



---

*Plenary sitting*

---

**A9-0182/2024**

23.4.2024

**\*\*\*I**  
**REPORT**

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 806/2014 in order to establish a European Deposit Insurance Scheme (COM(2015)0586 – C8-0371/2015 – 2015/0270(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Othmar Karas

### ***Symbols for procedures***

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

### ***Amendments to a draft act***

#### **Amendments by Parliament set out in two columns**

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

#### **Amendments by Parliament in the form of a consolidated text**

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

## CONTENTS

	<b>Page</b>
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION .....	5
ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT .....	41
PROCEDURE – COMMITTEE RESPONSIBLE.....	42
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE .....	43



## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 806/2014 in order to establish a European Deposit Insurance Scheme (COM(2015)0586 – C8-0371/2015 – 2015/0270(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM(2015)0586),
  - having regard to Article 294(2) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0371/2015),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to Rule 59 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A9-0182/2024),
1. Adopts its position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

### **Amendment 1**

AMENDMENTS BY THE EUROPEAN PARLIAMENT\*

to the Commission proposal

-----  
**2015/0270 (COD)**

**Proposal for a**

---

\* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol **■** .

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  
amending Regulation (EU) 806/2014 in order to establish a European Deposit Insurance  
Scheme**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,  
Having regard to the Treaty on the Functioning of the European Union, and in particular  
Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank<sup>1</sup>,

Having regard to the opinion of the European Economic and Social Committee<sup>2</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Over the past years, the Union has made progress in creating an internal market for banking services. A better integrated internal market for banking services is essential in order to foster economic growth in the Union ***and the competitiveness of Union financial markets***, to safeguard the stability of the banking system and to protect depositors, ***as well as to give greater impetus to the capital markets union (CMU) project***.
- (1a) ***The 2008 global financial crisis exposed the vulnerabilities in the financial and banking sector, highlighting the close link between a country's fiscal health and that of its banks. In response to that complex scenario, in 2012 the Union launched an ambitious project to create a banking union as a mechanism to establish a strong, transparent and secure banking system with a view to moving towards a genuine economic and monetary union.***
- (1b) ***A completed banking union would be a positive development for citizens and the Union economy, providing the basis for a more stable banking system, the reduction of systemic risk, enhanced competition, improved consumer choice, increased opportunities for cross-border banking and access to retail financial services, greater economic investment, better access to funding for households and businesses, and the reduction of costs for banking customers.***
- (2) On 18 October 2012, the European Council concluded that "In the light of the fundamental challenges facing it, the Economic and Monetary Union (EMU) needs to be strengthened to ensure economic and social welfare as well as stability and sustained prosperity" and "that the process towards deeper economic and monetary union should build on the Union institutional and legal framework and be characterised by openness and transparency towards Member States whose currency is not the euro and by respect for the integrity of the internal market". To that end, the Banking Union has been established, underpinned by a comprehensive and detailed single rulebook for financial services for the internal market as a whole. The process towards establishing the Banking Union has been characterised by openness and transparency towards non-participating Member States and by respect for the integrity of the internal market.

---

<sup>1</sup> OJ C , , p. .

<sup>2</sup> OJ C , , p. .

- (3) The European Parliament, in its resolution of 20 November 2012 'Towards a genuine Economic and Monetary Union', also stated that breaking the negative feedback loops between sovereigns, banks and the real economy is crucial for a smooth functioning of the EMU, stressed the urgent need for additional and far-reaching measures for the realisation of a fully operational Banking Union, while ensuring the continued proper functioning of the internal market for financial services and the free movement of capital.
- (4) While key steps have been made towards ensuring the efficient functioning of the Banking Union, with the Single Supervisory Mechanism (the 'SSM') established by Council Regulation (EU) No 1024/2013<sup>3</sup> ensuring that the Union's policy relating to the prudential supervision of credit institutions in the euro area Member States and those non euro area Member States who choose to participate in the SSM (the 'participating Member States') is implemented in a coherent and effective manner and with the Single Resolution Mechanism (the 'SRM') established by Regulation (EU) No 806/2014 ensuring a consistent framework for the resolution of banks that are failing or likely to fail in the participating Member States, further steps are still needed to complete the Banking Union.
- (5) In June 2015, the Five Presidents Report on Completing Europe's Economic and Monetary Union pointed out that a single banking system can only be truly single if confidence in the safety of bank deposits is the same irrespective of the Member State in which a bank operates. This requires single bank supervision, single bank resolution and single deposit insurance. The Five Presidents report therefore proposed to complete the Banking Union by establishing a European Deposit Insurance Scheme (EDIS), the third pillar of a fully-fledged Banking Union alongside bank supervision and resolution. Concrete steps in that direction should already be taken as a priority, with a re-insurance system at the European level for the national deposit guarantee schemes as a first step towards a fully mutualised approach. The scope of this reinsurance system should coincide with that of the SSM.
- (5a) ***The creation of a European Deposit Insurance Scheme would not only increase confidence among Union depositors in the financial markets, but would also reduce risks for consumers while facilitating access to a wider choice of financial products and promoting the stability and integration of the banking system.***
- (6) The ***crises over the last two decades have*** shown that the functioning of the internal market may be under threat and that there is an increasing risk of financial fragmentation. The failure of a bank that is relatively large compared to the national banking sector or the concurrent failure of a part of the national banking sector may cause national DGSs to be vulnerable to large local shocks, even with the additional funding mechanisms provided by Directive 2014/49/EU of the European Parliament and of the Council<sup>4</sup>. This vulnerability of national DGSs ***underlines the added value of establishing a European Deposit Insurance Scheme, which acts as a mechanism to shield the network of national schemes against local shocks avoiding*** adverse feedback between banks and their national sovereign undermining the homogeneity of

---

<sup>3</sup> Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63).

<sup>4</sup> Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (OJ L 173, 12.6.2014, p. 149).

protection for deposits and contributing to a lack of confidence among depositors and resulting in market instability.

- (7) The absence of a homogenous level of depositor protection can distort competition, ***hinder competitiveness*** and create an effective barrier for the freedoms of establishment and free provision of services by credit institutions within the internal market. A common deposit insurance scheme is therefore ***urgent and*** essential for the completion of the internal market in financial services.
- (8) Although Directive 2014/49/EU significantly improves the capacity of national schemes to compensate depositors, more efficient deposit guarantee arrangements are needed at the level of the Banking Union to ensure sufficient financial means to underpin the confidence of all depositors ***on an equal basis in all Member States that are part of the banking union*** and thereby safeguard financial stability. EDIS would increase the resilience of the Banking Union against future crises and would offer equal protection for insured depositors, supporting the proper functioning of the internal market.
- (9) █
- (10) Despite the further harmonisation introduced by the Directive 2014/49/EU, national DGSs retain certain options and discretions, including with respect to certain essential elements like target levels, risk factors to be applied when assessing credit institutions' contributions, repayment periods or the use of funds. Those differences between national rules may obstruct the free provision of services and create distortions of competition. In a highly integrated banking sector, uniformity of rules and approaches is needed to ensure a consistently robust level of protection of depositors throughout the Union and so guarantee the objective of financial stability.
- (11) ***This amending Regulation establishes the first stage of a European Deposit Insurance Scheme (EDIS I), which operates as a liquidity scheme that provides loans to participating deposit guarantee schemes, with the aim of making progress towards the establishment of a full insurance scheme with loss coverage at a later stage.*** The establishment of an EDIS I, with decision-making, monitoring and enforcement powers centralised and entrusted to the Single Resolution and Deposit Insurance Board ("the Board"), will be essential in achieving the objective of a harmonised deposit guarantee framework. The uniform application of the deposit guarantee requirements in the participating Member States will be enhanced as a result of it being entrusted to such a central authority. In this way, the operation of EDIS I should facilitate, by supporting and providing a framework for the establishment and subsequent implementation of uniform rules on deposit guarantee arrangements, the harmonisation process in the field of financial services.
- (12) Furthermore, EDIS I is part of the wider EU rules harmonising prudential supervision and recovery and resolution, which are complementary aspects of the internal market for banking services. Supervision can only be effective and meaningful if an adequate deposit insurance scheme, corresponding to the developments in the field of supervision, is created. EDIS I is therefore instrumental to a wider process of harmonisation and its objectives are closely linked to the Union framework on prudential supervision and recovery and resolution whose centralised application are mutually dependant. For instance, adequate coordination at the level of supervision and deposit guarantee is needed in cases where the European Central Bank (ECB) envisages withdrawing an authorisation to a credit institution or where a credit



institution does not comply with the obligation to be a member of a DGS. A similar high level of integration is needed between the resolution actions and the deposit insurance tasks attributed to the Board.

- (13) This Regulation applies **■** in respect of banks *which are members of participating DGSs* in Member States whose currency is the euro or in Member States whose currency is not the euro which have established a close cooperation in accordance with Article 7 of Regulation (EU) No 1024/2013. **■**
- (14) In order to ensure parallelism with the SSM and the SRM, EDIS *I* should apply to participating Member States. Banks established in the Member States not participating in the SSM should not be subject to EDIS *I*. As long as supervision in a Member State remains outside the SSM, that Member State should remain responsible for ensuring the protection of depositors against the consequences of the insolvency of a credit institution. As Member States join the SSM, they should also automatically become subject to the EDIS *I*. Ultimately, the EDIS *I* could potentially extend to the entire internal market.
- (15) In order to ensure a level playing field within the internal market as a whole, this Regulation is consistent with Directive 2014/49/EU. It complements the rules and principles of that Directive to ensure the proper functioning of EDIS *I* and that appropriate funding is available to the latter. The material law on deposit guarantee to be applied within the EDIS *I* framework will therefore be consistent with the one applicable by the national DGSs or designated authorities of the non-participating Member States, harmonised through the Directive 2014/49/EU.
- (16) In integrated financial markets, any financial support to reimburse depositors enhances the financial stability not only in the participating Member State concerned but also in other Member States, by preventing any spill-over of bank crises into non-participating Member States. The conferral of deposit insurance tasks to the Board should not in any way hamper the functioning of the internal market for financial services. The European Banking Authority (EBA) should therefore maintain its role and retain its existing powers and tasks: it should develop and contribute to the consistent application of the Union legislation applicable to all Member States and enhance convergence of deposit guarantee practices across the Union as a whole.

**■**

(18) *This amending Regulation establishes the modalities for the use of the Deposit Insurance Fund and the general criteria to determine the fixing and calculation of contributions and lays down the powers of the Board for using and managing the Deposit Insurance Fund. The Deposit Insurance Fund could provide liquidity support where the available financial means of a DGS are used for payout, in the context of resolution in accordance with Regulation (EU) 806/2014, or for the measures referred to in Article 11(3) or (6) of Directive 2014/49/EU. Liquidity support should be kept at ten times the target level of the participating DGS and thereby significantly increase the available financial means to protect depositors.*

- (19) **■** *In order to limit the liability for the European Deposit Insurance Fund (“the Deposit Insurance Fund”) and to reduce moral hazard risk at the national level, assistance from the Deposit Insurance Fund can only be requested if the **participating** DGS has raised ex-ante contributions in accordance with Article 10 of Directive 2014/49/EU and if **■** these funds **would not be sufficient**. However, to the extent that a national DGS has*

collected funds over and above that which is required by the funding path, it only needs to use up the funds it had to collect to comply with the funding path before being able to receive **liquidity support** by EDIS I. Therefore, DGSs which have collected more funds than is needed to comply with the funding path should not be in a worse position than those which have collected funds not exceeding the levels set out in the funding path. **Liquidity support from the Deposit Insurance Fund (DIF) should be available only after funds from participating DGSs have been used. However, spending the necessary administrative expenses of the participating DGS should not be considered as a condition to access funds from the DIF. Additionally, the procedure of preliminary information and the duty to notify the Board should ensure that the necessary liquidity support is provided at an appropriate time before the complete depletion of the funds of a participating DGS.**

- (19a) ***In cases where the DIF funds are insufficient to provide the amount of liquidity support to a participating DGS, all other participating DGSs should be obliged to lend to the DIF upon the request of the Board. That mandatory lending should be kept to 30% of the target level of each lending DGS. The Board should always take into consideration the effect on financial stability when making a decision on mandatory lending. Before the DIF is fully funded, the cap on mandatory lending should decrease evenly from 60% to 30% of the target level of each DGS.***
- (19b) ***If a DGS has received liquidity support from the DIF or via mandatory lending from other participating DGSs, that liquidity support should be repaid within six years in accordance with a clear repayment plan and as a matter of priority for the DGS that received the liquidity support. Repaying the liquidity support within the agreed timeframe should take priority over all other liabilities of the DGS that are not outstanding at the moment of the provision of the liquidity support. It is the legal responsibility of the participating DGS to meet and maintain both the target level of the DGS and of the DIF.***
- (19c) ***In order to ensure that participating DGSs continue to have the same terms for using financial means in their DGS fund, no interest is charged for any liquidity support up to the amount of their contributions to the DIF. However, to ensure incentives for repayment, interest is charged and progresses for any liquidity support exceeding those contributions.***
- (19d) ***To avoid moral hazard, the Commission should be able to disqualify participating DGS from being eligible for liquidity support if the participating DGS does not comply with certain obligations or acts counter to the principle of sincere cooperation.***

- (23) The Deposit Insurance Fund is an essential element without which the establishment of EDIS I could not be achieved. Different national systems of funding would not provide for homogenous deposit insurance across the Banking Union. **The** Deposit Insurance Fund should help ensuring the stabilising role of DGSs, a uniform high level of protection to all depositors in a harmonised framework throughout the Union and avoiding the creation of obstacles for the exercise of fundamental freedoms or the distortion of competition in the internal market due to different levels of protection at national level.

- (24) The Deposit Insurance Fund should be financed by **transfers from participating DGSs of contributions collected** from banks. **The** use of the Deposit Insurance Fund **█** should not impinge on the fiscal responsibilities of the Member States. In that regard, only extraordinary public financial support should be considered to be an impingement on the budgetary sovereignty and fiscal responsibilities of the Member States.
- █**
- (26) **█** The Board would **█** administer the Deposit Insurance Fund **that should be financed from contributions collected from banks and transferred to the DIF by the participating DGSs. Participating DGSs** would continue to collect **█** contributions and administer national funds. In order to ensure fair and harmonised contributions for participating banks and provide incentives to operate under a model which presents less risk, both contributions to EDIS I and to **participating DGS** should be calculated on the basis of covered deposits and a risk-adjustment factor per bank. **The** risk-adjustment factor **for contributions to the Deposit Insurance Fund** should consider the degree of risk incurred by a bank relative to all other banks **in the scope of EDIS I.**
- (26a) **After three years, 50% of the target level of the participating DGS should be transferred to the DIF. The Board should ensure that the contributions are transferred and spread out evenly. In the event that the participating DGS does not have sufficient financial means, the Board should draw up a plan to ensure that the amounts due from that participating DGS are transferred to the DIF within six years. It is the legal responsibility of the participating DGS to meet and maintain both the target level of the DGS and of the DIF.**
- (27) **The** Deposit Insurance Fund should be able to contract borrowings or other forms of support from credit institutions, financial institutions or other third parties **along with recourse to mandatory lending** in the event that **the funds available in the Deposit Insurance Fund are not sufficient for the requested liquidity support. Such alternative funding means for the Deposit Insurance Fund should be enhanced in a manner that optimises the cost of funding and preserves the creditworthiness of the Deposit Insurance Fund. Immediately after the entry into force of this amending Regulation, the necessary steps should be taken by the Board in cooperation with the participating Member States to develop the appropriate methods and modalities permitting the enhancement of the borrowing capacity of the Deposit Insurance Fund that should be in place by the date of application of this amending Regulation.**
- (28) In order to reach a critical mass and to avoid pro-cyclical effects which would arise if the Deposit Insurance Fund had to rely solely on ex post contributions in a systemic crisis, it is indispensable that the ex-ante available financial means of the Deposit Insurance Fund amount at least to a certain minimum target level.
- (29) The **█** target level of the Deposit Insurance Fund should be established as a percentage of the total minimum target levels of participating DGS. **█** The possibility to apply for approval to authorise a lower target level in accordance with Article 10(6) of Directive 2014/49/EU should not be considered when setting the **█** target levels of the Deposit Insurance Fund. An appropriate time frame should be set to reach the target level for the Deposit Insurance Fund. **The setting of that timeframe should not prevent a national DGS from granting a deferral for the transfer of contributions following an intervention.**

**(29a) In order to ensure the availability of liquidity support as from the entry into force of this amending Regulation, a proportionally higher amount of funds in participating DGSs should be available for mandatory lending during the build-up period of the DIF.**

█  
(32) In order to protect the value of the amounts held in the Deposit Insurance Fund, those amounts should be invested in sufficiently safe, diversified and liquid assets.

(33) Where close cooperation with the ECB of a participating Member State whose currency is not the euro is terminated in accordance with Article 7 of Regulation (EU) No 1024/2013, a fair partition of the cumulated contributions of the participating Member State concerned should be decided taking into account the interests of the participating Member State concerned and the Deposit Insurance Fund.

(34) In order to guarantee its full autonomy and independence when undertaking deposit insurance actions under this Regulation, the Board should have an autonomous budget with revenues from obligatory contributions *collected* from the institutions in the participating Member States. This Regulation should be without prejudice to the ability of Member States to levy fees to cover the administrative expenses of their national DGSs or designated authorities.

(35) The Board, where all the criteria relating to the use of the Deposit Insurance Fund are met, should provide the relevant *liquidity support* to the *participating* DGS.

(36) The Board should operate in joint-plenary, plenary and executive sessions. The Board, in its executive session, should prepare all decisions concerning *provision of liquidity* and, to the fullest extent possible, adopt those decisions. █ Once the net accumulated use of the Deposit Insurance Fund in the previous consecutive 12 months reaches the threshold of 25% of the █ target level, the plenary session should evaluate the application of the deposit insurance actions or the participations in resolution actions and the use of the Deposit Insurance Fund, and should provide guidance which the executive session should follow in subsequent decisions. Guidance to the executive session should, in particular, focus on ensuring the non-discriminatory application of deposit insurance actions or participation in resolution actions, on measures to be taken to avoid a depletion of the Deposit Insurance Fund.

(37) The efficiency and uniformity of deposit insurance actions should be ensured in all of the participating Member States. For that purpose, where a participating DGS has not applied or has not complied with a decision by the Board pursuant to this Regulation or has applied it in a way which poses a threat to any of the deposit insurance scheme's objectives or to the efficient implementation of the deposit insurance action, the Board should be empowered to order any necessary action which significantly addresses the concern or threat to the EDIS *I* objectives. Any action by a participating DGS that would restrain or affect the exercise of powers or functions of the Board should be excluded.

(38) When making decisions or taking actions, in particular regarding entities established both in participating Member States and in non-participating Member States, possible adverse effects on those Member States, such as threats to the financial stability of their financial markets, and on the entities established in those Member States, should also be taken into consideration.



(40) The relevant entities, bodies and authorities involved in the application of this Regulation should cooperate with each other in accordance with the duty of sincere cooperation enshrined in the Treaties.



(42) The procedure relating to the adoption of decisions by the Board respects the principle of delegation of powers to agencies as interpreted by the Court of Justice of the European Union.

(43) This Regulation respects the fundamental rights and observes the rights, freedoms and principles recognised in particular by the Charter, and, in particular, the right to property, the protection of personal data, the freedom to conduct a business, the right to an effective remedy and to a fair trial and the right of defence, and should be implemented in accordance with those rights and principles.

(44) Since the objectives of this Regulation, namely setting up a more efficient and effective deposit guarantee framework and ensuring the consistent application of deposit guarantee rules, cannot be sufficiently achieved by the Member States but can rather be better achieved at the Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(45) The Commission should review the application of this Regulation in order to assess its impact on the internal market and to determine whether any modifications or further developments are needed in order to improve the efficiency and the effectiveness of the EDIS I. *The review should be conducted independently from any assessment of the necessity of a fully-fledged EDIS.*

*(45a) The Commission should continuously review the appropriateness of extending EDIS I from the provision of liquidity support to the establishment of a full insurance scheme with loss coverage. The Commission should consider the treatment of institutional protection schemes, changes to the general DGS target level, convergence of contributions to the DIF and the need for a publicly funded backstop mechanism. Sufficient progress on the NPL (non-performing loans) framework and an asset quality review of less significant institutions should be a condition for making any legislative proposals.*

*(45b) This amending Regulation sets out a clear path to complete the long overdue banking union. Apart from the completion of EDIS, there are interconnected and incomplete legislative building blocks of the internal market for banking which should be assessed. The Commission should consider amending the capital and liquidity waivers and the level of application of the output floor in Regulation (EU) No 575/2013 of the European Parliament and of the Council<sup>5</sup>, as well as progress on legislation and reviews on risk reduction and the diversification of banks'*

---

<sup>5</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).



*sovereign bond holdings and progress on international level on the regulatory treatment of sovereign exposures.*

- (45c) *Conducting the reviews on EDIS I, the completion of EDIS and the completion of the banking union and making associated legislative proposals will result in the completion of the banking union.*
- (46) In order for EDIS *I* to function in an effective manner as *soon as possible*, the provisions concerning the payment of contributions to the Deposit Insurance Fund, the establishment of all the relevant procedures and any other operational and institutional aspects should apply from *the date of entry into force of this amending Regulation*.
- (47) Regulation (EU) No 806/2014 should be amended to incorporate and respectively take into account the establishment of EDIS *I*,

HAVE ADOPTED THIS REGULATION:

*Article 1*  
*Amendments to Regulation (EU) No 806/2014*

Regulation (EU) 806/2014 is amended as follows:

1. the title is replaced by the following:  
"REGULATION (EU) No 806/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 15 July 2014 on a Single Resolution Mechanism and a European Deposit Insurance Scheme and amending Regulation (EU) No 1093/2010";
2. Article 1 is replaced by the following:

*"Article 1*  
*Subject matter*

1. This Regulation establishes uniform rules and a uniform procedure for the resolution of the entities referred to in Article 2 that are established in the participating Member States referred to in Article 4.

Those uniform rules and that uniform procedure shall be applied by the Single Resolution Board established in accordance with Article 42 (the 'Board'), together with the Council and the Commission and the national resolution authorities within the framework of the Single Resolution Mechanism ('SRM') established by this Regulation. The SRM shall be supported by a Single Resolution Fund (the 'SRF').

The use of the SRF shall be contingent upon the entry into force of an agreement among the participating Member States ('the Agreement') on transferring the funds raised at national level towards the SRF as well as on a progressive merger of the different funds raised at national level to be allocated to national compartments of the Fund.

2. In addition, this Regulation establishes ***stage 1 of*** a European Deposit Insurance Scheme ('EDIS *I*) ***to operate as a liquidity*** scheme that provides ***liquidity to*** participating deposit guarantee schemes in accordance with Article 41a ***with the aim of making progress towards the establishment of a full insurance scheme with loss coverage at a later stage, in accordance with Article 94b.***

EDIS *I* shall be administered by the Board in cooperation with participating DGSs and designated authorities in accordance with Part IIa. EDIS *I* shall be supported by a Deposit Insurance Fund (the 'DIF') ***and, when needed, by additional loans from the participating DGSs in accordance with Chapter 4.***"

3. Article 2 is replaced by the following:

*"Article 2*

*Scope*

1. For the purposes of the SRM, this Regulation shall apply to the following entities:
  - (a) credit institutions established in a participating Member State;

- (b) parent undertakings, including financial holding companies and mixed financial holding companies, established in a participating Member State, where they are subject to consolidated supervision carried out by the ECB in accordance with Article 4(1)(g) of Regulation (EU) No 1024/2013;
  - (c) investment firms and financial institutions established in a participating Member State, where they are covered by the consolidated supervision of the parent undertaking carried out by the ECB in accordance with Article 4(1)(g) of Regulation (EU) No 1024/2013.
2. For the purposes of EDIS *I*, this Regulation shall apply to the following entities:
- (d) participating deposit-guarantee schemes as defined in point (1) of Article 3(1a);
  - (e) credit institutions, ***including the entities referred to in Article 2(5) of Directive 2013/36/EU, that are*** affiliated to participating deposit-guarantee schemes.

Where this Regulation creates rights or obligations for a participating DGS administered by a designated authority as defined in point (18) of Article 2(1) of Directive 2014/49/EU, the rights or obligations are deemed to be those of the designated authority.";

4. Article 3 is amended as follows:

- (b) in paragraph 1, the following points (55), (56) and (57) are added:

"(55) 'participating deposit-guarantee schemes' or 'participating DGSs' means deposit guarantee schemes as defined in point (1) of Article 2(1) of Directive 2014/49/EU which are introduced and officially recognised in a participating Member State;

(56) 'payout event' means the occurrence *of* unavailable deposits as defined in point (8) of Article 2(1) of Directive 2014/49/EU in relation to a credit institution affiliated to a participating DGS;

(57) 'available financial means of the DIF' means cash, deposits and low-risk assets which can be liquidated within a period not exceeding that referred to in Article 8(1) of the Directive 2014/49/EU.";

- (c) paragraph 2 is replaced by the following:

"2. In the absence of a relevant definition in the previous paragraphs, the definitions set out in Article 2 of Directive 2014/49/EU and Article 2 of Directive 2014/59/EU apply.

In the absence of a relevant definition in Article 2 of Directive 2014/49/EU and Article 2 of the Directive 2014/59/EU, the definitions set out in Article 3 of Directive 2013/36/EU apply."

5. in Article 4, paragraphs 2, 3 and 4 are replaced by the following :

"2. Where the close cooperation between a Member State and the ECB is suspended or terminated in accordance with Article 7 of Regulation (EU) No 1024/2013, the entities referred to in Article 2 of this Regulation that are established or recognised in that Member State shall cease to be covered by this Regulation from the date of application of the decision to suspend or terminate close cooperation.



3. In the event that the close cooperation with the ECB of a Member State whose currency is not the euro is terminated in accordance with Article 7 of Regulation (EU) No 1024/2013, the Board shall decide within three months after the date of adoption of the decision to terminate close cooperation, in agreement with that Member State, on the modalities for, and any conditions applicable to:

- (a) the recoupment of contributions that the Member State concerned has transferred to the SRF;
- (b) the *transfers paid by* DGSs officially recognised in the Member State concerned into the DIF.

For the purposes of point (a) of the first subparagraph, recoupments shall include the part of the compartment corresponding to the Member State concerned not subject to mutualisation. If during the transitional period, as laid down in the Agreement, recoupments of the non-mutualised part are not sufficient to permit the funding of the establishment by the Member State concerned of its national financial arrangement in accordance with Directive 2014/59/EU, recoupments shall also include the totality or a part of the part of the compartment corresponding to that Member State subject to mutualisation in accordance with the Agreement or otherwise, after the transitional period, the totality or a part of the contributions transferred by the Member State concerned during the close cooperation, in an amount sufficient to permit the funding of that national financial arrangement.

When assessing the amount of financial means to be recouped from the mutualised part or otherwise, after the transitional period, from the Fund, the following additional criteria shall be taken into account:

- (a) the manner in which termination of close cooperation with the ECB has taken place, whether voluntarily, in accordance with Article 7(6) of Regulation (EU) No 1024/2013, or not;
- (b) the existence of ongoing resolution actions on the date of termination;
- (c) the economic cycle of the Member State concerned by the termination.

Recoupments shall be distributed during a limited period commensurate to the duration of the close cooperation. The relevant Member State's share of the financial means from the SRF used for resolution actions during the period of close cooperation shall be deducted from those recoupments.

For the purposes of point (b) of the first subparagraph, the amount transferred to each DGS officially recognised in the Member State concerned shall be equal to the available financial means of the DIF multiplied by the ratio of (a) to (b):

- (f) the amount of all *transfers* paid to the DIF by the *participating* DGS concerned;
- (g) the amount of all *transfers* paid to the DIF.

The transferred amount shall not exceed the amount that is necessary for the available financial means of the *participating* DGS concerned to reach two-thirds of its target level as defined in Article 10(2) first subparagraph of Directive 2014/49/EU.

4. This Regulation shall continue to apply to resolution and ***DGS liquidity support*** proceedings which are ongoing on the date of application of a decision as referred to in paragraph 2.";
6. in Article 5(2), the first subparagraph is replaced by the following:  
"The Board, the Council and the Commission and, where relevant, the national resolution authorities and participating DGS, shall take decisions subject to and in compliance with the relevant Union law and in particular any legislative and non-legislative acts, including those referred to in Articles 290 and 291 of the Treaty on the Functioning of the European Union.";
7. Article 6 is amended as follows:  
(a) paragraphs 1 and 2 are replaced by the following:  
"1. No action, proposal or policy of the Board, the Council, the Commission, a national resolution authority or a participating DGS shall discriminate against entities, deposit holders, investors or other creditors established in the Union on grounds of their nationality or place of business.  
2. Every action, proposal or policy of the Board, the Council, the Commission, a national resolution authority or a participating DGS in the framework of the SRM or of EDIS *I* shall be undertaken with full regard and duty of care for the unity and integrity of the internal market.";  
(b) paragraph 7 is replaced by the following:  
"7. Where the Board takes a decision that is addressed to a national resolution authority or a participating DGS, the national resolution authority or participating DGS shall have the right to specify further the measures to be taken. Such specifications shall comply with the decision of the Board in question.";
8. the heading of Part II is replaced by the following: "Single Resolution Mechanism";
10. Part IIa is inserted as follows:

## "PART IIa EUROPEAN DEPOSIT INSURANCE SCHEME (EDIS)

### TITLE I: *EDIS I*

#### Chapter 1

#### ***Liquidity Support***

##### *Article 41a Liquidity support*

1. As from the date of application set out in Article 99(5a), ***the DIF shall be used to provide liquidity support to participating DGSs in accordance with this Chapter.***

2. In case a participating DGS encounters a payout event or is used in resolution in accordance with Article 79 of this Regulation, **or is used for financing measures in accordance with Article 11(3) or (6) of Directive 2014/49/EU**, it may **request liquidity** from the DIF **in the amount** of its liquidity shortfall as set out in Article 41b.

4. **The outstanding cumulative funding provided by the DIF to a participating DGS shall not exceed** 10 times the target level of the participating DGS as defined in the first subparagraph of Article 10(2) of Directive 2014/49/EU.

*Article 41b*  
*Liquidity shortfall*

1. In case the participating DGS encounters a payout event, its liquidity shortfall shall be calculated as the total amount of covered deposits **held by the credit institution, and** within the meaning of Article 6(1) **and (2)** of the Directive 2014/49/EU at the time of the payout event **and the necessary administrative expenditure of the participating DGS related to the payout less the amount of available financial means the participating DGS is to have at the time of the determination in accordance with Article 10(2) and (3) of that Directive .**
2. In case the participating DGS is used in resolution proceedings, its liquidity shortfall shall be **calculated as** the amount determined by the resolution authority in accordance with Article 79 **of this Regulation** less the amount of available financial means the participating DGS should have at the time of the determination **in accordance with Article 10(2) and (3) of Directive 2014/49/EU.**
- 2a. **In case the funds of a participating DGS are used to finance measures in accordance with Article 11(3) and (6) of Directive 2014/49/EU, its liquidity shortfall shall be calculated as the amount used to finance those measures less the amount of available financial means that the participating DGS is to have in accordance with Article 10(2) and (3) of that Directive at the time when the decision to grant a measure in accordance with Article 11(3) or (6) of that Directive is taken.**

*Article 41ba*  
*Mandatory lending*

1. **In cases where the available financial means of the DIF are not sufficient to provide the liquidity requested by a participating DGS in accordance with Article 41a, the Board shall borrow from the other participating DGSs or access alternative funding arrangements pursuant to Article 74g, unless that would result in significant adverse consequences for the financial system or threaten financial stability.**
2. **Each participating DGS shall provide the loans referred to in paragraph 1, where applicable, to the DIF.**
3. **The Board shall calculate the amount of mandatory lending needed to provide liquidity support in accordance with Article 41a of this Regulation. The SRB shall calculate the amount of mandatory lending to be claimed from each participating DGS in proportion to the ratio of the DIF's target level to the target level of each DGS as determined in accordance with Article 10(2) of Directive 2014/49/EU.**

4. *After completion of the build-up phase of the DIF in accordance with Article 74d of this Regulation, the amount to be provided by each participating DGS as mandatory lending shall not exceed 30% of the target level of that DGS in accordance with Article 10(2) of Directive 2014/49/EU.*
5. *In order to obtain the funding through mandatory lending, the SRB shall follow the procedure laid down in Article 41q.*



#### *Article 41i*

##### *Disqualification from liquidity support*

1. A participating DGS shall not be ***eligible for liquidity support exceeding the total amount of contributions transferred to the DIF by that DGS in accordance with Article 74c(1)***, if the Commission, acting on its own initiative or upon a request of the Board or a participating Member State, decides and informs the Board, ***the DGS, the designated authority of the participating Member State within the meaning of point 18 of Article 2 of Directive 2014/49/EU, and the national competent authority or authorities***, that at least one of the following disqualifying conditions is met:
  - (a) the participating DGS has failed to comply with the obligations under this Regulation or Articles 4, 6, 7 or 10 of Directive 2014/49/EU;
  - (b) the participating DGS, the relevant administrative authority within the meaning of Article 3 of Directive 2014/49/EU, or any other relevant authority of the respective Member State have, in relation to a particular request for coverage by EDIS, acted in a way that runs counter to the principle of sincere cooperation as laid down in Article 4(3) of the Treaty on European Union.
  - 1a. ***The Board shall monitor compliance with paragraph 1, points (a) and (b), on a continuous basis. If the Board identifies instances of non-compliance with any of the obligations laid down in paragraph 1, points (a) and (b), it shall immediately inform the Commission thereof.***
  - 1b. ***If the Commission considers that at least one of the disqualifying conditions referred to in paragraph 1 is met, it shall notify the DGS concerned and the designated authority of the participating Member State as defined in Article 2, point (18), of Directive 2014/49/EU, as well as the national competent authority or authorities. It shall also inform the Member State or Member States concerned. In its notification, the Commission shall set out the reasons for considering disqualifying the participating DGS from coverage by EDIS.***

***Within two months of receipt of the notification referred to in the first subparagraph, the designated authority, in close cooperation with the DGS concerned and the national competent authority, shall:***

    - (a) ***take prompt corrective action to address the shortcomings identified and to ensure that the disqualifying conditions are no longer met; and***
    - (b) ***submit to the Commission a reply which sets out in detail the corrective action that has been taken.***
2. When funding has already been obtained by a participating DGS and at least one of the disqualifying conditions referred to in paragraph 1 is met in relation to a payout

event or a use in resolution, the Commission may order full or partial repayment of the funding to the DIF.

## TITLE II PROCEDURAL PROVISIONS

### *Article 41k* *Preliminary information*

Where a participating DGS has been informed by the competent authority about, or has otherwise become aware of, circumstances relating to a credit institution affiliated to that participating DGS that are likely to result in a payout event or its use in resolution proceedings **or in accordance with Article 11(3) or (6) of Directive 2014/49/EU**, it shall inform **the designated authority and** the Board about such circumstances without delay if it intends to request coverage by EDIS I. In this case the participating DGS shall also provide the Board with an estimate of the expected liquidity shortfall.

### *Article 41l* *Duty to notify*

1. In case a participating DGS encounters a payout event or is **to be** used in resolution in accordance with Article 79 of this Regulation **or in accordance with Article 11(3) or (6) of Directive 2014/49/EU**, it shall immediately notify, **in accordance with Article 41k of this Regulation, the designated authority and** the Board and submit all necessary information in order to allow the Board to assess whether the conditions for the provision of **liquidity support** in accordance with Article 41a of this Regulation are met.
2. The participating DGS shall inform the Board in particular about:
  - (a) the amount of covered deposits of the credit institution concerned;  
**(aa) the amount determined by the resolution authority in accordance with Article 79;**  
**(ab) the amount used to finance measures in accordance with Article 11(3) or (6) of Directive 2014/49/EU;**
  - (b) its available financial means at the time of the payout event or use in resolution **or use in accordance with Article 11(3) or (6) of Directive 2014/49/EU;**
  - (c) in case of a payout event, an estimate of the extraordinary contributions it can raise, **in order to comply with the repayment of liquidity in accordance with Article 41o;**
  - (d) any circumstances which would prevent it from meeting its obligations under national law transposing Directive 2014/49/EU and possible remedies.

#### Article 41m

##### *Determination of the amount of funding*

1. After receiving the notification under Article 41k, the Board shall decide within 24 hours, in its executive session, that the conditions for coverage by EDIS **I** have been met and shall determine the amount of **liquidity support** that it will provide to the participating DGS **and the amount of mandatory lending in accordance with Article 41ba.**

3. The Board shall immediately inform the participating DGS about its decision under **paragraph 1**. The **relevant designated authority and the** participating DGS may request a review of the Board's decision within 24 hours after it has been informed. It shall state the reasons why it considers an amendment to the Board's decision necessary, in particular with respect to the extent of coverage by EDIS **I**. The Board shall take a decision on the request within another 24 hours.

#### Article 41n

##### *Provision of liquidity*

1. The Board shall provide **liquidity support** under **Article 41a** in accordance with the following provisions:
  - (a) the **liquidity support** shall be provided in the form of a cash contribution to the participating DGS;
  - (b) the funds shall be due **within one working day of** the determination of the Board **made pursuant to** Article 41m.
- 1a. **By way of derogation from paragraph 1, upon the request of a participating DGS, the Board may decide that the DIF provides liquidity support in the form of a guarantee for any of the measures referred to in Article 41a(2) to access alternative funding arrangements under Article 10(9) of Directive 2014/49/EU.**

#### Article 41o

##### *Repayment of liquidity*

1. The participating DGS shall repay the **liquidity support** provided by the Board under Article 41n **in accordance with a repayment plan as referred to in paragraph 2 of this Article.**
2. **Within 3 months of the determination referred to in Article 41m, the Board, after consulting the relevant designated authority, shall establish a repayment plan that ensures that the funding provided by the Board under Article 41n will be repaid in full within six years by the participating DGS.**
3. **The repayment plan shall initially, and to the largest extent possible, be based on the expected funding from the sources referred to in paragraph 4a.**
4. **The following conditions for the repayment plan shall apply:**



- (a) *the minimum annual repayment by the participating DGS shall be on average 16,67% of the funding provided by the Board under Article 41n; and*
  - (b) *each year, the Board shall reassess the level of expected recoveries and recalibrate the repayment plan for the remaining years or, where appropriate, grant an extension of the maturity referred to in paragraph 4c.*
- 4a. *The repayment plan referred to in paragraph 2 shall give priority to transfers of the following sources to the DIF to comply with the obligations under paragraphs 1 and 2 over reaching again the target level of the participating DGS:*
- (a) *any extraordinary contributions raised in accordance with Article 10(8) of Directive 2014/49/EU;*
  - (b) *any recoveries on the DGS's claims pursuant to Article 9(2) of Directive 2014/49/EU and Article 75 of Directive 2014/59/EU;*
  - (c) *any repayment of or income derived from measures taken in accordance with Article 109 of Directive 2014/59/EU or Article 11(3) and (6) of Directive 2014/49/EU.*
- 4b. *The participating DGS shall provide the designated authority and the Board as a minimum on an annual basis, and also in the case of any event that could have a material impact on the trajectory of repayment as described in the repayment plan, updated information on any contributions, recoveries, repayments or income referred to in paragraph 4a.*
- 4c. *Taking into account the phase of the business cycle, the impact that pro-cyclical contributions might have when setting contributions and the expected speed of recoveries from insolvency proceedings, the Board may grant an extension of the maturity of up to 4 years upon request including a comprehensive overview of inflows and outflows by the participating DGS.*

#### *Article 41p*

##### *Monitoring of payouts to depositors and alternative measures*

1. Following the provision of funding<sup>1</sup>, the Board shall closely monitor, *in close collaboration with the designated authority*, the payout procedure, *the alternative measures in accordance with Articles 11(3) or (6) of Directive 2014/49/EU*, and in particular *the use of the liquidity support*.
2. The participating DGS shall provide, at regular intervals established by the Board, accurate, reliable and complete information on the payout procedure, *alternative measures in accordance with Article 11(3) or (6) of Directive 2014/49/EU*, the exercise of the rights it subrogated into, or any other matter that is relevant for the effective implementation of the Board's actions provided for in this Regulation or for the exercise of the powers of the participating DGS in the Directive 2014/49/EU or this Regulation. *In the event of a payout procedure*, the participating DGS shall inform the Board, on a daily basis, about the total amount repaid to depositors, the use of the *liquidity*, and any difficulties it encountered.

*Article 41q*  
*Provision of funding by way of mandatory lending facility*

**1a. Loans by participating DGSs shall be provided on the basis of a request for a loan by the Board on the basis of a decision under Article 41m(1), containing all relevant information while respecting confidentiality requirements under Union law.**

**2a. Where the DIF has received funding through mandatory lending as referred to in Article 41ba, any funds received by the DIF in accordance with Article 41o shall be repaid to the participating DGSs before those funds are used to repay alternative funding arrangements as referred to in Article 74g, provided that those alternative funding arrangements were concluded after the provision of mandatory lending, or before those funds are used to reach again the target level of the DIF referred to in Article 74b.**

*The detailed financial terms and conditions of the mandatory lending facility shall be specified in an agreement between each of the participating DGS and the Board.*

*Article 41qa*  
*Terms of liquidity provided by the DIF*

- 1. The Board shall determine the key financial terms and conditions of the liquidity facility in a standardised agreement.**
- 2. The Board and the participating DGS that has requested liquidity support in accordance with Article 41a shall enter into an agreement based on the standardised agreement referred to in paragraph 1.**
- 3. The interest rate on liquidity provided by the DIF shall be:**
  - (a) 0% for the amount of liquidity support up to the total amount of contributions transferred to the DIF by the relevant DGS in accordance with Article 74c(1);**
  - (b) equal to the ECB marginal facility rate for any amount of liquidity support exceeding the amount referred to in point (a), up to double the total amount of contributions transferred to the DIF by the relevant DGS in accordance with Article 74c(1); and**
  - (c) equal to the ECB marginal facility rate increased by 0,25% for every year of the remaining time until maturity of the provided liquidity, for any amount of liquidity support exceeding the sum of the amounts referred to in points (a) and (b).**

11. Article 43 is amended as follows:

- (a) in paragraph 1, the full stop at the end of point (c) is replaced by a semicolon and the following point (d) is added:

"(d) a member appointed by each participating Member State, representing their designated authority.";
- (b) paragraph 2 is replaced by the following:



"2. Each member, including the Chair, shall have one vote except where the Board meets in the joint plenary session in accordance with Article 49b in which case the members appointed by a participating Member State under paragraph 1(c) and (d) shall together have one vote.";

(c) in paragraph 3, the first subparagraph is replaced by the following:

"The Commission and the ECB shall each designate a representative entitled to participate in the meetings of executive sessions, plenary sessions and joint plenary sessions as a permanent observer.";

(d) paragraphs 4 and 5 are replaced by the following:

"4. In the event of more than one national resolution authority or respectively more than one national designated authority in a participating Member State, a second representative shall be allowed to participate as observer without voting rights.

5. The Board's administrative and management structure shall comprise:

- (a) a joint plenary session which shall perform the tasks referred to in Article 49b;
- (b) plenary sessions of the Board in accordance with Article 49 *or* 49a, which shall perform the tasks referred to in Article 50 and respectively Article 50a;
- (c) an executive session of the Board, which shall perform the tasks referred to in Article 54;
- (d) a Chair, which shall perform the tasks referred to in Article 56;
- (e) a Secretariat, which shall provide the necessary administrative and technical support on the performing of all the tasks assigned to the Board.";

12. Article 45 is amended as follows:

- (a) in paragraphs 4 and 5, the words "the resolutions tasks" are replaced by "the resolution and the **DGS liquidity support** tasks", making such grammar changes as necessary;

■

13. in Article 46(4), the words "national resolution authorities" are replaced by "national resolution authorities or of national DGS or designated authorities, making such grammar changes as necessary;

14. in Article 47, paragraph 1 is replaced by the following:

"1. When performing the tasks conferred on them by this Regulation, the Board, the national resolution authorities, the national DGS or designated authorities shall act independently and in the general interest.;

15. in Part III, the heading of Title II "Plenary session of the Board" is replaced by "Joint plenary session and plenary sessions of the Board;

16. the following Article 48a is inserted:

*Article 48a*

*Participation in joint plenary sessions*

All members of the Board referred to in Article 43(1) shall participate in its joint plenary sessions.;

17. Article 49 is replaced by the following:

*Article 49*

*Participation in plenary sessions relating to the Single Resolution Mechanism*

The members of the Board referred to in points (a), (b) and (c) of Article 43(1) shall participate in its plenary sessions relating to the Single Resolution Mechanism (SRM plenary session).”;

18. the following Articles 49a and 49b are inserted:

*Article 49a*

*Participation in plenary sessions relating to the European Deposit Insurance Scheme*

The members of the Board referred to in points (a), (b) and (d) of Article 43(1) shall participate in its plenary sessions relating to EDIS I (EDIS I plenary session).

*Article 49b*

*Tasks of the joint plenary session of the Board*

1. In its joint plenary session, the Board shall:

- (a) adopt, by 30 November each year, the Board's annual work programme for the following year, based on a draft put forward by the Chair and shall transmit it for information to the European Parliament, the Council, the Commission, and the ECB;
- (b) adopt and monitor the annual budget of the Board in accordance with Article 61(2), and approve the Board's final accounts and give discharge to the Chair in accordance with Article 63(4) and (8);
- (c) decide on the investments in accordance with Article 75;
- (d) adopt the annual activity report on the Board's activities referred to in Article 45, which shall present detailed explanations on the implementation of the budget;
- (e) adopt the financial rules applicable to the Board in accordance with Article 64;
- (f) adopt an anti-fraud strategy, proportionate to fraud risks taking into account the costs and benefits of the measures to be implemented;
- (g) adopt rules for the prevention and management of conflicts of interest in respect of its members;
- (h) adopt its rules of procedure and those of the Board in its plenary and executive sessions under this Regulation;
- (i) in accordance with paragraph 3 of this Article, exercise, with respect to the staff of the Board, the powers conferred by the Staff Regulations on the Appointing Authority and by the Conditions of Employment of Other Servants of the European Union as laid down by Council Regulation (EEC, Euratom, ECSC) No 259/68 ("Conditions of Employment") on the Board Empowered to Conclude a Contract of Employment ("the appointing authority powers");

- (j) adopt appropriate implementing rules for giving effect to the Staff Regulations and the Conditions of Employment in accordance with Article 110 of the Staff Regulations;
  - (k) appoint an Accounting Officer, subject to the Staff Regulations and the Conditions of Employment, who shall be functionally independent in the performance of his or her duties;
  - (l) ensure adequate follow up to findings and recommendations stemming from the internal or external audit reports and evaluations, as well as from investigations of the European Anti-Fraud Office (OLAF);
  - (m) take all decisions on the establishment of the Board's internal structures and, where necessary, their modification.
2. When taking decisions, the joint plenary session of the Board shall act in accordance with the objectives as specified in Articles 6 and 14.
  3. In its joint plenary session, the Board shall adopt, in accordance with Article 110 of the Staff Regulations, a decision based on Article 2(1) of the Staff Regulations and on Article 6 of the Conditions of Employment, delegating relevant appointing authority powers to the Chair and establishing the conditions under which the delegation of powers can be suspended. The Chair shall be authorised to sub-delegate those powers.

In exceptional circumstances, the Board in its joint plenary session may by way of a decision temporarily suspend the delegation of the appointing authority powers to the Chair and any sub delegation by the latter and exercise them itself or delegate them to one of its members or to a staff member other than the Chair.";

19. Article 50 is replaced by the following:

*"Article 50  
Tasks of the Board in its SRM plenary session*

1. In its SRM plenary session, the Board shall:
  - (a) subject to the procedure referred to in paragraph 2, decide on the use of the Fund, if the support of the Fund in that specific resolution action is required above the threshold of EUR 5 000 000 000 for which the weighting of liquidity support is 0,5;
  - (b) once the net accumulated use of the Fund in the last consecutive 12 months reaches the threshold of EUR 5 000 000 000, evaluate the application of the resolution tools, in particular the use of the Fund, and provide guidance which the executive session shall follow in subsequent resolution decisions, in particular, if appropriate, differentiating between liquidity and other forms of support;
  - (c) decide on the necessity to raise extraordinary ex post contributions in accordance with Article 71, on the voluntary borrowing between financing arrangements in accordance with Article 72, on alternative financing means in accordance with Articles 73 and 74, and on the mutualisation of national financing arrangements in accordance with Article 78, involving support of the Fund above the threshold referred to in point (c) of this paragraph;

- (d) approve the framework referred to in Article 31(1) to organise the practical arrangements for the cooperation with the national resolution authorities.
2. When taking decisions, the plenary session of the Board shall act in accordance with the objectives as specified in Articles 6 and 14.

For the purposes of point (a) of paragraph 1, the resolution scheme prepared by the executive session is deemed to be adopted unless, within three hours from the submission of the draft by the executive session to the plenary session, at least one member of the plenary session has called a meeting of the plenary session. In the latter case, a decision on the resolution scheme shall be taken by the plenary session.";

20. The following Article 50a is inserted:

*"Article 50a  
Tasks of the Board in its EDIS I plenary session*

1. In its EDIS I plenary session, the Board shall:
  - (a) **decide on the key terms and conditions of the standardised agreement referred to in Article 41qa(1);**
  - (b) decide on the voluntary borrowing between financing arrangements in accordance with Article 74f, on alternative funding means in accordance with Articles 74g;
  - (c) decide whether the disqualifying conditions laid down in points (a) and (b) of Article 41i(1) **are met, to comply with paragraphs 1 and 1a of that Article; (d) once the net accumulated use of the DIF in the last consecutive 12 months reaches the threshold of 25% of the final target level, evaluate, on an annual basis, the application of the use of the DIF, and provide guidance to be followed by the executive session of the Board in subsequent liquidity support decisions.**
2. When taking decisions, the plenary session of the Board shall act in accordance with the objectives specified Article 6.";

21. Article 51 is replaced by the following:

*"Article 51  
Meetings of the joint plenary and the SRM and EDIS I plenary sessions of the Board*

1. The Chair shall convene and chair meetings of the joint plenary and the SRM and EDIS I plenary sessions of the Board in accordance with point (a) of Article 56(2).
2. The Board, in its joint plenary session, shall hold at least two ordinary meetings per year. In addition, it shall meet on the initiative of the Chair, or at the request of at least one third of its members. The representative of the Commission may request the Chair to convene a meeting of the Board in its joint plenary or respectively SRM or EDIS I plenary session. The Chair shall provide reasons in writing if he or she does not convene a meeting in due time.
3. Where relevant, the Board may invite observers in addition to those referred in Article 43(3) to participate in the meetings of its joint plenary or respectively SRM or EDIS I plenary session on an ad hoc basis, including a representative of EBA.

4. The Board shall provide for the secretariat of the joint plenary *and the* plenary session of the Board.";

22. Article 52 is replaced by the following:

*"Article 52*

*General provisions on the decision-making process*

1. The Board, in its joint plenary or respectively SRM or EDIS *I* plenary session, shall take its decisions by a simple majority of its members, unless otherwise provided for in this Regulation. Each voting member shall have one vote. In the event of a tie, the Chair shall have a casting vote.
2. By way of derogation from paragraph 1, decisions referred to in points (a) and (b) of Article 50(1), point (a) of Article 50a(1) as well as on the mutualisation of national financing arrangements in accordance with Article 78, limited to the use of the financial means available in the SRF or respectively in the DIF, shall be taken by a simple majority of the Board members, representing at least 30 % of contributions. Each voting member shall have one vote. In the event of a tie, the Chair shall have a casting vote.
3. By way of derogation from paragraph 1 of this Article, decisions referred to in Article 50(1) or Article 50a(1), which involve the raising of ex-post contributions in accordance with Article 71, on voluntary borrowing between financing arrangements in accordance with Article 72 or Article 74f, on alternative financing means in accordance with Article 73, Article 74 or Article 74g, as well as on the mutualisation of national financing arrangements in accordance with Article 78, exceeding the use of the financial means available in the SRF or in the DIF, shall be taken by a majority of two thirds of the Board members, representing at least 50 % of contributions during the transitional period until the SRF is fully mutualised and respectively the DIF has reached its final target level and by a majority of two thirds of the Board members, representing at least 30 % of contributions from then on. Each voting member shall have one vote. In the event of a tie, the Chair shall have a casting vote.

5. The Board shall adopt and make public its rules of procedure. The rules of procedure shall establish more detailed voting arrangements, in particular the circumstances in which a member may act on behalf of another member and including, where appropriate, the rules governing quorums.";

23. Article 53 is amended as follows:

- (a) in paragraph 1, in the third subparagraph the words "national resolution authorities" are replaced by "national resolution authorities or national designated authorities", making such grammar changes as necessary;
- (b) in paragraph 2, the reference to "Article 43(1)(c)" is replaced by the following: "Article 43(1)(c) or where relevant Article 43(1)(d)";
- (c) paragraph 3 is replaced by the following:

"3. When deliberating on an entity referred to in Article 2 or a group of entities established only in one participating Member State or on a *DGS liquidity support* action or decision, the relevant member appointed by that Member State

under Article 43(1)(c) or 43(1)(d) shall also participate in the deliberations and in the decision-making process, and the rules laid down in Article 55(1) shall apply.";

(d) paragraph 5 is replaced by the following:

"5. The members of the Board referred to in Article 43(1)(a) and (b) shall ensure that the resolution and **DGS liquidity support** decisions and actions, in particular with regard to the use of the SRF and respectively of the DIF, across the different formations of the executive sessions of the Board, are coherent, appropriate and proportionate.";

24. Article 54 is amended as follows:

(a) paragraph 1 is replaced by the following:

"1. The Board, in its executive session, shall:

(a) prepare all of the decisions to be adopted by the Board in its joint plenary or its SRM and EDIS **I** plenary sessions, respectively;

(b) take all of the decisions to implement this Regulation, unless this Regulation provides otherwise.";

(b) in paragraph 2, the full stop at the end of point (e) is replaced by a semicolon and the following points are added:

"(f) determine the amount of **liquidity support** in accordance with Article 41**m(1)**;

(g) determine the **amount of mandatory lending** in accordance with Article 41**m(1)**;

■ ";

(c) paragraphs 3 and 4 are replaced by the following:

"3. Where necessary because of urgency, the Board in its executive session may take certain provisional decisions on behalf of the Board in its joint plenary or its SRM and EDIS **I** plenary sessions respectively, in particular on administrative management matters, including budgetary matters.

4. The Board in its executive session shall keep the Board in its joint plenary or its SRM and EDIS **I** plenary sessions respectively informed of the decisions it takes on resolution or **DGS liquidity support**.";

25. Article 56 is amended as follows:

(a) in paragraph 1:

(i) point (a) is replaced by the following:

"(a) preparing the work of the Board, in its joint plenary, plenary and executive sessions, and convening and chairing its meetings;"

(ii) in point (g), the words "on the resolution activities" are replaced by "on the resolution and on the **DGS liquidity support** activities", making such grammar changes as necessary;

- (b) in paragraph 4, in the first sentence the words "bank resolution" are replaced by "bank resolution and **DGS liquidity support**", making such grammar changes as necessary;
26. in Article 58, paragraph 3 is replaced by the following:  
 "3. The budget shall comprise three parts: Part I for the administration of the Board, Part II for the SRF and Part III for the DIF.".
27. in Article 59, paragraph 3 is replaced by the following:  
 "3. This Article is without prejudice to the right of the national resolution authorities, participating DGS and designated authorities to levy fees in accordance with national law, in respect of their administrative expenditures of the types referred to in paragraphs 1 and 2, including expenditures for cooperating with and assisting the Board.";
28. the following Article 60a is inserted:

*"Article 60a*

*Part III of the Budget*

1. The revenues of Part III of the budget shall consist, in particular, of the following:
  - (a) **transfers** paid by ■ participating DGSs in accordance with Article 74c and Article 74d;
  - (b) loans received from deposit guarantee schemes in non-participating Member States in accordance with Article 74f;
  - (c) loans received from financial institutions or other third parties in accordance with Article 74g;
  - (d) returns on the investments of the amounts held in the DIF in accordance with Article 75;
  - (e) funding repaid by participating DGSs in accordance with Article 41o;
  - (ea) loans received from participating DGSs in accordance with Article 41ba.**
2. The expenditure of Part III of the budget shall consist of the following:
  - (a) funding provided to participating DGSs for the purposes of Article 41a■ ;
  - (b) investments in accordance with Article 75;
  - (c) interest paid on loans received from other deposit guarantee financing arrangements in non-participating Member States in accordance with Article 74f;
  - (d) interest paid on loans received from financial institutions or other third parties in accordance with Article 74g;
  - (da) interest paid on loans received from participating DGSs in accordance with Article 41ba."**;
29. in Article 61(2), the words "in its plenary session" are replaced by the words "in its joint plenary session";



30. in Article 63(8), the words "in its plenary session" are replaced by the words "in its joint plenary session";
31. Article 65 is amended as follows:
- (a) paragraph 1 is replaced by the following:
- "1. Entities referred to in Article 2(1) and respectively point (b) of Article 2(2) shall contribute to Part I of the budget of the Board in accordance with this Regulation and the delegated acts on contributions adopted pursuant to paragraph 5 of this Article.";
- (b) in paragraph 5, point (a) is replaced by the following:
- "(a) determine the type of contributions, the matters for which contributions are due, taking into account the different tasks of the Board under this Regulation for the purposes of SRM and EDIS *I*, the manner in which the amount of the contributions is calculated, and the way in which they are to be paid;"
32. in Title V of Part III, the heading of Chapter 2 is replaced by "The Single Resolution Fund and the Deposit Insurance Fund";
33. in Chapter 2 of Title V of Part III, the heading of Section 1 is replaced by "Constitution of the Single Resolution Fund";
34. in Chapter 2 of Title V of Part III, the following section is inserted:

**"SECTION 1A  
CONSTITUTION OF THE DEPOSIT INSURANCE FUND**

*Article 74a  
General Provisions*

1. The DIF is hereby established. It shall be filled by ***transfers from participating DGSs of contributions collected from*** credit institutions affiliated to ***those*** DGSs. The ***amounts of the contributions to be transferred*** shall be calculated ***by*** the Board, ***in accordance with paragraph 1a***.
- 1a. Each year, the individual contribution of each participating credit institution shall be calculated based on:***
- (a) ***a flat contribution that is prorated based on the amount of an institution's covered deposits with respect to the amount of total covered deposits in all credit institutions referred to in Article 2(2), point (b);***
- (b) ***a risk-adjusted contribution with respect to the other participating credit institutions in the banking union.***
2. The Board shall use the DIF only in order to provide the funding to ***the*** participating DGS **■** in accordance with the objectives and the principles governing EDIS referred to in Article 6. Under no circumstances shall the Union budget or the national budgets be held liable for expenses or losses of the Fund.
3. The owner of the DIF shall be the Board. The Board's activities under this Regulation may under no circumstances engage the budgetary liability of the Member States.



*Article 74b*  
*Target level of the Deposit Insurance Fund*

1. By 3 years from the date of entry into force of this amending Regulation, the available financial means of the DIF shall reach a target level of 50% of the target level referred to in Article 10(2) of Directive 2014/49/EU calculated as a percentage of the amount of covered deposits in all credit institutions referred to in Article 2(2), point (b), of this Regulation.

*Article 74c*  
*Funding of the DIF*

1. Each year *until ... [three years from the date of entry into force of this amending Regulation]*, the Board shall, in close cooperation with the EBA, the participating DGSs and designated authorities, determine for each participating DGS the total amount of contributions *to be transferred to the DIF* in order to reach the target levels provided for in Article 74b. The total amount of contributions *to be transferred* shall not exceed the target levels provided for in Article 74b.
2. *The amounts to be transferred referred to in paragraph 1 of this Article shall be spread out in time as evenly as possible until the target level referred to in Article 74b is reached. The Board shall determine the amount to be transferred by each participating DGS in accordance with Article 74a(2) and in accordance with the method to calculate the risk-adjusted contributions laid down in the delegated act referred to in paragraph 5 of this Article. The transfers from the participating DGS to the Board shall take place by 30 June of each year at the latest.*
3. The duly received transfers from each participating DGS shall not be reimbursed to those participating DGSs.
4. The amounts transferred by participating DGS into the DIF in accordance with this Article shall count towards the minimum target level that each participating DGS shall reach in accordance with Article 10 of Directive 2014/49/EU.
  - 4a. *By way of derogation from paragraph 1, the Board, after consulting the participating DGS and the designated authority, shall defer by a maximum of 6 years, in whole or in part, the transfer of the amount determined by the Board in accordance with paragraph 2 of this Article when:*
    - (a) *the participating DGS does not have sufficient financial means to transfer that amount, due to having used DGS available financial means pursuant to Article 11 of Directive 2014/49/EU prior to the date of the first transfer from the participating DGS to the Board; or*
    - (b) *the participating DGS does not have sufficient financial means to transfer that amount, due to having used DGS available financial means for the purposes referred to in Article 41a before the target level referred to in Article 74b is reached.*

*The Board, after consulting the participating DGS and the designated authority, shall define a plan for the payment of the transfer owed by the participating DGS, taking into account the contributions that the participating DGS can raise pursuant to Article 10 of Directive 2014/49/EU and the need for the participating*

*DGS to repay any amounts borrowed.*

*Deferrals granted shall not prevent the general target level referred to in Article 74b from being reached and shall not lead to increases in transfers for other participating DGSs aimed at reaching the target level in accordance with Article 74b or maintaining the target level in accordance with paragraph 7 of this Article.*

- 4b. The plan referred to in paragraph 4a shall give priority to transfers of the following sources to the DIF to comply with the obligations under paragraphs 1 and 2 over reaching again the target level of the participating DGS:*
- (a) any extraordinary contributions raised in accordance with Article 10(8) of Directive 2014/49/EU;*
  - (b) any recoveries on the DGS's claims pursuant to Article 9(2) of Directive 2014/49/EU or Article 75 of Directive 2014/59/EU;*
  - (c) any repayment of or income derived from measures taken in accordance with Article 109 of Directive 2014/59/EU or Articles 11(3) and (6) of Directive 2014/49/EU.*
- 4c. After ... [three years from the date of entry into force of this amending Regulation], the Board shall, in close cooperation with the participating DGSs and designated authorities, determine the contributions to be collected from each credit institution referred to in Article 2(2), point (b), and to be transferred to DIF by the participating DGS in order to maintain the target level provided for in Article 74b.*
- 4d. After ... [three years from the date of entry into force of this amending Regulation], the Board may, in close cooperation with the participating DGSs and designated authorities, defer the required contributions to be collected in accordance with paragraph 4c to ensure that the amount to be transferred reaches an amount that is proportionate to the costs of the collection process for participating DGSs, provided that such deferral does not materially affect the capacity of the Board to use the DIF in accordance with Article 41a.*
5. The Commission shall be empowered to adopt *a delegated act* in accordance with Article 93 in order to specify a risk-based method for the calculation of *the amounts to be transferred to the DIF by the participating DGSs* in accordance with paragraph 1 of this Article.

█  
*The delegated act shall include a calculation formula, specific indicators, risk classes for members, thresholds for risk weights assigned to specific risk classes, and other necessary elements. The degree of risk shall be assessed taking into account all credit institutions referred to in Article 2(2), point (b), on the basis of the following criteria:*

- (a) the level and quality of loss absorbing capacity of the institution;*
- (b) the institution's ability to meet its short- and long-term obligations;*
- (c) █;*
- (d) the quality of the institution's assets, including its level II and III assets;*
- (e) the institution's business model, governance and management;*

- (f) the degree to which the institution's assets are encumbered.
- (fa) concentration within exposures of the credit institution to each participating Member State's central, regional and local government and central bank, where applicable;*
- (fb) whether the institution is part of an IPS.*

#### *Article 74ca*

##### *Limits for mandatory lending during the build-up phase of the EDIS I*

*Participating DGSs shall provide mandatory lending in accordance with Article 41ba of this Regulation starting from 1 July ... [1 year from the date of entry into force of this amending Regulation] within the following limits:*

- (a) from the date of entry into force of this amending Regulation, 60% of the target level of each participating DGS, in accordance with Article 10(2), first subparagraph, of Directive 2014/49/EU;*
- (b) from one year after the date of entry into force of this amending Regulation, 50% of the target level of each participating DGS, in accordance with Article 10(2), first subparagraph, of Directive 2014/49/EU;*
- (c) from two years after the date of entry into force of this amending Regulation, 40% of the target level of each participating DGS, in accordance with Article 10(2), first subparagraph, of Directive 2014/49/EU;*
- (d) from three years after the date of entry into force of this amending Regulation, 30% of the target level of each participating DGS, in accordance with Article 10(2), first subparagraph, of Directive 2014/49/EU.*

█

#### *Article 74e*

##### *Implementation of decisions under this Regulation*

1. The participating DGS shall take the necessary action to implement decisions referred to in this Regulation.

Subject to this Regulation, the participating DGS shall exercise its powers under national law transposing █ Directive 2014/49/EU and in accordance with the conditions laid down in national law. The participating DGS shall fully inform the Board of the exercise of those powers.

2. Where a participating DGS has not applied or has not complied with a decision by the Board pursuant to this Regulation or has applied it in a way which poses a threat to the efficient implementation of EDIS I and to the objectives of this Regulation, the Board may order the participating DGS to adopt any necessary action to comply with the decision in question.
3. Where a participating DGS addressed a decision to a credit institution affiliated to it, including the invoicing of contributions, and the credit institution has intentionally or negligently not complied with that decision, the Board shall take a decision ***to instruct a participating DGS to charge interest*** on the credit institution in accordance with Article 38.

#### *Article 74f*

##### *Voluntary lending to and borrowing from non-participating DGS*

1. The Board shall decide to make a request to borrow for the DIF from deposit guarantee schemes within non-participating Member States in the event that:
  - (a) **the available financing means of the DIF and** the amounts raised under **mandatory lending** are not sufficient to cover the losses, costs or other expenses incurred by the use of the DIF **pursuant to Article 41a** ;
  - (b) █
  - (c) the alternative funding means provided for in Article 74g are not immediately accessible on reasonable terms.
2. Those deposit guarantee schemes shall decide on such a request in accordance with Article 12 of Directive 2014/49/EU.
3. The Board may decide to lend to other deposit guarantee schemes within non-participating Member States upon request **and up to a limit of 25% of the available financial means of the DIF. Such a decision shall be taken unanimously in the plenary session.** Article 12 of Directive 2014/49/EU shall apply by analogy with respect to the borrowing conditions.

#### *Article 74g*

##### *Alternative funding means*

1. The Board may contract for the DIF borrowings or other forms of support from institutions, financial institutions or other third parties, which offer better financial terms, at the most appropriate time so as to optimise the cost of funding and preserve its reputation. The proceeds of such borrowings shall be used exclusively to **provide liquidity support or** meet payment obligations towards participating DGSs, in the event that the amounts raised in accordance with Articles 74c █ are not immediately accessible or do not cover the amounts claimed from the DIF in relation to **the use of DGS funds referred to in Article 41a.**
2. The borrowing or other forms of support referred to in paragraph 1 shall be fully recouped in accordance with **Article 74c** █ .
3. Any expenses incurred by the use of the borrowings specified in paragraph 1 shall be borne by Part III of the budget of the Board and not by the Union budget or the participating Member States.
4. The Board may decide to invest proceeds from borrowings in accordance with Article 75 in order to protect their real value.";
35. in Chapter 2 of Title V of Part III, the heading of Section 2 is replaced by "Administration of the SRF and DIF".
36. Article 75 is replaced by the following:

#### *"Article 75*

##### *Investments*

1. The Board shall administer the SRF and the DIF in accordance with this Regulation and delegated acts adopted under paragraph 4.

2. The amounts received from an institution under resolution or a bridge institution, the interests and other earnings on investments and any other earnings shall benefit only the SRF and the DIF.
  3. The Board shall have a prudent and safe investment strategy that is provided for in the delegated acts adopted pursuant to paragraph 4 of this Article, and shall invest the amounts held in the SRF and the DIF in obligations of the Member States or intergovernmental organisations, or in highly liquid assets of high creditworthiness, taking into account the delegated act referred to in Article 460 of Regulation (EU) No 575/2013 as well as other relevant provisions of that Regulation. Investments shall be sufficiently sectorally, geographically and proportionally diversified. The return on those investments shall benefit the SRF and the DIF respectively.
  4. The Commission shall be empowered to adopt delegated acts on the detailed rules for the administration of the SRF and the DIF and general principles and criteria for their investment strategy, in accordance with the procedure laid down in Article 93. ***Those delegated acts shall also clearly define 'low-risk assets' within the meaning of Article 3(1), point (57)."***
38. in Title VI of Part III, in Article 81(4), Article 83(2) and (3), Article 87(4), Article 88(2) and (6), the words "national resolution authority" are replaced by "national resolution authority, participating DGS or designated authorities where relevant" and the words "national resolution authorities" are replaced by "national resolution authorities, participating DGS or designated authorities where relevant";
- 38a. in Article 92, paragraph 2 is replaced by the following:**
- '2. Each report shall examine whether:***
    - (a) sufficient regard was given to the economy, efficiency and effectiveness with which the SRF and the DIF have been used, in particular the need to minimise the use of the SRF and the DIF;***
    - (b) the assessment of Fund aid was efficient and rigorous.'***
39. Article 93 is amended as follows:
- (a) paragraph 2 is replaced by the following:
 

"2. The delegation of power referred to in Article 19(8), Article 65(5), Article 69(5), Article 71(3), Article 74b (5), Article 74c (5), Article 74d(4) and Article 75(4) shall be conferred for an indeterminate period of time from the relevant dates referred to in Article 99.";
  - (b) paragraph 4 is replaced by the following:
 

"4. The delegation of power referred to in Article 19(8), Article 65(5), Article 69(5), Article 71(3), Article 74b (5), Article 74c (5), Article 74d(4) and Article 75(4) may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.";
  - (c) paragraph 6 is replaced by the following:



"6. A delegated act adopted pursuant to Article 19(8), Article 65(5), Article 69(5), Article 71(3), Article 74b (5), Article 74c (5), Article 74d(4) and Article 75(4) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by three months at the initiative of the European Parliament or the Council.";

**39a.** *the following articles are inserted:*

***'Article 94a***

***EDIS I review***

***From ... [the date of entry into force of this amending Regulation], the Commission shall, in close collaboration with the SRB, the EBA and the ECB, continuously review the functioning of EDIS I.***

***By ... [4 years from the date of entry into force of this amending Regulation], the Commission shall submit a report to the European Parliament and the Council.***

***On the basis of that report, the Commission shall, where appropriate, submit a legislative proposal to the European Parliament and the Council.;***

***Article 94b***

***Completion of EDIS review***

***From ... [the date of entry into force of this amending Regulation], the Commission shall, in close collaboration with the SRB, the EBA and the ECB, continuously review the appropriateness of extending EDIS I from the provision of liquidity support to the establishment of a full insurance scheme with loss coverage, considering the following:***

- (a) the establishment of a dedicated European Deposit Insurance Scheme for institutions that are members of institutional protection schemes as referred to in Article 113(7) of Regulation (EU) No 575/2013, the introduction of a dedicated target level of the DIF referred to in Article 74b of this Regulation, and changes in the legal sequencing of the use of additional preventative measure funds, in order to reflect their risk mitigation characteristics, while preserving the level playing field within the internal market;***
- (b) the target level referred to in Article 10 of Directive 2014/49/EU, to reflect the changes in likelihood and sizes of liquidity shortfalls due to the positive impact on depositor confidence and financial stability of pooling resources, considering changes to the tasks and responsibilities of participating DGS as part of any future review of Directive 2014/49/EU, as well as the convergence to equal target level contributions to the DIF, as the percentage of DGS resources transferred to the DIF reaches 100%;***
- (c) the appropriateness of introducing a publicly-funded backstop mechanism to support the DIF.***

***The Commission shall submit a report to the European Parliament and the Council by ... [4 years from the date of entry into force of this amending Regulation]. On the basis of that report the Commission shall, where appropriate,***

*submit a legislative proposal to the European Parliament and the Council, provided that*

- (a) sufficient progress has been made on the framework for NPLs in order to lower associated risks for credit institutions;*
- (b) a targeted asset quality review of a representative sample of less significant institutions referred to in Article 6(4) of Council Regulation (EU) No 1024/2013 has been performed.*

#### *Article 94c*

##### *Completion of the banking union review*

*With the aim of a timely completion of the banking union, from ... [the date of entry into force of this amending Regulation], the Commission shall assess the following interconnected legislative building blocks of the internal market for banking:*

- (a) the appropriateness of amending the capital and liquidity waivers referred to in Articles 7(1) and 8(1) of Regulation (EU) No 575/2013, allowing for the application of those waivers to a subsidiary that is subject to authorisation and supervision by a Member State other than the Member State that authorises and supervises the institution which is the parent undertaking, taking into account developments in other areas of burden sharing;*
- (b) the appropriateness of amending the level of application of the output floor referred to in Article 92 of Regulation (EU) No 575/2013, allowing banking groups to apply the output floor at the highest level of consolidation, taking into account developments in other areas of burden sharing;*
- (c) the progress on legislation and reviews on risk reduction including enhancing the ability of credit institutions to recover value from collateral provided to secure loans in a swifter manner and a targeted asset quality review of a representative sample of less significant institutions referred to in Article 6(4) of Council Regulation (EU) No 1024/2013;*
- (d) the treatment of debt, considering greater diversification of banks' sovereign bond holdings and the progress at international level on the regulatory treatment of sovereign exposures;*
- (e) the appropriateness of extending EDIS I from the provision of liquidity support to the establishment of a full insurance scheme with loss coverage.*

*The Commission shall, by ... [4 years from the date of entry into force of this amending Regulation], submit a report to the European Parliament and the Council.*

*On the basis of that report, the Commission shall, where appropriate, submit a legislative proposal to the European Parliament and the Council.';*

40. in Article 99, the following paragraph 5a is inserted:

"5a. By way of derogation from paragraph 2, Article 1(2), Part IIa and Part III, Title V Chapter 2 Section 1a shall apply from [*OP insert date of entry into force of this Regulation*]";

41. throughout Regulation (EU) No 806/2014, the word "the Fund" is replaced with "the SRF".

*Article 2*

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*



**ANNEX: ENTITIES OR PERSONS  
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that he has received input from the following entities or persons in the preparation of the report, until the adoption thereof in committee:

<b>Entity and/or person</b>
Association for Financial Markets in Europe (AFME)
Bundeskanzleramt Deutschland (BKAm)
Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR)
Bundesverband deutscher Banken e.V. (BdB)
Deutscher Sparkassen- und Giroverband e.V. (DSGV)
Die Deutsche Kreditwirtschaft (DK)
Erste Group Bank AG
European Association of Co-operative Banks (EACB)
European Banking Authority (EBA)
European Central Bank (ECB)
European Commission (DG FISMA)
European Economic and Social Committee (EESC)
Fédération bancaire française (FBF)
meine Volksbank Raiffeisenbank eG
Österreichische Sparkassenverband
Österreichischer Gemeindebund
Österreichischer Genossenschaftsverband (ÖGV)
Österreichischer Raiffeisenverband (ÖRV)
Österreichischer Städtebund
Raisin GmbH
Single Resolution Board (SRB)
Wirtschaftskammer Österreich (WKÖ) - Bundessparte Bank und Versicherung

The list above is drawn up under the exclusive responsibility of the rapporteur.

## PROCEDURE – COMMITTEE RESPONSIBLE

<b>Title</b>	European Deposit Insurance Scheme			
<b>References</b>	COM(2015)0586 – C8-0371/2015 – 2015/0270(COD)			
<b>Date submitted to Parliament</b>	24.11.2015			
<b>Committee responsible</b> Date announced in plenary	ECON 18.1.2016			
<b>Committees asked for opinions</b> Date announced in plenary	BUDG 18.1.2016	EMPL 18.1.2016	IMCO 18.1.2016	REGI 18.1.2016
	JURI 18.1.2016	AFCO 18.1.2016		
<b>Not delivering opinions</b> Date of decision	BUDG 6.11.2019	EMPL 3.9.2019	IMCO 3.9.2019	REGI 12.6.2019
	JURI 3.9.2019	AFCO 11.4.2024		
<b>Rapporteurs</b> Date appointed	Othmar Karas 29.2.2024			
<b>Previous rapporteurs</b>	Esther De Lange			
<b>Discussed in committee</b>	20.3.2024		18.4.2024	
<b>Date adopted</b>	18.4.2024			
<b>Result of final vote</b>	+:		26	
	-:		18	
	0:		3	
<b>Members present for the final vote</b>	Rasmus Andresen, Anna-Michelle Asimakopoulou, Marek Belka, Isabel Benjumea Benjumea, Gilles Boyer, Engin Eroglu, Markus Ferber, Jonás Fernández, Frances Fitzgerald, Enikő Győri, Michiel Hoogeveen, Stasys Jakeliūnas, France Jamet, Othmar Karas, Ondřej Kovařík, Georgios Kyrtos, Pedro Marques, Luděk Niedermayer, Dimitrios Papadimoulis, Sirpa Pietikäinen, Antonio Maria Rinaldi, Dorien Rookmaker, Alfred Sant, Joachim Schuster, Aušra Seibutyte, Pedro Silva Pereira, Paul Tang, Inese Vaidere, Johan Van Overtveldt			
<b>Substitutes present for the final vote</b>	Fabio Massimo Castaldo, Michael Kauch, Henk Jan Ormel, Erik Poulsen			
<b>Substitutes under Rule 209(7) present for the final vote</b>	Attila Ara-Kovács, Vladimír Bilčík, Karolin Braunsberger-Reinhold, Eider Gardiazabal Rubial, Andreas Glück, Moritz Körner, Margarida Marques, Vânia NETO, Johan Nissinen, Inma Rodríguez-Piñero, Maria Veronica Rossi, Domènec Ruiz Devesa, Laurence Sailliet, Javier Zarzalejos			
<b>Date tabled</b>	23.4.2024			

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

<b>26</b>	<b>+</b>
ECR	Johan Van Overtveldt
PPE	Anna-Michelle Asimakopoulou, Isabel Benjumea Benjumea, Vladimír Bilčík, Frances Fitzgerald, Othmar Karas, Vânia NETO, Luděk Niedermayer, Henk Jan Ormel, Sirpa Pietikäinen, Aušra Seibutytė, Inese Vaidere, Javier Zarzalejos
Renew	Erik Poulsen
S&D	Attila Ara-Kovács, Marek Belka, Jonás Fernández, Eider Gardiazabal Rubial, Margarida Marques, Pedro Marques, Inma Rodríguez-Piñero, Domènec Ruiz Devesa, Alfred Sant, Pedro Silva Pereira, Paul Tang
Verts/ALE	Stasys Jakeliūnas

<b>18</b>	<b>-</b>
ECR	Michiel Hoogeveen, Johan Nissinen, Dorien Rookmaker
ID	France Jamet, Antonio Maria Rinaldi, Maria Veronica Rossi
PPE	Karolin Braunsberger-Reinhold, Markus Ferber, Laurence Sailliet
Renew	Gilles Boyer, Fabio Massimo Castaldo, Engin Eroglu, Andreas Glück, Michael Kauch, Moritz Körner, Ondřej Kovařík, Georgios Kyrtos
S&D	Joachim Schuster

<b>3</b>	<b>0</b>
NI	Enikő Győri
The Left	Dimitrios Papadimoulis
Verts/ALE	Rasmus Andresen

Key to symbols:

+ : in favour

- : against

0 : abstention