



ANNEX ON TESTING SEPARABILITY AND TRANSFER STRATEGIES

Amendment to the testing
guidance



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The document has been developed by the SRB, in close collaboration with the National Resolution Authorities (NRAs) in the Banking Union.

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Abbreviations

BRRD	Directive 2014/59/EU – Bank Recovery and Resolution Directive
EBA	European Banking Authority
FMI	Financial Market Infrastructure
IRT	Internal Resolution Team
MAR	Market Abuse Regulation
MIS	Management Information System
NRA	National Resolution Authority
OCIR	Operational Continuity in Resolution
SLA	Service Level Agreement
SRB	Single Resolution Board
SRMR	Regulation (EU) No 806/2014 – Single Resolution Mechanism Regulation
TPB	Transfer Playbook
TSA	Transitional Service Agreement

1. Resolvability Testing

In 2025 the SRB ran a dedicated consultation on resolvability testing for banks (see **Operational Guidance on Resolvability Testing for Banks**¹). This guidance outlines the SRB's expectations for banks regarding resolvability testing governance and testing environments. It also clarifies the different testing areas (in line with the EBA Guidelines on improving resolvability²), testing methods and the roles of participants in testing exercises.

Additionally, the guidance provides practical details on how banks should prepare for, and conduct, tests, including templates for reporting test outcomes.

The section below serves as a complement to the testing area and will be incorporated into the **Operational Guidance on Resolvability Testing for Banks**. Please note that the principles and capabilities outlined in the following paragraph refer to the **Resolvability Self-Assessment Template Guidance** published by the SRB on 7 August 2025³.

¹ The text which was placed under public consultation is available here: <https://www.srb.europa.eu/en/content/public-consultation-operational-guidance-resolvability-testing-banks>. The final version of this text was published in September 2025 here <https://www.srb.europa.eu/en/content/resolvability-testing-banks>.

² Guidelines EBA/GL/2023/05 amending Guidelines EBA/GL/2022/01 on improving resolvability for institutions and resolution authorities under Articles 15 and 16 of Directive 2014/59/EU (Resolvability Guidelines) to introduce a new section on resolvability testing.

³ See <https://www.srb.europa.eu/en/content/srb-publishes-operational-guidance-banks-resolvability-self-assessment>

1.1 Testing sub-areas

Testing sub-area: description		Heatmap capability(ies)
<p>Governance</p> <p>Institutions are expected to develop governance arrangements to demonstrate that they can comply with the resolution authorities' instructions pursuant to Articles 27(2) BRRD and 13(3) SRMR, and subject to the conditions envisaged therein being met, and support the resolution authorities throughout the overall transfer. The arrangements encompass:</p> <ol style="list-style-type: none"> 1) the transfer perimeter identification/structuring, 2) the performance of market soundings and marketing processes, 3) the potential appointment of external advisors, and 4) the support to resolution authorities with the information needed for the resolution scheme and implementing act, while 5) considering confidentiality arrangements, disclosure of inside information and market transparency, when relevant, in line with section D of the Transfer Playbook Guidance. <p>Institutions should have defined steps with tasks, responsibilities, timeframes, key dependencies, etc., highlighting the national specificities for the different arrangements.</p> <p>Therefore, institutions are expected to test, in accordance with the preferred resolution strategy or the variant resolution strategy, their capability to execute the aforementioned governance arrangements in accordance with the description in the transfer playbook. In particular, the following arrangements should be considered:</p>		<p>1.1.2.1</p> <p>1.2.1.1</p>
<p>Identification/ update of the transfer perimeter</p>	<p>Institutions are expected to identify and update the transfer perimeter prior to the Resolution Weekend (i.e., in the Preparatory Phase) in order to cater to all the changes and impacts induced by the crisis. Depending on the transfer perimeter components, institutions are expected to identify the applicable requirements in terms of information, licencing and authorisation, solvency and liquidity. The TPB</p>	<p>7.1.2.2</p> <p>7.1.4.3</p> <p>7.2.1.1</p> <p>7.2.3.1</p>

	<p>should describe the governance arrangements supporting the aforementioned tasks in accordance with focus point A.3.</p> <p>Banks are expected to test their capability to identify and adjust the transfer perimeter based on the latest information, events and instructions from the resolution authorities and to propose a structuring of the perimeter in line with market capacity and interest, following the consultation and escalation process defined in the Transfer Playbook.</p> <p>This sub-area corresponds to SRB expectations on the identification of the transfer perimeter, its timely update and the possibility of considering perimeter shifts, multiple transfers, and no-creditor-worse-off assessments.</p>	
Update of the marketability analysis	<p>Institutions are expected to inform resolution authorities of market capacity and interest in the Preparatory Phase, where the resolution authorities decide to exercise the power under Article 27(2) BRRD and Article 13(3) SRMR⁴. The TPB should describe the governance arrangements supporting the aforementioned tasks in accordance with focus point A.2.</p> <p>Institutions are, therefore, expected to test their capability and procedures to identify potentially interested parties, gather the latest relevant information about market capacity and interest, perform market soundings and to update the marketability analysis based on the information gathered, in the context of resolution. The test should highlight the possible dependencies on external stakeholders and advisors.</p> <p>This sub-area relates to the assessment of market capacity and interest.</p>	<p>7.2.3.1</p> <p>7.2.1.2</p>

⁴ The Resolution Authority shall have the power to require the institution, or the parent undertaking, to contact potential purchasers to prepare for the resolution of the institution and perform the marketing process.

Operational continuity	<p>The transfer perimeter may include MIS and IT licences to ensure operational (and business) continuity. Pursuant to paragraph 81 of the EBA Guidelines on Transferability (EBA/GL/2022/11), institutions should include in their TPB, among other arrangements:</p> <ol style="list-style-type: none">1) the processes to produce transitional service agreements (TSAs) or service-level agreements (SLAs) upon request, as per paragraph 22 of the EBA Guidelines on Resolvability (EBA/GL/2022/1);2) the processes to implement FMI service continuity arrangements; and3) the processes to implement the transition arrangements to be applied to the legacy entity in line with resolution authorities' expectations. <p>Besides, institutions may identify in the SAR the relevant services linked to the transfer perimeter, as well as highlight potential gaps in relation to the services and staff that are not part of the definition of relevant services and staff but may be necessary to enable a potential purchaser to operate the transfer perimeter.</p> <p>Additionally, it is expected that institutions ensure adequate and reactive staffing of back-offices to support the implementation of the transfer.</p> <p>It is, therefore, good practice for the transfer playbook to document the bank's capabilities to perform an MIS migration, draft SLAs/TSAs upon request and mobilise back-office resources in accordance with focus points A.7 and C.3 of the Guidance on Transfer Playbooks.</p> <p>Institutions are, therefore, expected to test their capability to support the transitional phase and operational continuity of the transfer perimeter with (1) the production of ad hoc SLAs/TSAs, (2) the simulation of MIS migration or crisis-related procedure to manage back-offices, (3) the mapping of services and staff to the transfer perimeter including the "non-relevant" (i.e., non-critical, non-essential) ones.</p>	7.2.2.1
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	This sub-area relates to the operational continuity of the transfer perimeter.	
<p>Execution</p>	<p>Institutions are also expected to identify preparatory actions, execution risks, potential obstacles and related mitigating actions. Processes to implement preparatory and remedial actions should be described in the Transfer Playbook in line with section C of the Transfer Playbook Guidance.</p> <p>Among other things, institutions are expected to describe in their TPB the steps of the overall transfer process that could be omitted or shortened, so as to allow for an application of Articles 39(3) BRRD and 24(3) SRMR providing for a possible derogation from compliance with the marketing requirements (see focus points A.10 of the Transfer Playbook Guidance).</p> <p>Transfer Playbooks are also expected to cover all preparatory measures needed to operationalise the transfer strategy, among which:</p> <ul style="list-style-type: none"> • arrangements to ensure that the expected components of the transfer perimeter(s) are on the balance sheet of the resolution entity, in case they are not already, either by way of internal migration or because they would be legally assigned to the resolution entity by way of contractual arrangements that would make the resolution entity the owner of the relevant assets, rights and liabilities (see focus point A.9 of the Transfer Playbook Guidance); • arrangements to deal with other transfer barriers and cross border issues when relevant (see general considerations C and focus point C.1 of the Transfer Playbook Guidance). <p>Institutions are also expected to have processes supporting the separation of the transfer perimeter from the rest of the bank and to deal with the remaining soft interconnections⁵.</p> <p>Institutions are, therefore, expected, in accordance with the preferred resolution strategy or the variant resolution strategy, to test the aforementioned arrangements and processes, the procedures to implement preparatory measures and mitigating actions in the context of resolution, encompassing</p>	<p>7.2.3.2</p> <p>7.1.4.1</p> <p>7.1.4.2</p>

⁵ Soft interconnections should be understood as interconnections that do not require disproportionate time, effort and resources to be removed, as opposed to hard interconnections. See also page 9 of the 2025 SRB Operational Guidance.

the decision-making process, and the report to management and resolution authorities.	
<p>Back transfers and adjustment of the management accounts</p> <p>Pursuant to Articles 38(6), 40(6) and 42(9)(10) BRRD, subject to the requirements envisaged therein being met, resolution authorities might exercise ‘back-transfer’ powers. In line with paragraph 93 of the EBA/GL/2022/11, back-transfers should entail seamless adjustments in the management accounts.</p> <p>When relevant and applicable, institutions are, therefore, expected to test their capability to support back-transfers with governance and procedural arrangements to operationalise the back-transfer and adjust the relevant management accounts, as described in the transfer playbook and through different testing methods (see focus point A.12 of the Transfer Playbook Guidance).</p>	7.2.3.3

1.2 Specific test environment needs

1. The SRB has no expectations in this regard.

1.3 Reference date/period

2. The reference date should be as close to the exercise as possible. Data may be involved, for example, in case of the transfer perimeter identification (i.e., assets, rights and liabilities composing the transfer perimeter), the update of the marketability assessment (i.e., information about potential purchasers, their capacity and interest to absorb the transfer perimeter), and the update of management accounts following back-transfers. At the very least, for the transfer perimeter, data should correspond to the latest existing reporting (end of last quarter or end of last month) for proportionality and reconciliation purposes.
3. The reference date is less relevant for the governance arrangements, procedures and action plans for the preparatory and mitigating actions. This would be the case for most of the sub-areas presented under Testing sub-areas (in section 1.1). The timeline covering the governance arrangements, procedures and action plans for the preparatory and mitigating actions would be more relevant to consider and it should be aligned with the timeline described in the latest relevant TPB. It is important that the test confirms or denies the capability of the institution to implement the procedure as described in the TPB.

4. Should the tests be performed together or bundled with tests of other capabilities and dimensions, the testing period should be compatible with all the processes as described in the TPB.

1.4 Specific deliverable - Governance

5. The completion of the test relating to the Governance sub-area is expected to follow the processes and procedures laid down in the TPB. The different decisions and discussions at the different levels of governance should be documented in minutes that may be requested by the IRT. Any deviation from the procedures is expected to be documented and may be requested by the IRT. The expected output of each step (e.g., forms to delay market disclosure pursuant to paragraphs 4 and 5 of article 17 MAR⁶, market sounding documentation or description of the mandate given to considered advisors) may also be collected by the IRT.
6. The involvement of the relevant level of management is expected to be formalised by sign off of the outcome report by the highest hierarchical level of managers involved.

1.4.1. Specific deliverable - Identification/update of the transfer perimeter

7. When requested to identify or update a transfer perimeter (as defined by the IRT), institutions are expected to provide the IRT with:
 - a) A detailed and quantified description of the assets, rights and liabilities composing the perimeter and potential obstacles to separability, including their mapping, when relevant, to critical functions and core business lines;
 - b) The identification of the relevant services, assets and staff within the meaning of the Operational Guidance on Operational Continuity in Resolution (OCIR Guidance), and any other services, assets and staff to be transferred or excluded from the transfer and their relevant mapping to the transfer perimeter and the resolved institution;
 - c) For each component of the transfer perimeter, an identification of the transferability obstacles and requirements, such as information, licencing and authorisation, solvency requirements and liquidity requirements.
8. The above should be substantiated by the relevant sources of information when applicable.

⁶ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation or MAR).

1.4.2. Specific deliverable - Update of the marketability analysis

9. When requested to update the marketability analysis, following a proportionate approach, institutions are expected to provide the IRT with:
 - a) An updated list of potential purchasers (taking into account the scenario, if any, provided for in the test) for each component (i.e., portfolios or units) of the transfer perimeter;
 - b) The underlying reasons for the selected potential purchasers combining:
 - i. The requirements for each component of the transfer perimeter, e.g., the required liquidity and solvency capacities for each component, the legal form if relevant, necessary licences, etc. (See Section 4 of the Updated Operational Guidance on Separability and Transferability)
 - ii. The capacity and interest of the potential buyers, e.g., their liquidity/capital positions, their strategy, market position and geographical footprint, etc. (See Section 4 of the Updated Operational Guidance on Separability and Transferability)
 - c) The sources of information (e.g., advisors, market watch, publicly available reports, etc.).
10. It is expected that the involvement of external personnel be documented and that confidentiality arrangements be described.

1.4.3. Specific deliverable - Operational continuity

11. After the completion of the testing exercise on operational continuity of the transfer perimeter, institutions are expected to submit to the IRT:
 - a) The produced (draft) SLAs and TSAs, indicating, if possible, their content, duration and cost, and related legal opinions if relevant;
 - b) The MIS migration protocol, the error log and performance reports;
 - c) A mapping of the services, assets and staff with the components of the TP.
12. The above may be annexed to the test outcome report.

1.5 Specific deliverable - Execution

13. The completion of the test relating to the Execution sub-area is expected to follow the processes and procedures laid down in the TPB. The different decisions and discussions at the different levels of governance should be minuted and institutions are expected to submit the minutes to the IRT upon request. Any deviation from the procedures is expected to be documented and documentation may be requested by the IRT.
14. Additionally, after the completion of the testing exercise on execution, institutions are expected to submit to the IRT:
 - a) The legal documentation, if any, ascertaining the assignment of the perimeter components to the resolution entity⁷;
 - b) The execution report of each preparatory and remedial action.
15. The above may be annexed to the test outcome report.
16. The involvement of the relevant level of management is expected to be documented and formalised by sign off.

1.6 Specific deliverable - Back-transfers and other adjustments of the transfer perimeter and of the management accounts

17. The testing exercise is expected to follow the processes and procedures laid down in the TPB. The different decisions and discussions at the different levels of governance should be minuted and institutions are expected to submit the minutes to the IRT upon request. Any deviation from the procedures is expected to be documented and documentation may be requested by the IRT.

⁷ Please see focus point A.9 of the Operational guidance on transfer playbooks for more background.



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