



**Legal Aspects of the Romanian Bank
Resolution Regime**

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KEY LEGAL ASPECTS OF BANK RESOLUTION

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Romanian stabilization measures

- I. Transfer of assets and liabilities
- II. Bridge-bank
- III. Involvement of the Bank Deposit Guarantee Fund as delegated administrator and shareholder



I .Transfer of assets

Selection procedure:

- fair treatment and fair competition among interested institutions
- pack of relevant information
 - shall be made available in a non-discriminatory manner
 - confidentiality agreement



I .Transfer of assets (cont.)

National Bank of Romania's decision:

- assets and liabilities to be transferred
- delegated administrator
- beneficiary institution



I .Transfer of assets (cont.)

As to the bank under resolution:

- ceases the mandate of the management
- delegated administrator takes over the management
- suspension of the General Assembly of Shareholders



I .Transfer of assets (cont.)

Transfer of assets:

- by contract
- beneficiary bank subrogates all rights and obligations
- not necessary consent of depositors



I .Transfer of assets (cont.)

After the transfer, as to the bank under resolution:

- NBR shall withdraw its license
- goes into liquidation
- delegated administrator shall ensure management until the appointment of a liquidator



II. Bridge bank

The **bridge-bank** is a credit institution which is established and functioning as a bank, in the purpose of taking over the assets and liabilities of a credit institution, in order to ensure the continuing of providing banking services related to the assets and liabilities taken over, to be subsequently sold to a third eligible part.

- established and functioning for a period of up to 2 years
- possibility of extending this period, by NBR's decision
- joint stock company
- BDGF is the sole shareholder
- same name as the bank under resolution followed by initials „BP - S.A.”
- same address as the bank under resolution



II. Bridge bank (cont.)

National Bank of Romania's decision:

- assets and liabilities to be transferred
- persons responsible for the management of the bridge bank
- delegated administrator



II. Bridge bank (cont.)

As to the bank under resolution:

- ceases the mandate of the management
- delegated administrator takes over the management
- suspension of the General Assembly of Shareholders



II. Bridge bank (cont.)

As to the bridge bank:

- Articles of association are made
- NBR issues the license
- registration in the Trade Register
- legal personality



II. Bridge bank (cont.)

The transfer of assets:

- on the first banking day after the registration in the Trade Register
- by contract
- the bridge-bank subrogates all the rights and obligations
- not necessary the consent of depositors

- after the transfer, the bank under resolution goes into liquidation



II. Bridge bank (cont.)

Operation of the bridge-bank:

- operates in compliance with the legislation applicable to credit institutions
- subject to the prudential supervision by NBR
- shall benefit of necessary services provided by the bank from which the transfer was carried out based on a contract and on agreed fees



II. Bridge bank (cont.)

Sale of bridge-bank:

- decided by the National Bank of Romania
- methods:
 - a) Sale of shares
 - b) Sale of assets and liabilities



III. Involvement of BDGF as delegated administrator and shareholder

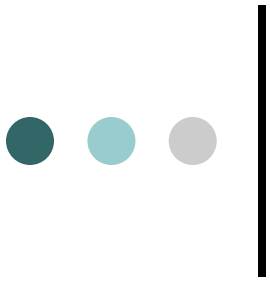
- National Bank of Romania's decision
- The delegated administrator convenes the General Assembly of Shareholders
- General Assembly of Shareholders decides:
 - increase of the share capital
 - cancellation of the existing shareholders' preferential subscription rights
- subscription by the BDGF of the new shares



III. Involvement of BDGF as delegated administrator and shareholder (cont.)

Sale of BDGF's shares:

- in a period up to 2 years since the date of acquisition
- possibility of extending this period by the decision of the NBR
- mandate of the BDGF as delegated administrator ceases when shares are sold



Thank you for your attention!