

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