

## **SPE vs MPE resolution strategies**

The choice between a Single Point of Entry (SPE) or Multiple Points of Entry (MPE) resolution strategy is based on banks' individual business models and characteristics. Both approaches are valid, but each has an impact on resolution planning and the role of resolution authorities should a bank fail.

## SPE



 The application of resolution powers at the parent level by a single resolution authority



· Bank resolved as a group



More suitable for centrally structured and operated banks



Group losses are absorbed by the parent



Operating subsidiaries should be able to continue as going concerns, without entering resolution



· Host authorities may need to support the resolution led by the home authorities

## **MPE**



• The application of resolution powers by **two or more** resolution authorities to different parts of the group



· Parts of the group could be separated in resolution



· More suitable for a decentralised group



· Losses are absorbed by the relevant subsidiaries



Subsidiaries should be able to continue operations as independent banks



The resolution powers applied to the separate parts need not be the same



Requires actions to be coordinated across jurisdictions