

Brussels, 24 April 2024

Subject: Use of Irrevocable Payment Commitment (“IPC”) during the 2024 contribution period (deadline for submission of IPC Application Forms is 10 June 2024; deadline for receipt of completed IPC package by the SRB is 19 June 2024)

Dear Sir/Madam,

As a consequence of the 2024 Restatement Decision, either a reimbursement obligation is established for the Board, in case of a negative restatement amount, or a payment obligation is established for the restating institutions, in case of a positive restatement amount. Pursuant to this decision, the SRB has determined that institutions with a positive restatement amount, will have the possibility to apply for IPC.

Your institution has been provided by your National Resolution Authority (“NRA”) with this application package for IPCs. Council Implementing Regulation (EU) 2015/81 allows institutions to use IPCs to settle part of their payment obligation to the Single Resolution Fund (“SRF”). This letter explains what IPCs are and sets out what your institution needs to do to request the use of IPCs.

What are IPCs?

Through IPCs, your institution can irrevocably commit to pay a pre-determined share of its payment obligation established in the 2024 contribution cycle. In order to secure the full and punctual payment of the contribution when called by the Single Resolution Board (“SRB”), your institution will need to constitute collateral and transfer full ownership of this collateral to the SRB.

When IPCs are called by the SRB under the terms of the IPC Agreement (partially or in full), your institution is obliged to transfer the called amount on the Banking Day following the date of the call notice. Once payment is received, the SRB will return the corresponding collateral. In case your institution fails to pay the full amount, the SRB is entitled to seize and apply the cash collateral in discharge of the commitment undertaken.

How much IPCs can be requested?

Article 8(3) of the Council Implementing Regulation stipulates that during the initial period, under normal circumstances, the SRB shall allow the use of IPCs upon request from an institution. For the positive restatement amounts the SRB decided that institutions are allowed to provide IPCs for 22.5% of their total payment obligations. It was furthermore decided that IPCs must be fully backed by cash collateral.



How can IPCs be requested?

The use of IPCs is voluntary. If your institution wishes to use them, it needs to complete this application package. The package contains:

- An Application Form (Excel);
- The IPC Agreement (Pdf).

Only a fully completed application package where the IPC Agreement is duly signed by a person that can legally represent your institution can be considered as a valid request. The package can be signed using wet ink signature or qualified electronic signature.

*Additionally, please note that due to amendments to the Commission Delegated Regulation (EU) 2024/895, which have an impact on the timeline of the 2024 restatements period¹, **the IPC applications will be accepted only if received by 10 June 2024 deadline** (a filled in IPC Application Form sent electronically to the NRA). After this deadline has elapsed, an IPC application will no longer be possible. As a second step of the procedure, institutions will be kindly requested to complete their application process by sending the originally executed version of the Application Form and two signed IPC Agreements to the SRB no later than 19 June 2024. Please carefully follow the below instructions on correct signing of the contracts.*

➤ **Option 1. If your institution opts for wet ink signature IPC Agreement:**

The package needs to be returned **both** electronically and physically:

1. Electronically, to the NRA

No later than 10 June 2024, the following documents should be delivered by email to your National Resolution Authority (NRA):

- The **Excel** copy of the completed Application form labelled "[your Riad MFI/local identifier code]_2024_Application Form".

AND

2. Physically, to the SRB

No later than 19 June 2024, the originally executed version of the Application Form and **two** signed IPC Agreements have to be received by registered mail at:

*SRB [Unit E1 - IPC]
Treurenberg 22
B-1049 Brussels
Belgium*

¹ Commission Delegated Regulation (EU) 2024/895 of 13 December 2023 amending Delegated Regulation (EU) 2015/63 as regards the calculation of eligible liabilities and the transitional regime, C/2023/8602, OJ L, 2024/895, 20.3.2024.



The IPC Agreements have to be signed using wet ink signature and have to be delivered by registered mail in their original version. No scan or photocopy will be accepted. They must be signed by the exact same legal representative(s) indicated on page 1 of the IPC Agreement.

By 31 July 2024 at the latest, the SRB will return the countersigned IPC Agreement to the institution to the address provided in the Application Form, by registered mail.

➤ **Option 2. If your institution opts for electronically-signed IPC Agreement:**

The package needs to be returned electronically **both** to the NRA and SRB:

1. Electronically, to the NRA

No later than 10 June 2024, the following documents should be delivered by email to your National Resolution Authority (NRA):

- The **Excel** copy of the completed Application form labelled "[your Riad MFI/local identifier code]_2024_Application Form".

AND

2. Electronically, to the SRB

No later than 19 June 2024, the Application Form and electronically signed IPC Agreement have to be delivered by a single e-mail to: SRB-IPC@srb.europa.eu. Please clearly indicate your LEI or MFI code in the title of the e-mail.

The IPC Agreement has to be signed by **qualified electronic signature** as defined in Regulation (EU) No 910/2014².

The IPC Agreement has to be delivered as originally-executed pdf file. No scan, photocopy or a print-out can be accepted; no photocopied signature can be accepted. It must be signed by the exact same representative(s) indicated on page 1 of the IPC Agreement. The validity of the electronic signature will be verified.

By 31 July 2024 at the latest, the SRB will return the countersigned IPC Agreement to the institution to the electronic address from which the IPC contract was initially received.

² Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 19.9/93/EC, *OJ L 257, 28.8.2014, p. 73-114*.



How will the transfer of cash collateral take place?

The constitution of the cash collateral shall occur as part of the payment of the positive restatement amount to the NRA in accordance with the process and within the timing set out in the notification of the restatement amount.

What happens if the application is not complete?

Failure to comply with the requirements as set out above will lead to your institution being excluded from the use of IPC's for the 2024 restatement cycle. In such a case, the full payment obligation will be considered to be a paid-in contribution.

If you have any questions regarding this application, please contact your NRA.

Yours faithfully,

Jan Reinder DE CARPENTIER
Vice-Chair



Step-by-step guide:

➤ Option 1. If your institution opts for wet ink signature IPC Agreement:

Steps to be taken:

1. Please complete the Application form in Excel, save it under title "[your Riad MFI/local identifier code]_2024_Application Form" and send it to your NRA by e-mail no later than 10 June 2024.
2. Print out:
 - two separate copies of the IPC Agreement and, after completion, please sign each copy with pen ("*wet ink*"). No scan or photocopy will be accepted. Both copies must be signed by the exact same legal representative(s) indicated on page 1 of the IPC Agreement. (If more than one person are indicated on page 1, they all must sign the Agreement).
 - 1 copy of the Application form from point 1 above.

and send by registered mail to the following address:

SRB [Unit E1 - IPC]
Treurenberg 22
B-1049 Brussels
Belgium

It should be received by the SRB no later than 19 June 2024.

➤ Option 2. If your institution opts for electronically-signed IPC Agreement:

Steps to be taken:

1. Please complete the Application form in Excel, save it under title "[your Riad MFI/local identifier code]_2024_Application Form" and send it to your NRA by e-mail no later than 10 June 2024.
2. Please complete the IPC Agreement and sign it by the qualified electronic signature as defined in Regulation (EU) No 910/2014³. It must be signed by the exact same legal representative(s) indicated on page 1 of the IPC Agreement. (If more than one person are indicated on page 1,

³ Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC, *OJ L 257, 28.8.2014, p. 73-114*.



they all must provide their qualified electronic signature). No scan or photocopy will be accepted. The validity of the electronic signature(s) will be verified.

3. Send both the Application form and signed IPC Agreement (pdf) by a single e-mail to: SRB-IPC@srb.europa.eu no later than 19 June 2024. Please clearly indicate your LEI or MFI code in the title of the e-mail.
4. Please do not send any printed versions to the SRB as they have no added value when qualified electronic signature is applied.