



SRB Annual Legal Conference 2025

Panel 1

From off-site resolution planning to resolution operationalisation: deep dives, on-site inspections, dry runs

Opening presentation

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Agenda

1. Taxonomy and goals

- Definitions and differences
- Cross integration
- Framing into the SRB Vision 2028

2. Principles and key points

- Principles
- Key points in OnSI design and implementation

- **On Site Inspections (OnSI):** investigation performed by authorities without any bank's consensus:
 - with pre-defined scope and timeframe;
 - on the premises of the bank;
 - with the aim of exploring the bank's processes, control arrangements and capabilities supporting the resolvability and the SRF contributions collection.
- **Deep Dives:** extension of the Off- Site Examination (OfSE) of the Internal Resolution Team in the bank's premises
 - Difference from OnSI: more focused and less formalized;
- **Other “On-Site Checks”:** dry-runs, testing, simulation
 - Difference from OnSI: arranged and performed by the banks themselves
 - ✓ Also at the request of the RA;
 - ✓ without excluding the RA from participating (even if in a silent mode).

Similarities and differences may guide in choosing:

- ✓ the **most appropriate tool**

(from time to time, according to the needs and the subject of the investigations)

- ✓ the **right sequence**;

- ✓ the **right balance** between **authority** driven and **bank** driven checks.

OnSI:

- an **essential tool in SRB revised strategy**
- a **multi-goal tool in the concrete experience:**
 - first-hand assessment for complementing the off-site screening of the bank;
 - follow-up for checking compliance with specific authorities' requests;
 - merely explorative.

Part of those goals can also be achieved by the means of other on-site tools (deep dives/OfSE) when first-hand assessment is not expected to be needed.

- **Effectiveness:** suitability for the purpose and the specific situation;
- **Efficiency:** minimization of costs for both authority and industry;
- **Proportionality:** “*not exceed what is necessary to achieve the objectives*” (EU Treaty);
- **Risk-based approach:** allocation of capacities, powers and resources to situations where the risk of failing to achieve the objectives is higher.

- **Robust methodology:** the quality of the output depends on the quality of the process.
- **Planning:**
 - tools and frequency planned and integrated in an overall exercise (encompassing OfSE);
 - coordination with the CA.
- **Appropriate preparation:**
 - clear and detailed mandate for the OnSI team;
 - focus on aspects covered by the regulation and according to the resolution objectives;
 - information acquisition from the OfSE and the bank.

➤ **Interaction with OfSE** (separation and integration):

- OnSI independent from the OfSE: different people in OnSI and OfSE teams, clear distinction and separation of processes;
- OfSE teams responsible for managing the inspection results;
- integration of the OfSE and OnSI resolution information and valuation.

➤ **Coordination with the CA:**

- integrated OnSI planning;
- joined inspections;
- mandate to the CA to carry out resolvability-aimed checks.

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