**FINANCIAL STABILITY No. 07/EFI/2022**

**Maputo, December 21, 2022**

**SUBJECT: Structure of Presentation of Information Items for Drawing Up Resolution**

 **Plans**

The Banco de Moçambique issued Notice No. 04/GBM/2022 of June 14, and from July 14, the rules for submitting information for drawing up resolution plans, in compliance with the obligation provided by Article 140, No. 20/2022, of December 31.

Given the necessity to establish the structure for presenting the above-mentioned information items, as provided by Article 7, of Notice No. 04/GBM/2022, of July 14, the Banco de Moçambique lays down as follows:

1. The provision of information for drawing up resolution plans shall comply with the structure provided by the Annex to this Circular.
2. The information referred to in the previous paragraph shall be duly filled out and sent to the Banco de Moçambique via the Bank Supervision Application (BSA) .
3. This Circular shall enter into force immediately.

Any doubts arising from the interpretation and implementation of this Circular may be submitted to the Macroprudential Analysis Department of the Banco de Moçambique.

**Benedita Maria Guimino
Board Member**

**ANNEX**

**Structure of Presentation of Information Items for Drawing Up Resolution Plans**

**Section
 Organizational Structure**

1. Presentation and description of the organizational and corporate structure of the institution and group, if applicable, including a list of all constituent entities:
2. Shareholder structure;
3. Participations;
4. Governance structure;
5. Full organizational chart of the company's structure.
6. Identification of shareholders with qualifying stakes in the share capital or voting rights of the institution and the other entities of the group, where applicable.
7. Address of the registered office;
8. Identification of members of the institution's board of directors and description of their roles and responsibilities;
9. Identification of each group entity, where applicable, including:
10. Name;
11. Location;
12. Number of branches and geographical distribution;
13. Licensing authority;
14. License type.
15. Identification of supervision and resolution authorities of each entity that makes up the group, where applicable:
16. Banking entities;
17. Non-banking entities.

**Section II
Business Structure**

1. Description of the business model and financing strategies of the institution or group, where applicable.
2. Identification of all critical functions, assets and liabilities of the institution and group, where applicable:
	1. Critical functions;
3. Entities correlated to functions;
4. Main business lines;
5. Critical services shared with third parties.
	1. Assets and liabilities:
6. Type;
7. Amount;
8. Currency.
9. Identification of all strategic business lines of the institution and the group, where applicable, including:
	1. Geographical location;
	2. Description of classification criteria;
	3. Assets and liabilities:
10. Type;
11. Amount;
12. Currency;
	1. Identification and contacts of those responsible for each line of business.
13. Correspondence between each critical function identified in point 8 and the lines of business served by that function.
14. Correspondence between each strategic business line identified in point 9 and each group entity, where applicable.
15. Correspondence between the strategic business lines of the institution or the group, where applicable, and the assets and liabilities specially allocated thereto. In case of group, each of the composing entities should be considered a reference.
16. Identification and contacts of the main responsible for each critical function:
	1. manager accountable:
17. Name;
18. Function;
19. Department;
20. Telephone contact;
21. E-mail address.
22. Identification and address of the facilities where each critical function is performed, as well as the facilities that host the supporting infrastructures.
23. Description of the liquidity management policy and liquidity situation of the institution or group, where applicable, including:
24. Emergency financing mechanisms likely to be used in the event of the implementation of resolution measures;
25. Intra-group financing relations.
26. Description of the activities recognized under off-balance-sheet items, hedging strategies and accounting practices.
27. Identification of all contracts (type, counterparty and amounts) concluded by the institution or by other entities of the group, where applicable, whose conditions provide for their possible early maturity following the application of resolution measures.

**Section III
Operating structure**

1. Identification and description of computer systems and applications and their licenses that appear critical to the development or operationalization of each critical function, including:
	1. Type:
2. Core banking system;
3. Treasury system;
4. Risk management;
5. Accounting;
6. Financial report;
7. Regulatory reporting;
8. Others.
	1. User:
9. Entity name;
10. Type of contract;
11. Critical functions;
12. Strategic business lines.
	1. Counterparty and contracts concerned;
	2. Manager accountable:
13. Name;
14. Telephone contact;
15. E-mail address.
16. Identification and description of the systems in which the institution or the group, where applicable, carries out operations in a materially significant number or amount, as well as management information systems.
17. Identification of the service providers involved in each critical function and description of their responsibilities, including the owners of the systems identified in points 18 and 19.
18. Interconnections and interdependencies between the various group entities, where applicable, regarding the existence of common or shared staff members, facilities and systems.

**Section IV**

**Financial Information**

1. Presentation of the structure and amounts of liabilities of the institution and other entities that make up the group, where applicable, with layering by types, debt maturities and counterparty, as regards the following items:
2. Secured, unsecured and subordinated liabilities;
3. Hierarchy of liabilities under the applicable insolvency regime;
4. Maturity intervals (short, medium and long terms).
5. The breakdown of liabilities by type of counterparty, while specifying liabilities on:
6. Central banks and central governments;
7. Public Sector;
8. Other financial institutions;
9. Group financial entities, where applicable;
10. Non-financial entities of the group, where applicable;
11. Non-financial companies;
12. Private individuals.
13. Presentation of the asset structure of the institution and the other entities that make up the group, where applicable, while indicating the set of assets considered necessary for the development of each strategic business line.

25. Other details of the statement of financial position and off-balance sheet items, including:

1. Off-balance sheet exposures;
2. Liabilities to major counterparties;
3. Off-balance sheet items received from major counterparties,

26. Liabilities to other credit institutions.

1. Information on the derivative instruments to which the institution is exposed, indicating the notional values by instrument type, by underlying asset class, by counterparty and by objective (hedging or trading).
2. Quantification and identification of all intra-group, institution and other group exposures to the institution, including identification of each counterparty, the type of exposure and the amount of exposure.
3. Quantification and identification of the exposures of other financial institutions to the institution and to other entities of the group, where applicable, including the identification of each counterparty (including the firm or company name, the tax identification number and the type of institution), the type of exposure and its amount.
4. Complete list of encumbered assets on the institution's balance sheet, while layering the amount, beneficiaries of each encumbrance or charge according to the classification of counterparties provided for in point 25 and indication of the jurisdiction in which the encumbered assets are located.

**Section V**

**Qualitative analysis related to the financial information provided for in Section IV** for each topic:

1. Description of the process of obtaining information (sources, process of preparing and verifying data).
2. Indication of the time required to update and present the information concerned, upon request from the Banco de Moçambique.
3. Identification of contracts whose termination should not be based on the application of the resolution powers provided for in Article 167 (1) of Law 20/2020, of December 31.
4. Identification of Terms and Conditions in relations with custodians relating to eligible assets for Interbank Money Market and Capital Market Operations.

**Reporting**

34. Identification and contacts of the person responsible for providing the information provided for in this Annex and of those responsible for the different entities of the group, where applicable:

a) Reporting manager:

1. Name;
2. Function;
3. Department;
4. Telephone contact;
5. E-mail address.

35. Description of the mechanisms implemented by the institution to ensure that, in the event of resolution, the Banco de Moçambique has, at all times and in a timely manner, up-to-date information on the elements set out in this Annex.

**Section VII**

**Payment systems;**

36. Identification of each payment, clearing or settlement system in which the institution performs a significant number of operations, by critical functions and strategic business lines.

37. The list of entities or the institution that provide payment services and the description thereof.

38. List and description of all applications, services and communication channels necessary to ensure the regular and effective operation and processing of operations through each of the identified systems, from an end-to-end standpoint (from the original payer to the final payee).

39. For each system, and if applicable for each application and service, the following information items shall be provided:

a) User manual and any other relevant documentation, including business continuity plans and adaily activities' checklist;

1. Description of the access management policy (e.g., profiles, privileges, actions subject to the four eyes principle, access administrators, period of time required for the creation, deletion and change of users);
2. Contact list of employees essential to ensure the regular and effective operation and processing of operations in each system (including the respective departments and physical facilities), from a business and IT standpoint, considering all identified applications and services;
3. List and description of any parameters that can be changed in order to control the transactions processed through each system (for example, the maximum amount of credit transfers via internet banking *,* the maximum number of payments initiated by the back office of the institution without the need for specific authorization, parameters managed at the deposit account level);
4. Identification and contact list of all counterparties to be informed in the case of the application of resolution measures, including indication of the most appropriate means for this purpose (e.g., SWIFT messages SWIFT or e-mail);

The contact list of the staff responsible for "critical data" by system, that is when the value and/or volume of operations increases (for example, at the end of each month, in December, etc.), or when there are critical operations to be processed;

(g) A List and description of the critical actions that must be carried out regularly (including the appropriate date and time) to ensure the correct use of the systems and the personnel involved.

1. List of all means and instruments of payment provided to customers (e.g. checks, debit and credit cards, transfers, direct debits).
2. List and description of all applications and services required to ensure that payment means and instruments can be made available and used by customers without disruption.
3. Contact list of the persons accountable for the service providers concerned.
4. A description of any other aspect considered relevant to ensure the regular and effective use of payment, clearing or settlement systems and payment instruments.

**ANNEX II**

**REPORTING MODELS**

**Additional Notes to Filling Out Reporting Maps for Drawing Up Resolution Plans**

1. **Introduction**

The purpose of the maps below is to collect information related to governance and management, main lines of business, liability structure, guarantees offered, off-balance sheet exposures, payment clearing and settlement systems, information systems and financial and contractual linkages that may affect or be affected by the application of resolution measures.

1. **Structure**

The information collection models are divided into 10 categories:

1. Organizational structure;
2. Business and operating structure;
3. Liability structure;
4. Guarantees;
5. Contractual provisions;
6. Information systems;
7. Shared services;
8. Off-balance sheet exposures;
9. Financial linkages;
10. Payment systems.
11. **Accounting standard**

Banks shall report book values in compliance with the structure used for reporting financial information.

1. **Applicability**

The level of application is usually at the level of the licensed institution in Mozambique. The Banco de Moçambique shall state the required request level.

1. **Model instructions**

**IMPORTANT NOTE:**

Some information elements require the submission of additional documents attached to the models. In such cases, the name of the attached files must be filled in the fields of the models requesting said information. If a field does not accommodate all the text, do not complete the text sent, or if there is intent to send some extra information, such as diagrams or figures, these elements can be sent in attached files and the names of the files must be indicated in the respective fields.

* 1. **Organizational, business and operating information items**

|  |  |
| --- | --- |
| Map Name | Information items |
| 1. Organizational Structure - this model presents the organizational and corporate structure of the institution or group, as well as its location, license jurisdiction and shareholder structure.
 | Columns 10 to 120 |
| 1. Business and Operating Structure - the maps relating to information about the structure from business and operating establish a mapping of the critical functions and strategic business lines of the institution and the group, the relevant assets and liabilities related to these business lines, considering the business lines that were assessed as “essential” in the recovery plan.
 | Columns 130 to 260 |
| These maps cover the identification and description of computer systems and applications, their providers and users, in the institution or in the group, their linkages and interdependencies between critical functions and strategic business lines.  |  |
| The maps also aim to collect information about the board member responsible for the information, as well as those responsible for the various business lines. |  |

* 1. **Financial Information Items**

| Map Name | Information Items |
| --- | --- |
| 1. Liability structure - aims to obtain a detailed description of the institution's liability components by type of counterparty, specifying all types and amounts of debt by maturity intervals namely short, medium and long term, secured, unsecured and subordinated liabilities.
 | Columns 280 to 370 – CounterpartiesAll categories are mutually exclusive, meaning that no instrument or value should be reported in more than one column.Large non-financial companies - any company that does not fit into the other breakdowns should fall into this category.Government, central and supranational banks – supranational counterparties shall include international organizations.Other / unidentified - if the identity of the holder of a liability is not known, amounts shall be assigned to this column and no breakdown is required. The reporting institution should make efforts to identify its counterparties and limit the use of this column to a minimum.**Liability components:**1. EXCEPTIONS TO RESOLUTION POWERS – Credit Institutions and Financial Companies Law (LICSF) ART 175

Article 175 (1) (exceptions to the power provided for in Article 174 (b))P. 101 - secured deposits (LICSF Art. 175 (1) (a) — refers to liabilities arising from deposits secured by the Deposit Guarantee Fund (FGD) up to the maximum insured amount, in accordance with Article 7 of Decree No. 49/2010, of November 11:* Demand;
* Redeemable at notice;
* Term.

Article 175 (2) (exceptions to the power provided for in Article 174 (i))**P. 104 -** Deposits from credit institutions < 7 days (LICSF Art. 175, (2), (b)* Interbank money market;
* Very short-term deposits:
* Deposits;
* Loans;
* Repurchase transactions;
* Other resources.

Liabilities to national and foreign banks and investment companies, excluding entities that are part of the same group, with initial maturity of less than seven days.1. RESOLUTION POWERS

P.208 – Central Bank Resources * Resources of the Banco de Moçambique;
* Resources of other central banks.

P. 209 - Resources of credit institutions > 7 days* Interbank money market
* Very short-term resources
* Deposits;
* Loans
* Repurchase transactions
* Securities;
* Credit Granted;
* Other operations
* Other resources
* Discount;
* Rediscount;
* Others.

Customer funds and other loans - liabilities arising from managing customer assets, including customer assets or cash held by the bank in resolution on behalf of investment and pension funds.P. 211 - Deposits not secured by the FGD (Decree No. 49/2010, November 11, Article 6) — refers to liabilities arising from deposits not covered by Article 2 of the aforementioned decree.P. 212 - Debt securities in issue;P. 213 - hedging derivatives;P. 214 - Financial liabilities held for trading;P. 215 - Financial liabilities at fair value through profit or loss;P. 216 – Deferred tax liabilities:For temporary differences;For tax credits;P. 217 – Current tax liabilities.Obligations of tax and pension authorities* Value Added Tax - payable;
* Withholding tax;
* Remaining taxes.

P. 218 – Equity instruments;P. 219 – Subordinated liabilities;P. 220 – Charges payable:* Interest and similar charges;
* Commissions associated with amortized cost (post-adjusted);
* Other charges payable

P. 221 – Other liabilities - this is a residual category. Accordingly, significant amounts are not expected to be reported on this line; however, it should be used to reconcile the sum of liabilities on this sheet with the published financial statements.**Own Funds (FP)** FP.100=FP.101+FP.102Total Liabilities and Own Funds, including Derivative LiabilitiesPT.100 =P.100+P.200+FP.100PT.101 – Total Assets (PT) - must be equal to the total reported in the balance sheet.PT.102 – Total Assets — should be equal to the amount reported in the balance sheet. |
| 1. Guarantees — Covers the

identification of the processes necessary to determine to whom the institution has provided a guarantee, the person holding the guarantee, and the jurisdiction where the guarantee is located. | 410 – Entity - name of the entity that is a party to the financial transaction;420 – Guarantee Issuer;430 – Type of guarantee provided - covers all types of pledge, including when there is an off-balance sheet liability;440 – Guarantee holder;450 – Amount;460 – Currency - identification according to ISO 4217;470 – Law applicable to the guarantee holder (indicate jurisdiction) – Law of the jurisdiction applicable to the guarantee holder identified in Column 440 (e.g. German Law). |
| 1. Contractual provisions - this model covers all agreements concluded by the bank or other entities of the group with third parties whose termination may arise from a decision of the authorities to apply a resolution instrument and whether the consequences of termination may affect the application of the resolution instrument.

Banks shall develop a methodology for determining "relevant" contracts with third parties, for example, establish materiality thresholds that should consider the scale of the contract, whether a contract is tied to a critical function, etc. | 480 – Entity name (reporting or group); 490 – third party;500 – Type of contract.510 – Can the resolution trigger the termination of the contract? - This field identifies whether the resolution can trigger the termination of the contract with third parties. Select 'Sim '[yes] or' não' [no] from the drop-down list.520 – Comments.  |
| VI. Information systems (IT) - this model covers:* The detailed inventory and a description of the main information management systems, including those for risk management, accounting and financial and regulatory reporting used by the institution, including a mapping of the legal persons of the institutions, critical operations and key business lines;
* The identification of system owners, and related service level agreements, and any software, systems or licenses, including a mapping of their legal entities, critical operations, and key business lines.
 | 530 to 550 – System – Identification and brief description of the functionalities of the main information management systems.560 to 590 – user-identification of the entity actually operating/using the system/ application. The type of contract governing the system concerned shall also be indicated. If the authority developed the system internally, 'N/A' shall be selected. If the system/application is licensed by a third party, the 'licença' option must be chosen, while in cases where the system / application is made available under a Service Level Agreement (LICSF Art. 140 (1) (n)) (Specific Service Level Agreement-SLA with another company in the group (for example, when a subsidiary uses a system provided by the parent), SLA should be selected.As applicable, the system shall be mapped to a critical function identified in the "critical functions" model of the recovery plan. The system should be mapped to a previously identified strategic business line.600 – counterparty - identification of the counterparty of a contract for a system/application (name of the third-party system provider or group entity providing the system).These fields should only be filled in when the ' contract type 'in Column 570 is' license' or 'SLA', indicating the relevant third party or group entity providing the system/application.610 – third party relationship - when the reporting institution uses a system provided by another group company, these columns provide information about the contractual relationship of that group entity. If the entity owns/develops the system internally, no information needs to be provided and N/A ' must be entered in the relevant fields.If the group company operates the system under license from a third-party supplier, information about the third party must be entered here.620 to 640 – person responsible — person responsible for the system in the reporting institution. |
| 1. Shared Services - This model presents the linkages between the various group entities using common services concerning accounting, control, treasury/ALM, risk, compliance, legal services, payments, security, real estate, human resources, among others. It only covers shared services. Other types of interdependencies are addressed in other models or apart from the models provided.
 | 650 – Service Provider - identification and information regarding the entity (internal to the group) providing the service. It must be different from the name listed in Column 660.660 – Service Recipient - identification and information regarding the entity (internal to the group) receiving the service. It must be different from the name listed in Column 650.670 to 690 – Service - category and description of the service provided. Mapping the shared service to a critical function as identified in the "critical functions" model of recovery plans. If a service cannot be mapped to a function but is relevant to a legal entity (e.g. the provision of regulatory reporting on capital adequacy), "entidade" [entity] should be entered in this column.700 – Contractual Agreements - information on contractual provisions governing services, in the case of existing agreements for the rending of specific services.710 – If the terms of the contract include a clause specifying that the resolution of the service provider or recipient would constitute a trigger for contract termination.720 – Comments. |
| 1. Off-balance sheet exposures includes the description the off-balance sheet exposures of the institution or group, including a mapping of its critical operations and key business lines and information on off-balance sheet activities, hedging strategies.

The net value of the risk position of an off-balance sheet item of specific provisions or impaired follows from the application of credit conversion factors (CCF),as provided by Part 1 of Annex II of Notice 11/GBM/2013, of December 31. | 730 – Name of entity (reporting or group);740 – Off-balance sheet assets - to be identified under one of the following categories: "guarantee";" credit facility","other". This column should not include balance sheet items or derivatives.;750 – Off-balance sheet liabilities - to be identified under one of the following categories: "guarantee"; "credit facility", "other". Similar to assets, this column should not include balance sheet items or derivatives;760 – Counterparty - identification of counterparty;770 to 780 – Value - statement of the total value of exposure and amount used. Field 780 shall be filled out only for credit lines.790 – Currency;800 – Critical Functions — Distribution of exposures according to the critical functions provided by the "Critical Functions" model of recovery plans;810 – Strategic business lines — distribution of exposures according to the business lines provided by the "critical functions" model of recovery plans;820 – Additional Information |
| 1. Linkages institutions –

Includes financial relationships between the various group entities as shares, financing/treasury, guarantees, commitments, various loans, etc. This model is solely focused on financial interconnection. | 830 – Legal Entity A;840 – Legal Entity B;850 – Type of Interconnection - Select the options from the list; 860 – Currency;870 – Value. |
| 1. Payment Systems - this model comprises information on each payment, clearing or settlement system of which the institution is directly or indirectly a member, including a mapping of critical operations and key business lines.
 | 880 – Name of the entity using the payment, custody, settlement, clearing or transaction repository services;890 to 900 – System - Characteristics of Subsystems;910 – Number of customers - Average daily number compared to the previous year. If not available, average daily number in a short period of time;920 – Number of Transactions - average daily number of outgoing transactions (in thousands of Meticais) compared to the previous year. If not available, average daily number in a shorter period of time.930 – Value of Transactions - average daily value of outgoing transactions, in thousands of Meticais compared to the previous year. If not available, average daily value in a shorter time period.940 – Credit Line - Credit line granted in the system in case of direct access, or by the representative institution or another liquidity provider in the case of indirect access, expressed in thousands of meticais. This information shall only be reported if applicable, otherwise, report N/A.Potential impact of resolution processes950 – mapping to critical function - must map to economic functions, to be selected:* Deposits;
* Loans;
* Payment/cash/clearing/settlement/custody;
* Capital market;
* Wholesale financing.

Only fill out when the function is identified as critical by the institution in the "Critical Functions" Model of the Recovery Plans. 960 – Mapping to the main business line - only fill out when the business line is strategic for the institution, and has been identified as such in the model concerned of the Recovery Plans, and access to services of Financial Markets Infrastructure or similar services provided by representative institutions is essential to the continuity of the business line's performance.970 – Additional Information |