be fixed, and then it must be checked, on a regular basis, whether the bank is secured consistently with the plan. However, if during the execution of the plan such amounts prove to be insufficient – once the bank runs out of its

own and investors' resources – also the public authority could provide the bank with liquidity support, in particular to encourage other market participants to do the same. This would send a clear message to investors that the state's intention is to save the bank and not to liquidate it due to lack of further private finance.

3. Current legislation should be made more specific as regards the conditions under which banks would be provided with short-term loans to support them in their temporary liquidity problems. First of all, it should be made clear when resolution funding will be repaid to the state – at the beginning of the resolution process, which is the desired option, or only at the end, along with the other creditors. Importantly, the consequences of the institution's problems must not be passed on to the sector as a whole (contagion effect).

To sum up, following an analysis, the authorities should determine the necessary amount of funds, and then see to it that the funds are available. The plan may also provide for additional support, after all private funding envisaged in the plan is exhausted, but the state must have a guarantee that the funds spent on the restructuring process will be reimbursed.

Furthermore, when developing resolution funding principles, two situations must be distinguished:

- the problem is caused by the group or a local bank, but **the scale of the problem goes beyond the subsidiary-parent relation.** In other words, the problem/its solution affects the other group members. In such a case, the recovery/restructuring process should be undertaken **on group level**, with full necessary cooperation of the home and host authorities.
- The problem is caused by a subsidiary bank and **the scale of the problem is local.** If the recovery or restructuring process does not require the participation of the group, but only of the bank owner/owners, it should be conducted **locally**, with full necessary cooperation of the home and host authorities.

In either case, full exchange of information between the host and home authorities will be indispensable.

It is also worth considering whether host countries should be allowed to "cut off" a subsidiary bank from its parent and not to proceed with resolution at group level if an investor is found in the host country who wants to buy the subsidiary bank.

1b. What additional elements, if any, should be considered for inclusion?

1. The purpose of public backstop funding should not be exclusively to restore public trust or encourage private sector to provide additional liquidity, but also to ensure that the critical functions are maintained further on. It remains to be determined whether funding support contracts signed with other financial institutions should be in place and whether such contracts should be given priority as sources of non-public finance.

2. The key guidelines presented in the consultation paper – including the hierarchy of temporary support during recovery – are aligned with the objectives set by the Financial Stability Board. Giving priority to private finance in the temporary funding process and using public sector support only as a last resort are to be considered appropriate. However, the consultation paper devotes too little attention to creating incentives for the private sector to participate in resolution programmes.
3. In some cases, private funding may prove insufficient. Given that supplying liquidity is a domain of central banks, as it seems, they may prove to be the most reliable source of liquidity. Therefore the above principles might be complemented with basic guidelines on the provision of liquidity by central banks. Above all, it should be ensured that decisions to award liquidity support should be taken by the central bank independently, based on its own assessment of the institution. Other important aspects include suitable level of interest (penalty rate) and adequate collateral.
4. Consideration should also be given to introducing rules on bank managers' pay to guarantee that resolution costs are as burdensome for them as they are for shareholders (e.g. limit on salary paid in cash or *malus*.
5. Consideration should be given to the liability of banking supervisors for supervision quality to eliminate the disproportion between their decision-making powers and accountability for the result of the recovery process.

2. What are your views on the most effective means for maximizing the availability and use of private funding sources in resolution in a manner consistent with orderly resolution?
Are there particular formats of private funding that should be considered?

Historical experience indicates that, in resolution process, private funding is very limited at times of crisis. As a rule, also other financial institutions tend to search for additional liquidity sources to mitigate the stresses. This is accompanied by reduced mutual trust and increased risk aversion. In such circumstances, mobilising liquidity on a private market seems difficult to be achieved in practice. The situation after the Lehman Brothers crisis best exemplifies this. The best option is for supervisors to respond pre-emptively to low capital levels and liquidity disruptions. Once resolution actions are launched, it is too late to maximise the availability of private funds. Maximising the availability of private funding sources in resolution should be achieved by establishing, on an *ex ante* basis, dedicated funds with the contributions paid by entities likely to be affected by the process. The formation of private consortia may be expected on condition that the restructuring process is short-lasting, as restructuring may involve high costs for some financial institutions. With rapid restructuring, it could be more beneficial for the participating institutions to keep the failing firm alive and, at the same time, proceed with its gradual liquidation.

This means, in turn, that resolution planning should engage various entities, not only the resolution authority, the supervisory authority, the central bank, and the government, but also the other market players that are expected to bear

the bank liquidation costs. This may involve non-standard actions allowing to achieve the same effect, but at a lower cost for the private sector and – most probably – over a longer period, i.e. in a less turbulent manner.

As it seems, maximising the availability and use of private funding sources in resolution requires efforts towards achieving synergy between the various levels of action, notably:

a) transparency of the terms and conditions under which private funds are used in resolution

   Financing resolution with private funds requires full openness, transparency and communication on the part of the public authorities. Irrespective of the scale and type of the problem, private sector can be expected to participate only when it has exhaustive information about the risk of involvement in a given process, possible costs, triggers, etc. It must have full knowledge about the possible actions and their consequences. Its potential participation in restructuring must be based on fully informed decisions. Otherwise there is a high risk that it will avoid, in the future, all kinds of activity likely to involve it once again in resolution against its will.

b) higher liquidity requirements for G-SIBs

   In order to maximise availability of private funding sources in resolution, appropriate and sufficient buffers should be established on an *ex ante* basis to cover extraordinary needs at times of liquidity stresses. Institutions should also have pre-developed solutions allowing them to mobilise funding by the issuance of specific securities. These should comprise prospectus standards, contracts with issuance guarantors, and a specific pool of assets that can collateralise issuance.

   Additionally, a liquidity buffer is proposed to be introduced for G-SIBs. Being part of G-SIBs' going concern, such buffer would play the same role as the capital buffer does for solvency. The buffer would take the form of a requirement to maintain increased LCR and NSFR levels. The institution would not be required to maintain the buffer in full – instead it could pay proportionally higher contributions to the resolution/deposit guarantee fund. The higher the buffer kept by the bank, the lower the contributions it could pay to the fund. However, some experts think that introducing additional buffers for G-SIBs would upset the competitive balance between banks. Still, they agree that this would be acceptable if banking supervisors resorted to the tool in duly justified cases.

   When faced with temporary liquidity problems, the bank would first satisfy its liquidity needs using its liquid assets plus the extra liquidity buffer. However, if a bank enters resolution, and liquidity is needed e.g. by a newly-established bridge bank, firms could be required to provide extra liquidity for that bank. Not only would such a solution avoid engagement of state funds, but could also improve market discipline and reduce the likelihood that liquidity will need to be supplied by the state. Importantly, given that only the new, additional buffer, would be resorted to, the liquidity security of the helping banks would not be reduced below what is ensured by current regulations.

c) instruments

The effectiveness of the use of private funding will depend on establishing an appropriate legal framework and a range of instruments allowing private finance to be used in resolution. This means, in particular, ensuring effective actions within cross-border groups and maintaining operational capacity allowing firms to identify rapidly and efficiently the assets that may become a source of funding or a collateral for such funding.

In addition to the general principles ensuing from TLAC requirements, there is a need to find other solutions that can be applied in a given situation to reduce restructuring and liquidation costs. It is worth giving more thought to the above-mentioned private consortia (when the scale of encumbrances for a single firm would be too high), whose task would be, for example, to fund the bank in resolution.

However, it must be remembered that private consortia require good organisation on the part of private entities and a reliable legal framework. A good example of such a solution in practice is the German LIKO bank, which acts as a lender of last resort. It owes its reliability as a mechanism for supporting banks' liquidity to the fact that the Bundesbank holds 30% of its shares.

Thus, when it comes to building mechanisms supporting liquidity in resolution, joint private-public consortia might be contemplated. In such cases, however, clear principles of public and private funding and the exit strategy for such entities must be established.

d) adequate system of incentives

In order to maximise the availability and use of private funding sources in resolution, credibility of the recovery plan and suitable level of incentives for participating in a given programme must be ensured. This is crucial given the expected participation of private investors and creditors in the loss absorption process in line with applicable requirements (MREL/TLAC). In this respect, it is necessary to maintain a balance between ensuring a suitable liquidity level for the resolved financial institution and sufficient rate of return for private investors, bearing in mind their potential share in the absorption of further losses (e.g. by redemption of receivables or their conversion into low-value equity instruments as part of the bail-in process). As it seems, fiscal incentives (e.g. tax exemptions or allowance) could be an option, subject to applicable state aid rules.

Allowances and preferences for institutions which provide funding to a bank in resolution could e.g. comprise:

- tax preferences,
- government guarantees reducing capital requirements (unfunded credit protection),
- lower capital buffers, as long as it does not disrupt the macroprudential policy,
- reducing contributions to deposit guarantee funds.

Otherwise, the interest of the private sector in financing resolution may prove negligible and may be only expressed by institutions seeking above-average returns, which would be counterproductive. Involving aggressive investors, such as hedging funds, in rescuing banks would be also difficult to accept for political reasons.

e) public sector and central bank guarantees

As it seems, providing public guarantees could be the best way of maximising private funding sources for G-SIBs in resolution. Unfortunately, this could actually mean that resolution would be financed by the state. It does not involve direct engagement of funds by the state, but at the same time, improves the credibility of the institution, by increasing – nearly immediately – its access to private markets (e.g. the interbank market), and influences the risk assessment by potential liquidity providers. **In the event public guarantees are called, the state would need to have priority in recovering the expended funds.**

It is key for institutions in resolution to regain private investors' confidence. This might be achieved when there was a form of public guarantee mechanisms, such as refinancing of private investors or guarantee that their losses will be mitigated. Public backstop should serve to regain trust through clear declaration of availability of public support, guarantee or collateral standards.

3. In cases where public sector backstop funding is needed in resolution, how should such funding ideally be structured so as to minimise the risk of moral hazard, reduce the need for temporary liquidity support from the public sector, and allow the firm to return to private sector funding?

A fundamental condition for reducing moral hazard will be the above-mentioned principle that public backstop funding should be mobilised as a last resort, even though this may not be possible in all cases. Resort should be made first to owners' funds. Their decision to become shareholders was fully conscious, so they need to bear the costs of the decision. If the owners' resources are insufficient to cover the loss or to recapitalise the resolved bank, resort should be made first to TLAC/MREL, and then, when required, to private investors. Should obtaining further private support be impossible, the state may reach for public funds and use them to recapitalise the bank. In specific cases, it should be considered whether placing the financial institution under temporary public ownership could be a condition for using public funds.

However, experience in recent years has shown that, in many countries, there is no readiness to assume ownership to the full extent. This is due to the fact that public owners may be potentially required to cover the losses, and this would mean loss of public money. Public intervention may also involve support from a deposit guarantee scheme. In situations when symptoms of panic start to appear on the market, the state may introduce, at least temporarily, deposit guarantees in full amounts, since this is the only way of encouraging people not to withdraw their money from banks.

As a key element, public backstop funding should focus on liquidity support, on assumption that public lending is collaterised by securities – as a rule, liquid and secure ones. In the event when high-quality and high-liquidity assets are exhausted, banks should have on hand prepared and segregated high-quality assets – usually non-liquid ones – that could collateralise public backstop funding extended under stressed circumstances.

In the case of G-SIBs, resolution seems to be doomed to fail without the central bank's readiness to provide readily available funding through secured loans or relief purchase of liquid assets. In addition, the central bank may supply liquidity in foreign currencies at prices not lower than market ones.

Furthermore, it is worth noting that making use of resolution funds, e.g. those envisaged by BRRD, reduces the risk of moral hazard, when such funds are contributed by financial institutions on an *ex ante* basis. It is necessary to set and ensure adequate level of resources in the fund to minimise resort to public funding sources, and lay down detailed rules on the repayment of such support after the restructuring process is completed. In this context, instruments must also be in place to encourage restructured firms to repay the support on a timely basis. Such instruments could include both enhanced supervision and regulatory requirements and e.g. restrictions on external transfers of finance (i.e. investment and dividend) until such time when the public support is repaid in full.

To minimise the risk of moral hazard when public backstop funding is necessary, a system of incentives should be duly constructed so that public funding is treated as an emergency solution and that private finance is the targeted source funding. The solutions used in practice will depend on the specific situation. Nevertheless, there are certain general characteristics of the funding structure that should ensure that the moral hazard risk associated with the use of public funds is mitigated:

a) response time – funds need to be provided as soon as possible so as to prevent the institution's problems from escalating, which could result in further funding restrictions and outflows,

b) supervision – public backstop funding should be granted under strict public control (supervision over entities, administrative sanctions); close supervision of successive resolution stages should be in place,

c) form – various forms of temporary and reimbursable support covered by effective asset-based collaterals; conditionally, also equity financing should be allowed provided that its duration and exit method are specified,

d) price of funding – high enough for support to be treated as extraordinary/temporary, and, at the same time, not so high as to prevent the restructuring process from succeeding (may be preferential at first to become growingly costly over time),

e) term of funding – funding should be extended for a sufficiently long period so as to maintain critical functions at times when public funding is unavailable, while

allowing the institution to withdraw from relying on public funds when there is room for it to return to the private funding market,

f) collateral haircut – sufficiently high to provide an incentive to withdraw from public funding once it is possible.

4. Do you agree with the suggested elements of resolution planning for temporary funding in Section 5?
What additional elements, if any, should be considered for inclusion?

All the above elements should be covered by an *ex ante* resolution plan, with a focus on the following:

- emergency plan in case of severe liquidity stress of the bank,
- identifying the assets that can be sold fast or collateralise financial support,
- indicating how the bank will meet the conditions for obtaining regular funding from the central bank to continue its critical functions.

This follows e.g. from the fact that a resolution plan has an individual nature and the weight of certain issues may depend on the characteristics of the firm concerned. At the same time, to improve the credibility and efficiency of the resolution plan, it would be advisable to specify not only the private funding sources, but also a system of associated incentives. It is also requisite to link precisely the recovery programme time frames with the liquidity sources for the individual resolution plan scenarios, and describe the strategy for ensuring and transferring liquidity in the context of the capital group as a whole.

In addition to the above elements, it would be worth giving thought to expanding the resolution plan in terms of temporary financing by adding the following:

a) communication plan with the media and the public to avoid panic and bank run, which would result in dramatic loss of financial liquidity,

b) estimation of the potential costs and negative impacts of the actions taken for stakeholders,

c) identifying the key threats to its effective execution,

d) defining the rules of cooperation within cross-border groups and for home and host supervisors,

e) public backstop support variants assuming the institution lacks assets meeting the criteria of public funding collateral,

f) strategy of public funding backstop under scenario of lack of collateral,

g) list of entities with the greatest exposure to the firm in resolution as those likely to be most interested in resolution support once the firm enters resolution,

h) the internal settlement model and indication of potential conflicts of interest between internal units.

One of the consequences of the resolution process outlined in the consultation paper is a far-reaching interference with the acquired rights of the shareholders and/or creditors of a given financial institution. Hence, for resolution to be completed efficiently, an appropriate legal framework is required, which includes giving the resolution authorities relevant powers under national laws to minimise the risk of the process being contested or challenged at any stage. As is observed in guidelines issued by the FSB, also close cooperation and coordination of actions between regulators and resolution authorities in home and host countries and clear division of responsibilities and powers in this respect are needed.

Furthermore, resolution plans should be subject to a regular (annual) review by prudential supervision authorities to ensure that they are based on up-to-date assumptions and reflect the prevailing market environment.

It follows from the resolution rules applied in the EU under BRRD that resolution plans should explain how the individual resolution options could be financed in the absence of any of the above types of support: extraordinary public support, emergency liquidity support from the central bank, and liquidity support provided by the central bank on non-standard terms as regards the collateral, term, and interest. The guidelines of the EBA on the content of resolution plans provide that resolution plans should include a description of the funding needs and sources necessary for the resolution strategy to be implemented, including liquidity issues.

In order to ensure that the resolution authorities follow an efficient process to prepare effective resolution plans, the following should be done:

- introduce, by the resolution authority, uniform rules for identifying the scenarios used to estimate losses and launch emergency plans. It is advisable that full comparability of the obtained results be provided in order to estimate appropriately and reliably the possibilities of finding an investor (when the bank is acquired by another institution), and assess the potential risks associated with interbank lending market freezes and mutual "contagion" of financial institutions (e.g. problems of a major bank cascade onto smaller institutions);
- specify the scope of information required from the institution by the resolution authority to prepare the resolution plan, and to determine the time limits for preparing and adopting the plan;
- review periodically recovery plans (prepared by banks) to ensure they are aligned with resolution plans (developed by the resolution authority);
- communicate with the bank's management on the assumptions of the resolution plan and planned actions;
- conduct stress tests as required by the resolution authority;
- consult with the banking sector on the feasibility and credibility of the action scenarios;
- ensure that banks have appropriate human resources responsible for resolution issues;
- analyse the potential and willingness of the shareholders/owners to participate in resolution.

The resolution plan should be reviewed and updated on an annual basis. It should contain:

- a list of entities with the greatest exposure to the firm in resolution (in nominal/relative terms) as those that may be most interested in resolution support once the firm enters resolution. Their risk position should be assessed too – because if risk is excluded, these entities will not be interested in resolution since their own risk will be covered otherwise;
- internal settlement model with indication of potential conflicts of interest between internal units – because, usually, inadequate safeguards against internal conflicts of interest leads to abuse, and therefore such factors need to be included – in fact, they should be subject to ongoing management.

5a. Do you agree with the approach outlined for cross border cooperation between home and host jurisdictions?

1. For G-SIBs, i.e. cross-border institutions, ensuring an effective process for the preparation (by the resolution authorities) of feasible and efficient resolution plans will require cooperation and full information flow between all resolution actors (home and host resolution authorities, supervisors, central banks, banks themselves). This cooperation should, at the resolution planning stage, include developing coordinated approaches to solving problems of the G-SIB, periodic reviews and updates of the resolution plans addressing any changes both in the structure of the G-SIB itself, and its environment.

   Even in the strongly harmonised European Union, the individual actors involved in the resolution process have a different position within the institutional system. While in most countries, banking supervision is exercised by the central bank, and likewise, liquidity support is provided independently by the central bank, the resolution authority may be located within different institutions: the central bank, the supervisory authority, the finance ministry, and even the deposit guarantee authority. Meanwhile, both the decision to initiate a resolution process and its execution require in-depth knowledge about the bank and its situation. Considering the tasks of the supervisory authority and the resolution authority, these two must definitely share information about individual firms which can be placed under resolution. This applies, in particular, to feeding information to the resolution authority which is to be in charge of the bank's restructuring process. The decisions taken in this respect may have far-reaching consequences and therefore suitable information flow must not be neglected, so that all parties engaged in the process or likely to be involved at some point have full knowledge about the bank to be restructured.

2. In essence, the Single Point of Entry (SPE) strategy means that resolution tools are used by the home resolution authority. Some liquidity provision instruments (especially central bank and public sector financing) for firms from host countries may be unavailable or insufficient in the home country. In practice, it may prove

challenging for the home resolution authority to ensure liquidity in local currency in another country from the central bank, which is free and independent to decide on providing liquidity support. Another major factor will be the timing of support, which will be crucial for the survival of the firm in resolution. In the case of the SPE strategy, close cooperation between the home and host resolution authorities is vital, too. On the one hand, the host resolution authority, which has better knowledge of the local environment, should pursue actions supporting the restructuring and orderly resolution conducted by the home authority. On the other, it should make sure that the approach of the home resolution authority is not too one-sided and does not lead to drainage of liquidity between firms of cross-border groups.

To sum up, there is a difference of opinion whether it is the right approach for the home resolution authority to be in charge of the resolution tools and coordination of the provision of liquidity, when the SPE strategy is applied.

The opponents raise the following issues:

- subsidiaries need not be affected by the problems;
- there are concerns that the home resolution authority will give lower priority to providing liquidity/ maintaining the critical functions of the firm located in the host jurisdiction;
- it is not clear if the SPE strategy will be effective in host countries in terms of compliance with local law and strategy/intentions of financial supervision. Practical application of the SPE strategy is doubtful;
- some liquidity provision instruments (especially central bank and public sector financing) may be unavailable or insufficient in the home country for firms from host countries;
- one-sided approach main lead to liquidity drainage between firms in cross-border groups.

3. For it to be efficient, also the MPE strategy requires coordination of actions within the group, which is entrusted to the home resolution authority. This follows from the fact that possible conflicts or inconsistencies could disrupt and reduce the effectiveness of the entire resolution process. Furthermore, in the case of the MPE strategy, the success of a resolution plan requires cooperation between local supervision authorities, the central bank, government bodies.

   To sum up, given the better access of these entities to information about the institution being resolved and lower level of legal barriers, the MPE approach would probably allow considering a greater number of funding sources and faster access to these sources.

In our view, it is logical to place coordinating actions at the level in the capital group where the losses are absorbed and liquidity is provided (i.e. at home country or host country level). However, regardless of which of the above options has been adopted by the capital group, we wish to stress the need of coordinating the actions of relevant resolution authorities.

5b. What additional principles or procedures, if any, should be considered?

It is recommendable that the division of roles between the home and host resolution authorities should be specified both for SPE and MPE. This applies in particular to the provision of funding and moving liquid assets within capital groups.

The above guidelines need to be complemented with formalised decision-making principles for resolution of G-SIBs, since such resolution will involve a large number of entities. The principles formulated are based, to a large extent, on exchange of information only. However, it is important for host country entities to have real influence on decisions taken during the resolution process (including the choice of resolution strategy).

Additionally, the operational details of cooperation between authorities should be agreed to ensure rapid information flow, e.g. establish contact lists and fast communication channels between members of the relevant institutions.

At the same time, special emphasis should be placed on cooperation between resolution authorities towards encouraging the authorities of the individual countries to lay down rules on funding provision and asset flow at times of crisis. The risk of ring fencing is significant, irrespective of the strategy adopted (MPE/SPE). Eliminating it does not seem possible, but existence of clear principles in this respect would support developing suitable action scenarios.

It should be remembered that over half of the G-SIBs from the list published by the FSB are banks based in the European Union. In the EU, the resolution funding rules have been set forth by the resolution directive and EBA guidelines. At the same time, many of the banks are members of the Banking Union, where additional rules are established within the framework of the Single Resolution Board and the Single Resolution Fund.

6. Are there any other actions that could be taken by firms or authorities with regard to the temporary funding needed to support the orderly resolution of a G-SIB?

1. The principles proposed by the Financial Stability Board are a step in the right direction towards introducing a mechanism minimising the risk of liquidity loss in resolution. Nevertheless, we would like to stress the insufficient – in our view – regulation in the document of issues linked to the participation of the private sector in the temporary funding of the critical functions of restructured financial institutions. The lack of adequate incentives for private investors significantly reduces their potential financial engagement in resolution, which contradicts the fundamental principle underpinning the proposed guidance formulated by the Board.

   Crucially, it remains to be determined who will be responsible for protecting the funds collected by the institutions in the context of possible fund flows between jurisdictions. In other words, it needs to be defined clearly who pays for resolution.

2. The authorities should work towards creating dedicated structures allowing finance to be supplied in a rapid and secure fashion (asset securitisation, eligible collateral,

public guarantees), taking into account issues related to liquidity needs in different currencies.

It is also vital to cooperate as closely and broadly as possible to produce standardised IT tools allowing the control of the bank management systems to be taken over so that its critical functions can be controlled as fast as possible.

3. Banks and resolution authorities should pursue educational activities, and share their experience and expertise related to best practices. All this should help improve early warning systems and prepare better recovery plans and orderly resolution plans, as well as develop concepts of ensuring finance for firms in resolution.
4. In order to ensure funding for orderly resolution, the authorities, resolution authorities, and banks should also:
   a) resolve issues related to the participation of individual types of stakeholders in the bank's liquidation,
   b) aim towards reaching the targeted level of funds to be held by the resolution authority as soon as possible and operationalise existing rules at country level and the level of individual financial institutions,
   c) consider the possibility of using in resolution the funds covered by the reserve requirement,
   d) consider introducing appropriate restrictions on the rights of secured and unsecured creditors as regards the rules on fund withdrawal before the situation stabilises.