PUBLIC CONSULTATION PAPER

Recovery Planning Guidelines for FSC-Regulated Entities

Consultation period: August 17, 2026 – September 16, 2026

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1. INTRODUCTION

The Financial Services Commission (FSC/the Commission), as part of its ongoing efforts to ensure adherence to international standards of best practice, continues to review its framework for regulation and supervision and implement enhancements to the system.

Sound recovery planning is a core component of prudent financial management and effective supervision. Prescribed financial institutions and holding companies are exposed to a range of financial and non-financial risks that may crystallize rapidly and threaten their viability. Recovery planning is intended to enhance preparedness for such events and to promote timely, credible, and well-governed responses.

Accordingly, the Commission has developed these Recovery Planning Guidelines which outline the framework for FSC-regulated institutions to develop and maintain recovery plans. These Guidelines are informed by internationally accepted principles for recovery planning, including those developed by the Financial Stability Board (FSB) , the International Association of Insurance Supervisors (IAIS), International Organization of Securities Commission (IOSCO) and other relevant international bodies.

These Guidelines for recovery planning advances the FSC's objective to promote safety and soundness and protect the customers of financial services.

2. PURPOSE OF THIS CONSULTATION

The purpose of this consultation is to seek stakeholder feedback on the proposed Guidelines which aim to

- Strengthen institutional resilience to severe stress events;
- Ensure continuity of critical functions and services;
- Promote early identification and escalation of emerging risks;
- Support informed and timely decision-making by the Board and senior management; and;
- Reduce the likelihood of disorderly failure or reliance on extraordinary public or governmental support

Through this consultation, the Commission aims to gather views on the effectiveness, clarity, and practical application of the proposed requirements for insurance companies and securities dealers to ensure that the framework is robust, proportionate, and aligned with regulatory objectives and industry best practices. Feedback received will be reviewed and considered in finalising the instrument.

3. SUMMARY OF THE GUIDELINES

The Financial Services Commission (FSC) has developed these Guidelines under the Financial Services Commission (Amendment) Act, 2024 to set out the framework for recovery planning by prescribed financial institutions and prescribed holding companies in the insurance and securities sectors. Recovery planning is positioned as a core supervisory tool to strengthen resilience, ensure continuity of critical functions, and reduce reliance on public support during severe stress. Section 14B(2) and the Fifth Schedule of the Act require every prescribed holding company licence application to be accompanied by a Crisis Management Plan, and Section 6(2C) empowers the FSC to issue directions or guidelines to prescribed entities.

The Guidelines apply to all prescribed financial institutions and prescribed financial holding companies operating in the insurance and securities sectors and require recovery plans to be proportionate to an entity's size, business volume, complexity, risk profile, and systemic importance. Institutions and holding companies are expected to prepare and submit a single consolidated group recovery plan capturing stress scenarios and recovery options for each prescribed financial institution within the group, covering both domestic and foreign operations, with the extent of coverage for subsidiaries and branches commensurate with their materiality. Recovery planning is expected to be an iterative, ongoing process, supported by continued engagement between the FSC and regulated entities.

At minimum, a recovery plan must contain eleven components: an executive summary; an overview of the financial institution and group structure; governance arrangements; identification of core business lines; identification of critical functions and critical shared services; an assessment of dependencies; indicators and triggers; stress testing and scenario analysis; recovery options and impact assessment; communication and disclosure arrangements; and provisions for maintenance, testing, and material changes. The executive summary should give the Board, senior management, and the FSC a concise, navigable overview of the plan's governance arrangements, core business lines, dependencies, triggers, stress scenarios, recovery options, and implementation plan, along with a summary of material changes since the previous version.

The Guidelines take effect on the date of issuance, and prescribed financial institutions and holding companies are required to review the Guidelines, develop a recovery plan, obtain Board approval, and submit the plan to the FSC within twelve months of that date.

4. INTERNATIONAL STANDARDS AND BEST PRACTICES

The Guidelines were informed by internationally recognized standards governing recovery planning framework development, drawing on principles established by the Financial Stability Board (FSB), the International Association of Insurance Supervisors (IAIS), and the International Organization of Securities Commissions (IOSCO). This approach ensures that the Commission's expectations for recovery planning are consistent with global regulatory practice and reflect lessons learned across sectors and jurisdictions on strengthening the resilience of financial institutions.

In particular, the framework draws on the FSB's Key Attributes of Effective Resolution Regimes for Financial Institutions, which sets out the internationally agreed core elements considered necessary for an effective recovery and resolution regime, including the expectation that systemically important institutions maintain credible recovery plans as part of their risk management and governance arrangements. The Guidelines also incorporate the FSB's Guidance on the Identification of Critical Functions and Critical Shared Services, which informs the approach to identifying activities whose failure would disrupt functions vital to the real economy or financial stability, and the criteria applied in assessing the impact of discontinuance, substitutability, and interconnectedness of such functions and services.

The Guidelines also reflect the IAIS Application Paper on Recovery Planning, which provides guidance on the development of recovery plans by insurers and insurance groups, including the design of recovery indicators, the construction of severe but plausible stress scenarios, and the range of recovery options appropriate to the sector.

For the securities sector, and in particular for entities connected to financial market infrastructure, the Guidelines draw on the CPMI-IOSCO Recovery of Financial Market Infrastructures standard, which sets out expectations for the recovery planning of financial market infrastructures, including the identification of critical services, the design of recovery tools, and arrangements for stakeholder communication during a recovery event.

Taken together, these international references informed the Commission's approach to key elements of the Guidelines, including the governance arrangements expected of the Board and senior management, the components required within a recovery plan, the design of recovery indicators and triggers, the scope and severity of stress testing and scenario analysis, the range of recovery options entities are expected to consider, and the arrangements for testing, maintenance, and supervisory review of recovery plans. By aligning the Guidelines with these internationally recognized standards, the Commission seeks to ensure that entities are held to a standard of recovery planning that is consistent with global best practice and appropriate to the size, complexity, and risk profile of Jamaica's insurance and securities sectors.

5. HOW TO RESPOND TO THIS CONSULTATION

5.1 Who may respond

The Commission welcomes responses from all interested stakeholders, including regulated entities, industry associations, professional bodies, consumer advocacy groups, market participants, and members of the public.

The Commission invites respondents to provide comments on any aspect of the proposed Guidelines including its scope, application, components, implementation considerations, and potential impacts on regulated entities and stakeholders.

5.2 How to submit

Submissions must be made using the response template at Annex A and forwarded by email to Mr. Paul McAllister at respol@fscjamaica.org on or before 16 September 2026. Submissions received after the close of the consultation period may not be considered.

5.3 Form of feedback

To ensure that all responses receive due consideration, respondents should make clear reference to the specific instrument and section being commented on, and ensure that comments are unambiguous, clearly articulated, and based on fact. Where feedback proposes a change to a policy position or a material amendment to a requirement of a proposed measure, the respondent must provide information and supporting evidence for the position taken.

The table below illustrates the Commission’s expectations regarding the form of feedback. The example is illustrative only and does not reflect the content of the proposed measures.

Example of a helpful comment	**Examples of comments needing more support**
The term "business day" is used in paragraph 3.1 but is not defined in the definitions section, and it is unclear whether it excludes public holidays. This creates uncertainty as to how the stated time period is to be calculated.	✗ This is not what is done in other jurisdictions. ✗ I don’t think the requirement should apply. ✗ The Commission has not considered industry views.

Suggested wording: that "business day" be added to the definitions section and defined as "any day other than a Saturday, Sunday, or public holiday in Jamaica."	

The consultation process is not designed to address individual complaints or grievances. Feedback of that nature should be submitted through the Commission's established complaints process.

5.4 Confidentiality of submissions

Submissions will be treated as confidential and will not be published in attributed form. The Commission may, however, publish a summary of the feedback received and of how it has been addressed, on a non-attributed basis, in the interest of transparency. The Commission may also be required to disclose submissions where compelled to do so by law.

6.0 CONTACT INFORMATION

Should you have any queries regarding this consultation, please contact:

Mr Paul McAllister
Senior Director, Research and Policy Division
Financial Services Commission
Email: respol@fscjamaica.org

The Commission thanks all respondents in advance for their time and engagement in this important consultation.

7.0 RESPONSE TEMPLATE

The template should be completed as one entry per respondent. Additional rows or copies of the template may be used as required to capture multiple comments, as needed. Please submit the completed template by email to respol@fscjamaica.org on or before September 16, 2026.

Respondent name	[Individual or organisation name]
Organisation / capacity	[e.g. regulated entity, legal practitioner, industry body, member of public]
Contact email	[email address]
Instrument	Recovery Planning Guidelines for FSC-regulated Entities
Section / paragraph reference	[e.g. Identification of Core Business Lines, para. 6.10]
Comment and supporting rationale	[State your comment clearly and unambiguously]
Suggested wording (if applicable)	[Proposed alternative wording]

RECOVERY PLANNING GUIDELINES FOR FSC REGULATED ENTITIES

August 2026

List of Acronyms Used

Acronym	Definition
BCP	Business Continuity Plan
CMP	Crisis Management Plan
DRP	Disaster Recovery Plan
ERM	Enterprise Risk Management
FMI	Financial Market Infrastructure
FSB	Financial Stability Board
FSC	Financial Services Commission
IAIS	International Association of Insurance Supervisors
IOSCO	International Organization of Securities Commissions
KRI	Key Risk Indicator
ORSA	Own Risk Solvency Assessment

Glossary

Key Terms	Definitions
Business Continuity Plans (BCP)	A comprehensive written plan of action that sets out the procedures and establishes the processes and systems necessary to continue or restore the operation of an organisation in the event of a disruption.
Core Business Lines	Business lines that are significant to a financial institution based on factors such as contribution to profitability, strategic importance, and impact on operations if disrupted.
Crisis Management Plan	A formal, board-approved plan maintained by a prescribed financial institution that sets out the governance structures, decision-making authority, escalation triggers, and operational procedures to be activated to identify, contain, and respond to events of adverse financial shock that may threaten continuity of operations.
Critical Functions	Activities performed for third parties where failure would lead to the disruption of services that are vital for the functioning of the real economy and for financial stability due to the banking group's size or market share, external and internal interconnectedness, complexity and cross-border activities.
Critical Shared Services	Activities performed within the firm or outsourced to third parties where failure would lead to the inability to perform critical functions and, therefore, to the disruption of functions vital for the functioning of the real economy or for financial stability.
Financial Services	Services provided or offered in connection with – a. insurance, b. the acquisition or disposal of – i. securities within the meaning of the Securities Act; ii. units under a registered unit trust scheme within the meaning of the Unit Trusts Act; c. such other services as the Minister may by order declare to be financial services for the purposes of this Act.
Own Risk and Solvency Assessment (ORSA)	An ongoing, self-directed process undertaken by insurers and insurance groups to assess the adequacy of their risk management and solvency conditions under both normal and severe stress scenarios.

Key Terms	**Definitions**
Prescribed Financial Group	A group that does not include a deposit taking institution, and – a. is made up of one or more prescribed financial institutions; b. is headed by a prescribed holding company; and c. may include a company that does not offer financial services.
Prescribed Holding Company	A company – a. that is licensed under the Financial Services Commission Act as a prescribed holding company; and b. under which all other companies within a prescribed financial group are held, including – i. any of the subsidiaries of that company; and ii. companies over which the prescribed holding company has control, but does not include the ultimate holding company.
Prescribed Financial Institution	An institution or person offering or providing financial services to the public.
Recovery Capacity	The ability of a prescribed financial institution or holding company to restore its financial viability following significant financial deterioration using appropriate recovery options without the need for intervention by supervisory or resolution authorities.
Recovery Indicators	A range of quantitative and qualitative indicators used to denote the degree of financial deterioration based on appropriate triggers.
Recovery Options	Range of actions and measures to maintain or restore viability and the financial position of a prescribed financial institution or holding company.
Recovery Plan	The plan prepared and maintained by a financial institution/ holding company based on the requirements set out in this document and is executed to deal with severe stress events that threaten the financial institution's viability.
Resolution	The restructuring or orderly exit of a financial institution when it is no longer viable or likely to be no longer viable and has no reasonable prospect of becoming so.

1. Introduction

1.1. The Financial Services Commission (FSC/the Commission), as part of its ongoing efforts to ensure adherence to international standards of best practice, continues to review its framework for regulation and supervision and implement enhancements to the system.

1.2. Sound recovery planning is a core component of prudent financial management and effective supervision. Prescribed financial institutions and holding companies are exposed to a range of financial and non-financial risks that may crystallize rapidly and threaten their viability. Recovery planning is intended to enhance preparedness for such events and to promote timely, credible, and well-governed responses.

1.3. Accordingly, the Commission has developed these Recovery Planning Guidelines which outline the framework for FSC-regulated institutions to develop and maintain recovery plans. These Guidelines are informed by internationally accepted principles for recovery planning, including those developed by the Financial Stability Board (FSB)[1], the International Association of Insurance Supervisors (IAIS)[2], International Organization of Securities Commission (IOSCO)[3] and other relevant international bodies.

1.4. The objectives of recovery planning are to:

- Strengthen institutional resilience to severe stress events;
- Ensure continuity of critical functions and services;
- Promote early identification and escalation of emerging risks;
- Support informed and timely decision-making by the Board and senior management; and;
- Reduce the likelihood of disorderly failure or reliance on extraordinary public or governmental support

1.5. These Guidelines for recovery planning advances the FSC's objective to promote safety and soundness and protect the customers of financial services.

2. Purpose

2.1. These Guidelines set out an institution's responsibility to develop, maintain and test its recovery plan as a key component of its risk management framework.

2.2. A recovery plan is intended to enable an institution to restore its financial soundness and compliance with all regulatory requirements in a timely manner following adverse shocks.

2.3. The purpose of these Guidelines is to outline the expectations of the Financial Services Commission with respect to the development and ongoing maintenance of recovery plans by prescribed financial institutions and prescribed holding companies.

3. Application & Scope

3.1. These Guidelines apply to all prescribed financial institutions and financial holding companies as defined by the Financial Services Commission (Amendment) Act, 2024 operating in the insurance and securities sector.

[1] Financial Stability Board: Key Attributes of Effective Resolution Regimes for Financial institutions, April 2024
[2] International Association of Insurance Supervisors: Application Paper on Recovery Planning, November 2019
[3] CPMI-IOSCO/; Recovery of Financial Market Infrastructures, Revised July 2017

3.2. Recovery plans should be proportionate to the institution's: size and business volume; complexity of activities and group structure; risk profile; and systemic importance.

3.3. The Commission expects prescribed financial institutions and prescribed financial holding companies to prepare and submit one consolidated group recovery plan that captures stress scenarios and recovery options for each prescribed financial institution within the financial group or that falls under the prescribed financial holding company. This applies to both domestic and foreign prescribed financial institutions and should take into account operations of the subsidiaries and branches. Consistent with a proportionate approach to recovery planning, the extent of application to the subsidiaries and branches should be commensurate with the materiality of those entities or operations to the revenue, profitability, operations or effective working of the institution or the group, and with the risks those operations and entities pose to financial stability. Where a prescribed financial institution falls within the scope of a foreign regulator, the recovery plan must form part of the group recovery plan and must, at a minimum, satisfy the requirements under these guidelines.

3.4. The Commission expects recovery planning to be an iterative and evolving process, with prescribed financial groups and institutions reviewing their recovery plans on an ongoing basis. To supplement this, the Commission will continuously engage with financial institutions to clarify its expectations on recovery planning as part of ongoing supervision.

4. Legal Provisions

4.1. These Guidelines are issued pursuant to the Financial Services Commission (Amendment) Act, 2024.

4.2. Under Section 14B(2) and the Fifth Schedule (Application Form for Prescribed Holding Company) of the Financial Services Commission (Amendment) Act, 2024, every application for a licence to operate as a prescribed holding company must be accompanied by a Crisis Management Plan (CMP). It is required that the CMP include all particulars regarding plans for the recovery and resolution of entities within the financial group; a clear description of how early warning systems are integrated into the risk management framework to inform recovery efforts; as well as the range of recovery options, which correspond to various adverse situations which may affect the entities within the prescribed financial group.

4.3. The FSC Amendment Act under Section 6(2C) empowers the FSC to issue directions or guidelines to a prescribed holding company or any company within a prescribed financial group or a prescribed financial institution.

5. Governance Framework

5.1. Regulated entities should establish clear internal policies, procedures, and accountability structures for the development, approval, maintenance, and activation of the recovery plan. A financial institution shall, at a minimum establish-

a. well- defined roles, responsibilities and accountabilities of the board, senior management, business units and control functions; and

b. robust policies, procedures and management information systems to support informed decision making across early warning and recovery phases.

Board of Directors

5.2. The Board of Directors bears ultimate responsibility for the recovery planning process. Specifically, the Board is expected to:

- Formally approve the recovery plan prior to its initial submission to the FSC, and approve any subsequent material updates;
- Oversee the development and maintenance of the recovery plan and ensure that senior management has allocated adequate resources including financial, human, and technological resources for this purpose;
- Designate an internal governing body responsible for driving the overall recovery planning process;
- Ensure that recovery planning is integrated into the entity's broader enterprise risk management (ERM) framework, and or other risk assessment frameworks including its risk appetite framework and stress testing processes etc;
- Review and discuss recovery planning scenarios and outcomes at least annually, including through tabletop exercises or other simulation methods designed to familiarize board members with the plan's provisions and decision-making processes;
- Satisfy itself that the recovery plan is credible, realistic, and operationally executable under stress conditions;
- Ensure appropriate coordination with any parent entity's recovery plan, where the regulated entity is part of a financial group, while maintaining that the plan allows the entity to remain viable as a standalone concern;
- Receive regular reports from senior management on the status of recovery indicators and the overall readiness of the recovery plan.

Senior Management

5.3. Senior management is responsible for the day-to-day development, implementation, and maintenance of the recovery plan. Specific responsibilities include:

- Developing the recovery plan in accordance with these Guidelines and in alignment with the entity's risk management frameworks;
- Presenting the recovery plan to the Board for review and approval, and providing the Board with regular updates on indicator performance and plan readiness;
- Designating a senior officer as the primary point of contact with the FSC on all recovery planning matters;
- Implementing monitoring processes for recovery indicators and trigger events, and ensuring that timely escalation occurs when thresholds are approached or breached;
- Coordinating the recovery planning process across business lines, subsidiaries, and risk functions, ensuring coherence and consistency;
- Reviewing the recovery plan at least annually, and updating it promptly following material changes to the entity's business model, risk profile, organizational structure, or regulatory environment;

- Ensuring that the recovery plan is operationally integrated – i.e., that relevant staff are familiar with its provisions and their roles in its execution and;
- Maintaining a documented escalation process for recovery actions, including clear lines of authority and decision-making protocols.

5.4. A financial institution must ensure that the recovery plan is reviewed by an independent party, which may either be the internal audit function or an external party which is qualified and competent to conduct such review with the objective to provide independent assurance [4]on the:

   a. Accuracy of the data and information provided in the plan, and
   b. Robustness of processes and methodology used in developing the plan.

5.5. At minimum, such reviews shall be carried out after the initial development or following significant updates to the recovery plan, with the results reported to the board and senior management. This report should be submitted on an annual basis along with recovery plan submissions.

Integration into the Enterprise Risk Management Framework

5.6. The recovery plan should not exist in isolation. The FSC expects regulated entities to integrate their recovery planning processes into their broader ERM frameworks. In practical terms, this means:

- Recovery indicators should align with, and complement, the entity's existing risk appetite metrics, key risk indicators (KRIs), and internal early warning systems;
- Stress scenarios used in the recovery plan should be consistent with those used in the institution's risk assessments and other stress testing exercises, with any differences clearly documented and justified;
- Capital and liquidity projections underlying recovery options should be informed by, and consistent with, financial forecasting and planning processes;
- The recovery plan should be referenced in, and cross-referenced to, the entity's Business Continuity Plan (BCP), and the two plans should address different but complementary aspects of operational and financial resilience.

6. Components of Recovery Plans

6.1. At a minimum, a Recovery Plan must contain the following components:

   A. Executive Summary
   B. Overview of the Financial Institution and Group Structure
   C. Governance
   D. Identification of Core Business Lines
   E. Critical Functions and Services
   F. Dependencies
   G. Indicators and Triggers
   H. Stress Testing and Scenario Analysis

[4] Where the independent assessment is performed by the internal audit or an external assurance function, the assurance function should have no role in the co-authorship or development of the recovery plan that is to be submitted.

I. Recovery Options and Impact Assessment
J. Communication and Disclosure
K. Maintenance, Testing and Material Changes

A. Executive Summary

6.2. The recovery plan should include an Executive Summary that provides a high-level overview of the key components of the Recovery Plan and describes how it will be implemented. The Executive Summary should be designed to enable the Board, senior management, and the FSC to quickly understand the institution's recovery framework and to facilitate timely decision-making during a stress event. Accordingly, the executive summary should contain concise information that can facilitate easy understanding and navigation of the plan.

6.3. The executive summary should include, at a minimum:

- a summary of the governance and escalation arrangements;
- an assessment of the overall effectiveness and feasibility of the Recovery Plan, including a clear justification for the assessment;
- an overview of core business lines and the identification of critical services;
- a description of material intra-group and external linkages and dependencies;
- a summary of triggers and early warning indicators;
- an overview of the most significant stress scenarios;
- a summary of key recovery options;
- an overview of the operational plan for implementation; and
- a summary of any material changes to the financial group and/or updates to the recovery plan since the previous version.

B. Overview of the Financial Institution and Group Structure

6.4. Recovery plans should contain an overview of the financial group structure, clearly identifying all in-scope and related entities including subsidiaries, affiliates and any company that directly or indirectly controls or is controlled by the prescribed financial group. The recovery plan should describe the legal ownership and shareholding structure, the operational structure and governance arrangements of each financial institution within the group, and the jurisdictions in which each entity is incorporated and/or operates.

6.5. The recovery plan should provide an overview of the group's core business lines, including their contribution to market share, revenue, profitability, strategic importance, growth prospects, and other relevant metrics. The recovery plan should clearly explain the interconnections and interdependencies across business lines, among affiliates and subsidiaries within the group, and with critical third-party service providers or counterparties. The analysis should address how disruptions of these interconnections or dependencies could materially affect the financial position, operations, or viability of the group or an institution within the group.

6.6. Additionally, the recovery plan should identify all jurisdictions in which the prescribed financial group is active. Any entities or activities excluded from the scope of the recovery plan should be clearly disclosed, together with the rationale for their exclusion. Where entities are subject to separate recovery plans in other jurisdictions, this should be explicitly noted.

C. Governance

6.7. Recovery plans should define the governance structure including the specific actions related to crisis management. The plan should describe the processes for monitoring, escalating and activating the recovery plan, as well as the key roles and responsibilities of the relevant stakeholders in each area of the governance process.

6.8. The recovery plan should include details of:

- The membership of the board of directors, senior management and other relevant key persons in control functions with significant roles in the development, approval, reviewing and updating of the Recovery Plan, including a description of their role and responsibilities;
- the process for the development and approval of the recovery plan that ensures appropriate segregation of duties and controls between those tasked with creating the plan, and those who review and approve the plan;

6.9. Entities should also document the process for escalating breaches of recovery triggers and for activating the recovery plan. This should include an outline of the decision- making process following a trigger/ breach to ascertain the appropriate response as well as the identification of the individuals accountable for these decisions and the timing of when they will be made.

D. Identification of Core Business Lines

6.10. The recovery plan should identify the institutions' business lines that are significant to the institution, i.e. its core business lines. The identification of core business lines should inform the development of recovery strategies. Recovery options that affect core business lines should not affect the long-term viability of the institution.

6.11. In identifying core business lines, financial institutions should consider the following:

a) Whether a failure or discontinuity of such functions or services would likely lead to the disruption of operations that are essential for the functioning of the entity;
b) Contribution of the business line to its profit, assets, capital, liabilities, or risk profile;
c) Strategic significance of the business line in relation to:
    i. customer base, geographic reach, and branch network;
    ii. market potential and growth outlook;
    iii. indicative value under the current operating environment, taking into account the provision of market access or international linkages to the financial institution;
    iv. operational synergies with other business lines;
    v. attractiveness to competitors as a potential acquisition target; and

vi. other factors that contribute to the business line's significance to the financial institution.

E. Critical Functions and Critical Shared Services

6.12. The continuity of critical functions and critical shared services is important in order to prevent potential systemic disruptions that could adversely impact financial stability. The assessment of recovery options should consider the continuity of such functions under a wide range of stress events.

6.13. Critical functions refer to activities performed by an institution for third parties that cannot be substituted within a reasonable time and at a reasonable cost, and where the failure to perform the activities would be likely to have a material impact on the financial system and the real economy. Critical shared services refers to an activity, function or service that is performed by either an internal unit, a separate legal entity within the group or an external provider for one or more business units or legal entities of the group and the sudden and disorderly failure or malfunction would lead to the collapse of or present a serious impediment to the performance of critical functions. [5] Examples of potential critical functions and critical shared services are provided in Appendix I and II, respectively.

6.14. In identifying and assessing the critical functions and services, it is important for institutions to conduct an impact assessment of the criticality of the functions and services. At a minimum, the assessment should take into consideration the impact of discontinuance, substitutability and interconnectedness of the function or service.

- Impact of Discontinuance - Impact on customers and relevant stakeholders; impact on other financial institutions, financial markets and payment system infrastructures.
- Substitutability of services received or functions offered - Availability of substitute providers, taking into account the: number of available substitute providers; presence of alternative products or markets that conduct activities that are broadly equivalent to the function; number of customers that rely on the financial institution as the only or principal service provider; and ease of customers to move to substitute providers, time required, process involved, and costs to be incurred by customers.
- Interconnectedness- Interactions with other functions of the financial institution or of the market, including the relevance of the market for this function to the functioning of other markets as well as the role in influencing the availability of other functions or products which are tied with the function.

[5] Financial Stability Board: Recovery and Resolution Planning for Systemically Important Financial Institutions: Guidance on Identification of Critical Functions and Critical Shared Services, July 2013.

F. Dependencies

6.15. The recovery plan should identify and map all material dependencies of each prescribed financial institution within the prescribed financial group, with particular emphasis on dependencies that support the continuity of critical functions. This shall include an assessment of key risk transmission channels, as well as the extent of potential contagion and systemic impact arising from the disruption or failure of such dependencies.

6.16. In selecting and assessing recovery options, institutions should detail the associated operational dependencies and evaluate their impact on the feasibility, credibility and timely implementation of such options.

6.17. Institutions should identify whether, and to what extent, recovery options are dependent on third parties, including where third-party support is required for the execution of such options. This assessment will support an evaluation of the feasibility of recovery options, particularly in identifying potential financial, operational or legal impediments to implementation.

6.18. At a minimum, a financial institution should identify and assess:

- **Internal dependencies** - material interdependencies among entities within the financial group, as well as with related entities that, if disrupted, would significantly affect the institution's funding, operations or its performance of critical functions;
- **External dependencies** - material dependencies on third parties that, if disrupted, would significantly affect the operations of the financial institution and/or the performance of its critical functions; and
- **Systemic Interconnectedness** - material dependencies on the financial institution by third parties that, if disrupted, would likely impair the functioning of the real economy or the financial system.

6.19. In respect of disposal as a recovery option, the recovery plan should: explain the interconnectedness of businesses and the feasibility and impact of separating them from the wider group; and describe any third-party consent, approvals or notices required and any contractual impediments that might restrict the disposal;

G. Indicators and Triggers

Recovery Indicators

6.20. Recovery indicators are quantitative and qualitative metrics that enable the entity to monitor its financial and operational condition on an ongoing basis and to identify, at an early stage, conditions that may necessitate the activation of recovery options. A financial institution shall establish a recovery indicator framework that sets out clearly defined criteria, thresholds, procedures and governance arrangements to facilitate timely monitoring, escalation, activation and implementation of the recovery plan.

6.21. Recovery indicators should be designed in accordance with the following principles:

- Indicators should be calibrated to provide advance warning of deteriorating conditions, allowing time for management to consider and implement recovery actions before the entity's position becomes critical;
- Indicators should enable risk monitoring and management across business-as-usual activities, early warning and recovery phases in a cohesive manner;
- The indicator framework should incorporate multiple threshold levels (e.g., early warning levels and recovery trigger levels) to facilitate a graduated escalation process;
- Indicators should be tailored to the specific risks and regulatory environment of the insurance or securities sector, as applicable.

Categories of Recovery Indicators

6.22. At a minimum, the recovery indicator framework for insurance sector entities should address the following categories:

- Capital and Solvency: minimum capital test; solvency ratio; insurance risk ratio; LICAT; Total contract liabilities to capital; Change in capital and surplus
- Liquidity: Liquid asset ratio, liquid assets relative to policyholder liabilities; exposure to related parties etc.
- Asset Quality and Investment Portfolio: Amounts due from agents and brokers to capital surplus; investment in real estate; bond provisions/ total bonds; Receivables to capital and surplus; mortgage provisions to total mortgages etc.
- Underwriting and Claims Performance: Combined ratio, claims frequency, reserve adequacy; etc.
- Earnings and Profitability: Investment yield; insurance result as % of insurance revenue; loss components as % of total insurance contract liabilities; Interest coverage; Gross Claims Ratio; Changes in insurance revenue; etc.
- Operational: Governance and oversight functions, compliance internal audit and risk management, etc.

6.23. For securities sector entities, the indicator framework at minimum should address the following categories:

- Capital and Solvency
- Liquidity
- Asset Quality
- Earnings and Profitability
- Client asset protection: Adequacy of client asset segregation, custody arrangements;
- Market risk exposure: Value-at-risk, stress loss estimates relative to capital;
- Counterparty risk: Exposure concentration to clearing counterparties, prime brokers, or key clients.

Recovery Triggers

6.24. Recovery triggers are specific thresholds within the indicator framework, the breach of which requires formal escalation to senior management and/or the Board, and consideration of the activation of recovery options. Entities should note that:

- Triggers should be calibrated at levels that provide sufficient lead time for management action. They should not be set at, or below, regulatory minimum levels, as this may not allow adequate time for effective remediation;

- The breach of a recovery trigger does not automatically require the implementation of any specific recovery option; rather, it initiates a structured escalation and decision-making process;
- Both quantitative triggers and qualitative triggers should be included;
- The plan should specify the escalation response for each trigger, including who must be notified, the timeframe for notification, and the process for assessing and deciding on recovery actions;
- Trigger breaches must be reported to the FSC in accordance with the notification requirements of regulated entities (Section 8).

H. Stress Testing and Scenario Analysis[6]

6.25. Stress testing and scenario analysis are core components of the recovery planning process. They serve to assess the resilience of the entity under a range of adverse conditions, test the effectiveness of recovery options, and identify gaps or vulnerabilities in the recovery plan. The FSC expects entities to develop a suite of stress scenarios that are severe but plausible, and that cover a range of risk types and stress intensities. Recovery plans must include at least three (3) stress scenarios, drawn from the following categories:

- Idiosyncratic scenario: A stress event specific to the regulated entity, such as a major insurance claims event, significant investment losses, a cyber-attack targeting the entity's systems, loss of a key reinsurance arrangement, or departure of key management;
- System-wide (market-wide) scenario: A stress event affecting the broader financial system or economy, such as a regional economic recession, a global financial market crisis, a pandemic, or a natural catastrophe of systemic proportions;
- Combined scenario: A combination of idiosyncratic and market-wide stresses, reflecting the possibility that entity-specific difficulties may arise during periods of broader market stress.

6.26. At least one scenario should include an assessment of the impact of a sudden and material deterioration in capital adequacy and at least one scenario should assess the impact of a severe liquidity stress. Each stress scenario should specify:

- The nature and origin of the stress event (e.g., underwriting losses, asset value decline, counterparty default, operational failure);
- The severity and speed of the onset of the stress (sudden shock vs. gradual deterioration);
- The quantitative impact on the entity's key financial metrics, including capital, liquidity, earnings, and key balance sheet items;
- The assumed duration of the stress and the timeline for recovery and;
- The underlying assumptions used in constructing the scenario, including key sensitivities.

[6] Stress testing and scenario analysis activities conducted by entities may leverage or build on existing annual actuarial stress testing exercises. This is so to minimize any cost implications or duplicate stress testing costs for overlapping scenarios.

6.27. Scenarios should be calibrated to a level of severity that is materially worse than the entity's ordinary stress testing assumptions, but that nonetheless remains plausible. Reverse stress testing, working backwards from an assumed failure or near-failure to identify the conditions that could cause the stress scenario, may also be employed as a complementary tool.

6.28. In cases where a group Recovery Plan is relied upon, if the group recovery stress scenarios are not appropriate for the individual entity or are not sufficiently severe to support effective recovery planning, additional stress scenarios that address individual entity specificities must be developed and tested for recovery planning at the individual entity level.

I. Recovery Options and Impact Assessment

6.29. Each recovery option described in this section should be assessed for its effectiveness under each of the stress scenarios. This cross-mapping of options to scenarios enables management and the Board to understand which options are available and effective under different stress conditions, and to identify any gaps in the entity's recovery capacity.

6.30. Recovery options are the specific, actionable measures available to the regulated entity to restore its financial viability following a stress event. The FSC expects entities to develop a diverse suite of recovery options that address a range of stress types and severities. Recovery options should not be limited to easily implementable measures; entities should also consider more fundamental options such as the sale of business lines, portfolio transfers, or material balance sheet restructuring.

6.31. Recovery options may include but are not limited to:

- Capital management actions: Issuance of new equity or subordinated debt, reduction of capital distributions;
- Asset management actions: Sale of investment assets, restructuring of investment portfolios, realization of unrealised gains; reduction of risk weighted assets
- Liability management actions: Portfolio transfers; commutation of reinsurance contracts;
- Business strategy actions: Cessation of underwriting in specific lines or markets, sale of subsidiaries or business lines; reduction of operational expenses; restricting new business activities; restricting dividends, going into run- off; wind- down of specific trading activities, transfers of client accounts to alternative service providers; reduction of trading book exposures;
- Liquidity management actions: Drawing on committed credit facilities; monetization of liquid assets; re-negotiation of payment terms with reinsurers or suppliers;
- Reinsurance actions: Procurement of additional reinsurance coverage; restructuring of reinsurance programs;
- Operational restructuring: Outsourcing of non-critical functions, workforce restructuring.
- Implementing business continuity or Disaster Recovery Plans
- Restructuring of margin and collateral arrangements.

Assessment of Recovery Options

6.32. For each recovery option, the recovery plan must provide:

- A clear description of the option and the mechanism by which it would restore the entity's financial position;
- An overview of the key assumptions underlying the option and the basis for any expert judgement;
- A quantitative assessment of the option's impact on capital, liquidity, and other key financial metrics;
- An estimate of the timeframe required to implement the option from decision to execution;
- An assessment of the operational, legal, regulatory, and market impediments to implementation, and how these would be managed;
- An assessment of the potential adverse effects of the option on policyholders, investors, counterparties, and the financial system, including potential contagion effects;
- The governance and decision-making process for activating the option, including required Board and/or regulatory approvals and;
- Any dependencies on external counterparties for effective execution of the option.

Recovery Capacity Assessment

6.33. The plan should include an aggregate assessment of the entity's overall recovery capacity. This assessment should demonstrate that the entity has sufficient recovery capacity to address each of the stress scenarios in the plan.

6.34. The recovery plan must include a clearly documented escalation process that specifies:

- The individuals or committees responsible for monitoring recovery indicators on a routine basis;
- The notification process triggered when an indicator approaches or breaches its threshold;
- The timeframes for notification, convening of decision-making meetings, and completion of impact assessments;
- The decision-making authority for activating recovery options at different levels of severity;
- The process for escalating matters to the Board in the event of a trigger breach;
- The circumstances under which management is required to notify the FSC, and the process for doing so.

J. Communication and Disclosure

Internal Communication

6.35. The recovery plan must include a communication plan that addresses how management will communicate with relevant internal stakeholders during a stress event, including:

- Senior management, including the CEO, CFO, CRO, and other key senior officers;
- The Board of Directors and relevant Board committees;
- Business unit heads and operational staff responsible for implementing specific recovery options and;
- Staff more broadly, as appropriate, to maintain operational effectiveness and avoid undue disruption.

External Communication

6.36. The plan must also address communication with external stakeholders, including:

- The FSC and any other relevant regulatory authorities;
- Policyholders, investors, and clients (consistent with legal disclosure obligations and the objective of maintaining confidence);
- Reinsurers, counterparties, and key service providers;
- Rating agencies and;
- The media and the general public, where reputational management is relevant.

6.37. Communication protocols should be designed to minimize the risk of market-sensitive information being prematurely disclosed while ensuring that stakeholders receive timely and accurate information. The recovery plan should identify the designated spokesperson(s) for external communications and specify the approval process for external disclosures.

Group Communication Coordination

6.38. Where the regulated entity forms part of a financial group, the communication plan should address coordination with the parent entity and other group members, ensuring consistency of messaging and avoiding conflicting communications.

K. Maintenance and Material Changes

6.39. Regulated entities must review and, where necessary, update their recovery plans at least annually. The annual review should:

- Assess the continued relevance and accuracy of all plan components, including the financial institution's core business lines, critical functions and services, dependencies, recovery indicators, stress scenarios, recovery options, and communications and disclosures.
- Incorporate any material changes to the entity's business, organizational structure, risk profile, or regulatory environment since the previous review;
- Assess the results of recovery plan testing conducted during the year;
- Update financial projections and impact assessments to reflect current conditions;
- Confirm Board approval of any material amendments.

6.40. Between annual reviews, regulated entities must update their recovery plans promptly following any material change, including:

- Significant changes to the entity's ownership structure, business model, or organizational structure;
- Material acquisitions, disposals, or mergers involving the entity or its group;
- Significant changes to the entity's financial condition, capital position, or liquidity profile;
- Changes to applicable legislation or regulatory requirements that affect the entity's recovery planning obligations;
- The emergence of new material risks not previously addressed in the plan;
- Identification of significant deficiencies in the plan through testing or supervisory feedback.

6.41. Submissions to the FSC must include a summary of material changes made to the plan since the previous submission, including the reasons for each change.

7. Testing of the Recovery Plan

7.1. Recovery plan testing is essential to ensure that the plan is operationally credible, and that management and staff are familiar with its elements. Scenario analysis should be supplemented by operational testing or simulation exercises, which serve as 'dry runs' for the Recovery Plan. These exercises are essential for assessing the practical effectiveness of the plan and providing assurance that it can function as intended during any future potential crisis or stress scenario. Plans of this nature and their scheduled timing should be detailed in the recovery plan.

7.2. The operational testing of the recovery planning process is important to build confidence that the governance and escalation procedures in the plan are well understood, including by the board and senior management. This provides assurance that the recovery plan can be implemented in a timely manner during a crisis. Entities should therefore consider conducting regular simulations/dry runs focusing on the internal escalation processes, the formation and functioning of crisis management teams and the determination of their communication strategies. Proactively testing the recovery options and assumptions detailed in the plan helps to assure management that the plan can be effectively executed in a crisis.

7.3. The FSC expects regulated entities to conduct recovery plan testing at least annually, with the nature and complexity of testing proportionate to the entity's size and risk profile. Testing methods may include:

- Tabletop exercises: Structured discussions in which the Board and/or senior management work through a hypothetical stress scenario using the recovery plan, assessing the effectiveness of triggers, escalation processes, and recovery options;
- Operational dry runs: More comprehensive exercises in which relevant staff simulate the execution of specific recovery options, identifying operational impediments and testing management information systems;
- Fire drills for specific high-priority recovery actions, particularly those involving IT systems, liquidity management, or communication protocols.

7.4. The results of all testing exercises should be documented and submitted to the Board for review. Identified gaps or weaknesses should be addressed through plan updates. A summary of testing activities and findings should be included in the annual submission to the FSC.

8. Notification Requirements of Regulated Entities

8.1. Regulated entities are required to notify the FSC promptly (within three (3) business days, unless the FSC specifies otherwise) upon:

- The breach of any recovery trigger;
- The activation of any recovery option;
- Any event that materially impairs the entity's ability to implement its recovery plan; and
- Any material changes to the entity's financial condition that may affect the assumptions underlying the recovery plan.

8.2. Where the recovery plan has been activated, the notification to the FSC should include: an explanation of the circumstances leading to the activation of the recovery plan, management actions that have been taken and actions management intend to take, including the implementation of recovery options.

9. Standard Submission Timelines of Recovery Plans

9.1. Entities are required to submit completed recovery plans on an annual basis, i.e. after the first approved submission, or whenever so deemed necessary by the FSC for subsequent review and feedback. The submission of recovery plans shall be done in a manner as prescribed by the FSC. All submissions must be made by the designated officer of the regulated entity to the Commission.

10. Supervisory Review and Evaluation of Recovery Plans

10.1. Upon submission of a recovery plan the FSC will conduct its supervisory review to assess the plan’s completeness; effectiveness; credibility and operationality. In conducting the review, the FSC will have regard to the following:

- Verification that the submission addresses all required components as specified in Section 6 of the Guidelines;
- The degree of integration of the recovery planning process in the entity’s risk management framework;
- The appropriateness of recovery triggers; stress scenarios and recovery options;
- Evaluation of effective implementation of the recovery plan under stress conditions described having regard to the entity’s financial position, operational capacity and availability of recovery options;
- The credibility of the assumptions underpinning the recovery plan and;
- The comprehensiveness and clarity of the escalation process and decision-making mechanism upon the trigger of a recovery plan and the notification and communication arrangements with stakeholders.

10.2. To support a comprehensive assessment of an entity's recovery plan, the FSC may request additional information where necessary.

Resubmission of a Recovery Plan

10.3. Following its review, the FSC will provide written feedback to the regulated entity identifying any material deficiencies or areas of concern. Where these are found the entity will be required to submit an amended plan within a timeframe specified by the FSC.

10.4. Along with the resubmission, the regulated entity should set out a remedial plan to lay out the necessary remedial actions along with suitable timeframes for their completion. If an entity has failed to take effective and timely corrective actions, the FSC may take appropriate supervisory actions.

11. Effective Date & Submission Requirements

11.1. These Guidelines come into effect on the date of issuance.

11.2. Prescribed financial institutions and prescribed financial holding companies are required to review these Guidelines, develop a recovery plan, obtain board approval in keeping with the governance requirements and submit the approved recovery plan to the FSC within twelve (12) months of the date of issuance of these Guidelines.

12. Appendices to the Guidelines

Appendix 1- List of Potential Critical Functions

Critical Function Categories	Critical Functions
Payments, Clearing, Custody & Settlement	• Claims payments/benefit disbursement • Client asset custody and safekeeping • Clearing and settlement intermediation • Access to financial market infrastructures (FMIs) • Corporate trust services
Wholesale Funding Markets	• Wholesale borrowing and lending • Securities lending • Investment fund risk-transformation services • Structured credit Products
Capital Market & Investments	• Issuance, Underwriting and primary dealing • Market making, propriety position taking and brokerage • Brokerage and execution services • Asset management • Distribution networks • Corporate advisory services
Reinsurance Functions	• Facultative or treaty reinsurance
	• Co- insurance/ original terms or risk- premium basis
	• Proportional: Quota share or surplus basis

Appendix 2- List of Potential Critical Services

Critical Services Categories	Shared Services
Finance-Related Shared Services	• Treasury Services • Asset Management • Risk management and valuation • Actuarial Services • Accounting • Cash handling and paper-based processing • Tax Services
Operational	• Human resources support • Information Technology (data storage and process, IT infrastructure, software licences etc) • Transaction processing • Real estate provision or management • Legal services/compliance

RECOVERY PLAN SUBMISSION TEMPLATE

Entity/ Group Name	[Insert legal name of entity or prescribed financial holding company/ group]
FSC Licence/ Registration Number	[Insert licence/ registration number]
Sector	[Insert sector]
Plan Type	[Individual/ Group Recovery Plan]
Recovery Plan Reporting Date	[Insert Date]
Plan Version Number	[Insert Version Number]
Date of Board Approval	[Insert Date]
Date of Submission to the FSC	[Insert Date]

Disclaimer: This document provides the recovery plan submission template for FSC entities falling under the scope of the Commission's recovery planning guidelines. Firms/ entities are asked to use the recovery planning template as a guide in the development of their respective recovery plans. This template represents a guide and does not reflect the full range of firm/ entity specific details; scenarios; metrics etc. contained per each plan component. This template should also not be used exclusively of the FSC *Recovery Planning Guidelines for Regulated Entities* and as such the issued guidance are to be used for a more fulsome understanding in conjunction with this submission template for meeting with the relevant recovery planning requirements as prescribed by the Commission.

Document Control

1. **Version History**

Guidance: *Maintain a record of all versions of the recovery plan, including material changes made at each review or update, consistent with the annual review and material-change requirements under the FSC Recovery Planning Guidelines for Regulated Entities.*

Version	Date	Prepared By	Reviewed By	Summary of Changes
[1.0]	[dd/mm/yyyy]	[Name / Title]	[Name / Title]	[Initial submission]
[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]

2. Board / Governing Body Approval

Guidance: *The recovery plan must be formally approved by the Board of Directors prior to submission to the FSC and following any subsequent material updates. Record the approving body, the date of approval and the accountable member/ signatory below*.

Approving Body	Date of Approval	Accountable Member / Signatory
[Board of Directors]	[dd/mm/yyyy]	[Name and title]
[Board Risk Committee]	[dd/mm/yyyy]	[Name and title]
[Other Committee]	[dd/mm/yyyy]	[Name and title]

3. Independent Review

Guidance: *Confirm that the recovery plan has been reviewed by an independent party (internal audit or a qualified external party) for accuracy of data and robustness of methodology and record the outcome.*

Reviewer	Independence Confirmed	Date of Review	Summary of Findings
[Name / Function]	[Yes / No]	[dd/mm/yyyy]	[Insert summary]

Instructions for Completing the Recovery Plan Submission Template

Guidance: *This template sets out a suggested structure for the preparation and submission of recovery plans by prescribed financial institutions and prescribed financial holding companies, consistent with the 'Recovery Planning Guidelines for Financial Services Commission (FSC) Regulated Entities', the Guidelines. This template does by no means represent a substitute for the Guidelines, and as such, entities remain responsible for ensuring their recovery plan addresses all the applicable requirements of the Guidelines in full.*

In using this template, please note the following:

- Text shown in square brackets e.g. [Insert entity name], indicates information that should be populated.
- **“Guidance”** summarizes the relevant requirements of the Guidelines for that section and are provided for ease of reference. They should be deleted from, or retained at the discretion of the entity in the final submitted plan version.
- Lettered section headings (A–K) correspond directly to the components of a recovery plan set out in Section 6 of the Guidelines.
- The recovery plan should be proportionate to the entity's size, business volume, complexity, risk profile and systemic importance. Firm’s notified by the FSC for having met the eligibility criteria for reduced recovery planning obligations are expected to tailor their recovery plans to meet the simplified/ proportional recovery planning requirements when making their submission. Entities should adapt the level of detail in each section, accordingly, provided all required components are addressed.
- Supporting documents, detailed data, and supplementary analysis should be referenced and attached as appendices rather than embedded in the main body of the plan, to maintain readability.
- Where a prescribed financial group prepares one consolidated group recovery plan, the plan should capture stress scenarios and recovery options for each prescribed financial institution within the group or falling under the prescribed financial holding company.

List of Acronyms

[Please include in the recovery plan submission a listing or any pertinent acronyms used in the recovery plan that may be entity- specific so that the plan can be read on a stand-alone basis].

A. Executive Summary

Guidance: *Provide a high-level overview of the key components of the recovery plan and how it will be implemented, designed to enable the Board, senior management and the FSC to quickly understand the entity's recovery framework and facilitate timely decision-making during a stress event. At a minimum, address each of the items below:*

1. Governance and Escalation Arrangements

[Summarize the governance and escalation arrangements for the recovery plan]

2. Overall Effectiveness and Feasibility

[Provide an assessment of the overall effectiveness and feasibility of the recovery plan, with justification for the assessment]

3. Core Business Lines and Critical Services

[Provide an overview of core business lines and the critical services identified]

4. Material Dependencies and Linkages

[Describe material intra-group and external linkages and dependencies]

5. Triggers and Early Warning Indicators

[Summarize the triggers and early warning indicators used]

6. Significant Stress Scenarios

[Provide an overview of the most significant stress scenarios considered]

7. Key Recovery Options

[Summarize the key recovery options available to the entity]

8. Operational Implementation

[Provide an overview of the operational plan for implementation of the recovery plan]

9. Material Changes Since Previous Version

[Summarize any material changes to the financial group and/or updates to the recovery plan since the previous version (leave blank on first submission)].

B. Overview of the Financial Institution Group Structure

Guidance: *Provide an overview of the financial group structure, identifying all in-scope and related entities (subsidiaries, affiliates, and controlling/controlled companies), the legal ownership and shareholding structure, operational structure and governance arrangements of each entity within the group, and the jurisdictions in which each entity is incorporated and/or operates. Identify core business lines and their contribution to market share, revenue, profitability and strategic importance, and explain interconnections and interdependencies across business lines, affiliates and subsidiaries, and with critical third-party providers. Identify all jurisdictions in which the group is active, disclose any entities or activities excluded from scope (with rationale), and note where entities are subject to separate recovery plans in other jurisdictions.*

1. Legal and Ownership Structure

[Describe the legal ownership and shareholding structure of the entity/group, including an organizational chart (see Appendix 1)].

2. Operational Structure and Governance

[Describe the operational structure and governance arrangements of each financial institution within the group].

3. Jurisdictions of Operation

[Identify all jurisdictions in which the group is active].

4. Core Business Lines Overview

Core Business Line	Legal Entity / Entities	Contribution to Revenue / Profit / Market Share	Strategic Importance
[Insert]	[Insert]	[Insert]	[Insert]
[Insert]	[Insert]	[Insert]	[Insert]

5. Interconnections and Interdependencies

[Explain interconnections and interdependencies across business lines, affiliates, subsidiaries and critical third-party providers, and how disruption could affect the group]

6. Scope Exclusions

[Disclose any entities or activities excluded from the scope of the recovery plan, with rationale, and note where entities are subject to separate recovery plans in other jurisdictions].

C. Governance

Guidance: *Define the governance structure, including specific actions related to crisis management, and describe the processes for monitoring, escalating and activating the recovery plan, together with the roles and responsibilities of relevant stakeholders.*

1. Board, Senior Management and Key Persons

[Detail the membership of the Board, senior management and other key persons in control functions with roles in developing, approving, reviewing and updating the plan, including a description of their roles and responsibilities].

Name	**Title / Role**	**Responsibility in Recovery Planning**
[Insert]	[Insert]	[Insert]
[Insert]	[Insert]	[Insert]

2. Development and Approval Process

[Describe the process for development and approval of the recovery plan, including segregation of duties and controls between those who develop and those who review/approve the plan].

3. Policy for Continuous Development and Review

[Describe the policy/ process for continuous development and review of the recovery plan].

4. Escalation and Activation Process

[Document the process for escalating breaches of recovery triggers and activating the recovery plan, including the decision-making process, individuals accountable, and timing of decisions].

5. Independent Review

[Describe the independent review process (internal audit or qualified external party) of the accuracy of data and robustness of the methodology used in developing the plan].

6. Integration into the Enterprise Risk Management Framework

[Explain how recovery indicators align with the entity's risk appetite metrics, KRIs and early warning systems, and how stress scenarios and capital/liquidity projections are consistent with broader risk assessment and financial planning processes].

D. Identification of Core Business Lines

Guidance: *Identify the entity's core business lines, those significant to the institution to inform the development of recovery strategies. Recovery options affecting core business lines should not affect the* *entity's long-term viability. In identifying core business lines, consider whether failure or discontinuity would disrupt operations essential to the entity; contribution to profit, assets, capital, liabilities or risk profile; and strategic significance (customer base and geographic reach, market potential and growth outlook, indicative value including market access/international linkages, operational synergies, and other relevant factors).*

Core Business Line	Contribution to Profit / Assets / Capital	Strategic Significance	Impact of Discontinuity
[Insert]	[Insert]	[Insert]	[Insert]
[Insert]	[Insert]	[Insert]	[Insert]

E. Critical Functions and Critical Shared Services

Guidance: *Identify critical functions (activities performed for third parties that cannot be readily substituted, the failure of which would materially impact the financial system and real economy) and critical shared services (internal, intra-group or outsourced activities whose failure would impede the performance of critical functions). For each, assess criticality having regard to: impact of discontinuance (on customers, stakeholders, other institutions, markets and payment infrastructures); substitutability (availability and number of alternative providers, ease and cost for customers to switch); and interconnectedness (interactions with other functions of the entity or the market). Refer to Appendix 1 and Appendix 2 for illustrative lists of potential critical functions and critical shared services.*

1. Critical Functions

Critical Function	Impact of Discontinuance	Substitutability	Interconnectedness	Overall Criticality Rating
[Insert]	[Insert]	[Insert]	[Insert]	[High / Medium / Low]

2. Critical Shared Services

Critical Shared Service	Internal / Outsourced	Impact of Discontinuance	Substitutability	Overall Criticality Rating
[Insert]	[Insert]	[Insert]	[Insert]	[High / Medium / Low]

F. Dependencies

Guidance: *Identify and map all material dependencies of each prescribed financial institution within the group, with emphasis on dependencies supporting continuity of critical functions, including key risk transmission channels and potential contagion/systemic impact. Where disposal is considered as a recovery option, explain the interconnectedness of businesses and feasibility/impact of separation, and describe any third-party consents, approvals, notices or contractual impediments.*

1. Internal Dependencies

Guidance: *Identify material interdependencies among entities within the group, or with related entities, that if disrupted would significantly affect funding, operations or performance of critical functions.*

Dependency	Nature of Dependency	Entities Involved	Potential Impact if Disrupted
[Insert]	[Insert]	[Insert]	[Insert]

2. **External Dependencies**

Guidance: *Identify material dependencies on third parties that, if disrupted, would significantly affect the entity's operations and/or performance of critical functions.*

Dependency / Third Party	Nature of Dependency	Alternative Providers Available?	Potential Impact if Disrupted
[Insert]	[Insert]	[Insert]	[Insert]

3. **Systemic Interconnectedness**

Guidance: *Identify material dependencies on the entity by third parties that, if disrupted, would likely impair the functioning of the real economy or financial system.*

Dependent Party / Market	Nature of Reliance	Potential Systemic Impact if Disrupted
[Insert]	[Insert]	[Insert]

G. Indicators and Triggers[7]

Guidance: Establish a recovery indicator framework setting out clearly defined criteria, thresholds, procedures and governance arrangements for timely monitoring, escalation, activation and implementation. Indicators should provide advance warning, support monitoring across business-as-usual, early warning and recovery phases, incorporate multiple threshold levels for graduated escalation, and be tailored to the entity's sector. Recovery triggers should be calibrated above regulatory minimums to allow time for remediation; both quantitative and qualitative triggers should be included, and each trigger should specify the escalation response, including who is notified, timeframes, and the decision process. Trigger breaches must be reported to the FSC per the notification requirements set out in the Guidelines.

1. **Recovery Indicator Framework- Insurance Sector Entities**

Guidance: *At minimum, address: Capital and Solvency; Liquidity; Asset Quality and Investment Portfolio; Underwriting and Claims Performance; Earnings and Profitability; and Operational metrics.*

[7] Indicators and triggers listed below do not represent an exhaustive listing and as such institutions are required to populate or include as necessary the full range of triggers applicable to their business.

Category	Indicator	Early Warning Threshold	Recovery Trigger Threshold	Monitoring Frequency	Responsible Party
Capital and Solvency	[e.g. Minimum Capital Test / Solvency Ratio / LICAT]	[Insert]	[Insert]	[Insert]	[Insert]
Liquidity	[e.g. Liquid Asset Ratio]	[Insert]	[Insert]	[Insert]	[Insert]
Asset Quality and Investment Portfolio	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
Underwriting and Claims Performance	[e.g. Combined Ratio]	[Insert]	[Insert]	[Insert]	[Insert]
Earnings and Profitability	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
Operational	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]

2. Recovery Indicator Framework- Securities Sector Entities

Guidance: *At minimum, address: Capital and Solvency; Liquidity; Asset Quality; Earnings and Profitability; Client Asset Protection; Market Risk Exposure; and Counterparty Risk metrics.*

Category	Indicator	Early Warning Threshold	Recovery Trigger Threshold	Monitoring Frequency	Responsible Party
Capital and Solvency	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
Liquidity	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
Asset Quality	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
Earnings and Profitability	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
Client Asset Protection	[e.g. adequacy of client asset segregation / custody arrangements]	[Insert]	[Insert]	[Insert]	[Insert]
Market Risk Exposure	[e.g. VaR, stress loss relative to capital]	[Insert]	[Insert]	[Insert]	[Insert]
Counterparty Risk	[e.g. exposure concentration to clearing counterparties/prime brokers]	[Insert]	[Insert]	[Insert]	[Insert]

3. Escalation Process for Trigger Breaches

[Describe the escalation response for each trigger, including who must be notified, the timeframe for notification, and the process for assessing and deciding on recovery actions].

H. Stress Testing and Scenario Analysis

Guidance: *Develop a suite of stress scenarios that are severe but plausible, covering a range of risk types and intensities. The plan must include at least three (3) stress scenarios drawn from: (i) an idiosyncratic scenario specific to the entity; (ii) a system-wide / market-wide scenario; and (iii) a combined scenario. At least one scenario must assess a sudden and material deterioration in capital adequacy, and at least one must assess a severe liquidity stress. For each scenario, specify the nature and origin of the stress, its severity and speed of onset, quantitative impact on key financial metrics, assumed duration and recovery timeline, and underlying assumptions. Scenarios should be materially more severe than ordinary stress testing assumptions while remaining plausible; reverse stress testing may be used as a complementary tool.*

Scenario Name	Type (Idiosyncratic / System-wide / Combined)	Nature and Origin of Stress	Severity and Speed of Onset	Quantitative Impact on Key Metrics	Duration and Recovery Timeline	Key Assumptions
[Scenario 1]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
[Scenario 2]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
[Scenario 3]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]

Note: *Where a group recovery plan is relied upon and the group stress scenarios are not appropriate, or not sufficiently severe, for an individual entity, additional entity-specific stress scenarios must be developed and tested.*

I. Recovery Options and Impact Assessment

Guidance: *Develop a diverse suite of recovery options addressing a range of stress types and severities, not limited to easily implementable measures (e.g. also consider sale of business lines, portfolio transfers, or material balance sheet restructuring). Options may include capital management, asset management, liability management, business strategy, liquidity management, reinsurance, and operational restructuring actions, among others. For each option, provide: a description of the option and how it restores the entity's financial position; key assumptions and basis for expert judgement; quantitative impact on capital, liquidity and other key metrics; implementation timeframe; operational, legal, regulatory and market impediments and how these would be managed; potential adverse effects on stakeholders and the financial system; governance and decision-making process for activation; and dependencies on external counterparties.*

1. Recovery Options Assessment

Recovery Option	Category	Description and Mechanism	Key Assumptions	Quantitative Impact (Capital / Liquidity)	Implementation Timeframe	Impediments	Governance / Approval Required
[Insert]	[Capital / Asset / Liability / Business Strategy / Liquidity / Reinsurance / Operational]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]

2. **Cross- Mapping of Recovery Options to Stress Scenarios**

Guidance: *Cross-map each recovery option to its effectiveness under each stress scenario in Section H, to identify available options and any gaps in recovery capacity.*

Recovery Option	Scenario 1 Effectiveness	Scenario 2 Effectiveness	Scenario 3 Effectiveness
[Insert]	[High / Medium / Low / N/A]	[High / Medium / Low / N/A]	[High / Medium / Low / N/A]

3. **Recovery Capacity Assessment**

[Provide an aggregate assessment of the entity's overall recovery capacity, demonstrating sufficient capacity to address each stress scenario in the plan].

4. **Escalation and Decision-Making Process for Activation**

Guidance: *Document the escalation process, including who monitors recovery indicators routinely; the notification process on approach/breach of thresholds; timeframes for notification, decision-making meetings and impact assessments; decision-making authority for activating options at different severities; the process for escalating to the Board; and circumstances requiring FSC notification.*

[Describe the escalation and decision-making process for activation of recovery options].

J. Communication and Disclosure

Guidance: *Include a communication plan addressing internal and external stakeholders during a stress event. Communication protocols should minimize the risk of premature disclosure of market-sensitive information while ensuring timely and accurate information to stakeholders. Identify designated spokesperson(s) and the approval process for external disclosures. Where the entity forms part of a financial group, address coordination with the parent entity and other group members to ensure consistency of messaging.*

1. Internal Communication

Stakeholder	Trigger Point for Communication	Key Messages	Responsible Person	Channel
Senior Management (CEO, CFO, CRO, etc.)	[Insert]	[Insert]	[Insert]	[Insert]
Board of Directors / Committees	[Insert]	[Insert]	[Insert]	[Insert]
Business Unit Heads / Operational Staff	[Insert]	[Insert]	[Insert]	[Insert]
Staff (wider)	[Insert]	[Insert]	[Insert]	[Insert]

2. External Communication

Stakeholder	Trigger Point for Communication	Key Messages	Responsible Person	Channel
FSC and other regulators	[Insert]	[Insert]	[Insert]	[Insert]
Policyholders / Investors / Clients	[Insert]	[Insert]	[Insert]	[Insert]
Reinsurers / Counterparties / Service Providers	[Insert]	[Insert]	[Insert]	[Insert]
Rating Agencies	[Insert]	[Insert]	[Insert]	[Insert]
Media / General Public	[Insert]	[Insert]	[Insert]	[Insert]

3. Group Communication Coordination

[Where applicable, describe coordination with the parent entity and other group members to ensure consistency of messaging and avoid conflicting communications].

K. Maintenance, Testing and Material Changes

1. Annual Review and Maintenance

Guidance: *The recovery plan must be reviewed, and where necessary updated, at least annually. The annual review should: assess the continued relevance and accuracy of all plan components; incorporate material changes since the previous review; assess results of recovery plan testing conducted during the year; update financial projections and impact assessments; and confirm Board approval of any material amendments.*

[Describe the entity's process for the annual review and maintenance of the recovery plan].

2. Triggers for Interim Updates

Guidance: *Between annual reviews, the plan must be updated promptly following material changes, including significant changes to ownership, business model or organizational structure; material acquisitions, disposals or mergers; significant changes to financial condition, capital or liquidity profile; changes to applicable legislation or regulatory requirements; emergence of new material risks; or identification of significant deficiencies through testing or supervisory feedback.*

[Describe the entity's process for identifying and responding to material changes between annual reviews]

3. Summary of Material Changes

Guidance: *Submissions must include a summary of material changes made since the previous submission, including reasons for each change. Leave blank on first submission.*

Change	Date	Reason for Change
[Insert]	[Insert]	[Insert]

4. Testing the Recovery Plan

Guidance: *Recovery plan testing must be conducted at least annually, proportionate to the entity's size and risk profile, and should be supplemented by operational testing/simulation exercises. Testing methods may include tabletop exercises, operational dry runs, and fire drills for high-priority recovery actions. Results must be documented, submitted to the Board for review, and gaps addressed through plan updates. A summary of testing activities and findings should be included in the annual submission to the FSC.*

Testing Method	Scope / Focus	Scheduled Date	Participants	Key Findings / Follow-up Actions
Tabletop Exercise	[Insert]	[Insert]	[Insert]	[Insert]
Operational Dry Run	[Insert]	[Insert]	[Insert]	[Insert]
Fire Drill	[Insert]	[Insert]	[Insert]	[Insert]

<u>Declaration and Board Approval</u>

Guidance: Confirm that the Recovery Plan has been reviewed and approved by the Board of Directors of [Insert Entity / Group Name] and that, to the best of your knowledge, it accurately reflects the entity's recovery planning arrangements as at the reporting reference date stated on the cover page and is in alignment with Recovery Planning Guidelines Requirements for the Commission.

Approving Body	Date	Accountable Member (Name, Title, Signature)
[Board of Directors]	[dd/mm/yyyy]	[Name / Title / Signature]
[Board Risk Committee]	[dd/mm/yyyy]	[Name / Title / Signature]

<u>Persons involved in the development of the Recovery Plan</u>

It is useful for the Commission to know which individuals have been involved and have responsibility for the development and maintenance of the plan to facilitate supervisory review.

Name	Job Title	Team / Department / Business Area	Role in Recovery Plan (Development, Review, Validation, Approval, etc.)
[Insert]	[Insert]	[Insert]	[Insert]
[Insert]	[Insert]	[Insert]	[Insert]

Appendices

Appendix 1- Group Structure Chart

[Insert or attach an organizational/ group structure chart showing all in scope related entities, ownership percentages, jurisdictions of incorporation and the position of the prescribed financial holding company if applicable.]

Appendix 2- Recovery Plan Testing Schedule and Results Log

Maintain a rolling log of all recovery plan testing activities (tabletop exercises, operational dry runs, fire drills) conducted, including scope, participants, findings and remedial action in support of section K (4) of the template.