

European Union Single Resolution Mechanism is Operational

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On January 1, the **Single Resolution Mechanism (SRM)** became fully operational. The SRM implements the European Union Bank Recovery and Resolution Directive (BRRD). The SRM is designed to strengthen the resilience of the financial system and to assist in mitigating against future crises. The regulation underlying the SRM establishes the framework and procedures that member states of the European Union will be required to follow when a bank in their jurisdiction fails and requires resolution.

The SRM provides that a Single Resolution Fund is to be established under the control of the Single Resolution Board (SRB), with funds to be added throughout eight years with contributions from the banking sector.

The full resolution of powers of the SRB also apply as of January 1.

A copy of the European Commission's press release (which contains further background on the SRM in effect) can be found [here](#).

Links to the text of the underlying regulation to the SRM (Regulation (EU) No 806/2014), including links to further Delegated Regulation in relation to the SRM can be found [here](#).

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