3.0 FEEDBACK/COMMENTS RECEIVED AND PIDM'S RESPONSES

3.1 Exposure Draft on Resolvability Assessment Framework for Deposit-Taking Members

Respondents generally supported the proposed RAF, with feedback focused on the classification of DTMs under Full and Tailored Requirements, the scope and conduct of Separability Assessment and Marketability Assessment and implementation and reporting requirements.

a. Overview of the Resolvability Assessment Framework
The RAF sets out PIDM's approach and requirements for assessing the resolvability of DTMs, including the capabilities DTMs are expected to demonstrate in support of the transfer strategy. The RAF adopts proportionality as a core principle, with requirements calibrated to each DTM's size and complexity to ensure that expectations remain fit for purpose, while supporting the effective development and assessment of resolvability capabilities across DTMs.

No.	Feedback Received	Response by PIDM
1.	**Classification of DTMs under Full Requirements and Tailored Requirements** Respondents broadly supported PIDM's approach to proportionality, which differentiates the scope of assessment between DTMs that are subject to the Full Requirements and those subject to Tailored Requirements. Some respondents sought clarification on: (a) assessment factors; (b) scoring or weighting criteria; and (c) whether the assessment methodology and outcome will be disclosed publicly by PIDM.	PIDM notes the broad support for the proportionality approach under the RAF. In classifying whether a DTM is subject to the Full Requirements or Tailored Requirements, PIDM assesses the DTM's size and complexity. The assessment considers the potential impact of the DTM's failure or disruption on the financial system. PIDM does not intend to publicly disclose the detailed assessment methodology. PIDM will, however, notify each DTM of its

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		classification upon the commencement of resolution planning.
2.	**Access to group resolution planning information** Locally incorporated foreign DTMs noted challenges in furnishing group resolution plans ("GRPs") or relevant excerpts to PIDM due to: (a) confidentiality constraints, as furnishing relevant excerpts would require clearance from the foreign parent banks and in some cases, the home authorities; and (b) the fact that GRPs may not contain a resolution strategy specific to the locally incorporated foreign DTM, particularly where the local entity is not identified as a material subsidiary within the group resolution planning framework.	PIDM's focus remains the local resolution plan for the locally incorporated foreign DTM. Where relevant information is contained within group resolution planning arrangements, PIDM expects DTMs to furnish such information to the extent reasonably available, taking into account applicable confidentiality and information-sharing constraints. Where appropriate, PIDM may engage with home authorities, foreign parent banks, Crisis Management Groups ("CMGs") or resolution colleges to facilitate information sharing and support the development of the local resolution plan.

b. Separability Assessment

Separability Assessment applies to DTMs that are subject to the Full Requirements and assesses the operational, financial, legal, and business implications of separating the Transfer Perimeter. The assessment includes:

(a) an Impact Assessment, which assesses the degree of interconnectedness between the Transfer Perimeter and the rest of the DTM Group, including the residual DTM, if any that remain outside the Transfer Perimeter; and

(b) a Marketability Assessment, which assesses, at a high level, the availability and suitability of potential acquirers to assume the Transfer Perimeter.

b. Separability Assessment

For the purpose of the above assessments, Transfer Perimeter refers to the specific portfolio of assets and liabilities, shares, businesses or legal entities that are intended to be transferred to one or more acquirers during a resolution.

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1.	**Separability Assessment** DTMs noted their inventories and mapping of interdependencies remain at varying levels of maturity. Many DTMs maintain partial registers that are typically focused on operational and financial dependencies, while legal and business dependencies are less comprehensively captured. Where such inventories exist, they are often maintained manually, including through Excel-based records. DTMs also anticipated challenges in conducting the Separability Assessments at DTM's business line level, particularly where systems, operations, funding and processes are integrated across entities or business units.	 PIDM acknowledges these implementation challenges, particularly for DTMs with shared infrastructure, cross border operating models and group wide service arrangements. PIDM wishes to clarify that the requirements are not intended to prescribe how DTMs should maintain their inventories or map dependencies. Rather, the objective is to ensure that DTMs can identify and assess interdependencies that may impede the execution of a transfer strategy. PIDM will apply a phased and proportionate approach to the Separability Assessment. DTMs will initially assess separability at the entity level, consistent with RCP practices. For certain identified DTMs, PIDM may, over time, extend the assessment to the business-line level once the entity-level assessment has sufficiently matured.
2.	**Marketability Assessment** Respondents highlighted practical challenges in conducting the Marketability Assessment, particularly given the limited granularity of publicly available information to assess	 Having considered the feedback received, PIDM has removed the expectation for DTMs to assess the financial capacity of potential acquirers as part of the Marketability Assessment in the RAF

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	potential acquirers' operational capabilities, business profile, financial capacity, strategic intentions, and risk appetite, to assume the Transfer Perimeter. Respondents also highlighted that market conditions at the point of resolution may differ significantly from those reflected in available information. Accordingly, some respondents suggested that PIDM allows for an appropriate degree of judgement and the use of internal assessments to supplement publicly available data.	Guidelines, recognising that such assessments would require assumptions on potential acquirers' financial position and funding capacity, which may change materially by the time a resolution action is undertaken. PIDM has retained the requirement for DTMs to assess strategic fit of the Transfer Perimeter within a potential acquirer's business model and will provide further guidance, through FAQs. In assessing the strategic fit of the Transfer Perimeter, DTMs may supplement publicly available information with market intelligence and industry research. Any such analysis and assumptions should be clearly documented.

c. Implementation & Reporting

The RAF sets out PIDM's proposed implementation and reporting requirements for DTMs, as follows:

(a) DTMs that are subject to the Full Requirements are required to submit the Separability Report; and

(b) all DTMs are to submit the Self-Assessment Report for the relevant resolvability expectations, supported by the applicable self-assessment checklist.

Both reports are required to be submitted within the prescribed timelines and thereafter, updated and re-submitted on a biennial basis. The RAF also requires DTMs to notify PIDM of material changes that may affect their resolvability assessment.

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1.	**Timeline for submission of Separability Report and Self-Assessment Report** Respondents provided mixed views on the proposed 15-month submission timeline of the Separability Report and Self-Assessment Report. A majority sought a longer timeline, citing the breadth and depth of the assessment, the complexity of group-wide data consolidation and cross-jurisdictional coordination, and competing regulatory obligations. A number of respondents considered the timeline achievable where existing RCP capabilities can be leveraged.	Having considered the feedback received, PIDM will apply a differentiated submission timeline to reflect the obligations of DTMs under the Full Requirements and Tailored Requirements. DTMs subject to the Full Requirements will submit the Separability Report within 18 months and the OCIR Self-Assessment Report nine (9) months thereafter, while DTMs subject to the Tailored Requirements will submit only the OCIR Self-Assessment Report within 18 months. This extension is intended to provide DTMs with additional time to plan, allocate resources and develop the required capabilities.
2.	**Biennial submission** Respondents generally supported the requirement to update and submit the Separability Report, where applicable, and the Self-Assessment Report on a biennial basis. Some respondents suggested that PIDM consider a more proportionate approach for subsequent reporting cycles, particularly where there have been no material changes affecting the DTM's resolvability assessment. Suggestions included simplified update requirements	PIDM notes the feedback received. The biennial submission cycle will be maintained during the foundational stage to promote regular review, capability-building and continued engagement on resolvability matters. PIDM will reassess the reporting cycle and submission requirements after the completion of the first round of submissions, taking into account the implementation experience, the quality of submissions received and the extent of

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	or attestations in lieu of a full report refresh.	material changes affecting DTMs' resolvability assessments.
3.	**Update on material change** Respondents generally considered the requirement to notify PIDM of material changes within 14 days to be manageable within existing governance, escalation and approval processes. Some respondents requested a longer notification period for material changes, while others sought further clarification on the circumstances that would constitute a material change.	PIDM notes the feedback received. The definition of "material change" remains as set out in paragraph 5.2.2. of the RAF Guidelines. However, recognising that a DTM's assessment of its capabilities in executing the transfer strategy may evolve as part of an ongoing and iterative resolution planning process, changes arising solely from such reassessments will not be considered "material change". DTMs should reflect such updates in their biennial submissions. PIDM also acknowledges the practical challenges associated with obtaining internal approvals for material changes within a short timeframe. Accordingly, PIDM has extended the notification period for material changes from 14 days to 30 days from the date of the relevant regulatory approval or the DTM's internal approval, whichever is later, as the case may be.
4.	**Self-Assessment Grading Categories** Respondents generally supported the grading approach for assessing capabilities across the resolvability expectations. Some respondents sought clarification on:	PIDM notes the feedback received. The grading categories have been revised to better align the assessment with the objective of identifying impediments to resolvability and the execution of the

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	(a) the distinction between “Largely Compliant” and “Partially Non-Compliant”; (b) illustrative examples or indicative thresholds to support consistency in application; and (c) the extent to which existing evidence may be cross-referenced rather than duplicated.	transfer strategy, rather than assessing compliance in isolation. The revised grading categories comprise three (3) categories: 'No Improvements Required', 'Minor Improvements Required' and 'Major Improvements Required’, supported by further guidance in the RAF Guidelines. PIDM will also set out illustrative evidence expectations in the relevant guidance papers as they are rolled out to the industry. To avoid duplicative reporting, DTMs may cross-reference existing evidence maintained under RCP, BCM and Outsourcing Policy Documents, where relevant.

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