











Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) 2023/0115(COD) Directive</p>	Awaiting Council's 1st reading position
<p>Deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency</p> <p>Amending Directive 2014/49 2010/0207(COD)</p> <p>Subject 2.50.02 Savings 2.50.04 Banks and credit 4.70.05 Regional cooperation, cross-border cooperation</p> <p>Legislative priorities Joint Declaration 2023-24</p>	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Economic and Monetary Affairs	 PETER-HANSEN Kira Marie	27/11/2023
		Shadow rapporteur	
		 NIEDERMAYER Luděk	
		 MARQUES Pedro	
		 BOYER Gilles	
		 ZANNI Marco	
		 ZÍLE Roberts	
		 SCHIRDEWAN Martin	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Internal Market and Consumer Protection	The committee decided not to give an opinion.	
	 Legal Affairs	The committee decided not to give an opinion.	
Council of the European Union	Commission DG	Commissioner	
European Commission	Financial Stability, Financial Services and Capital	MCGUINNESS Mairead	

Key events			
18/04/2023	Legislative proposal published	COM(2023)0228	Summary
10/07/2023	Committee referral announced in Parliament, 1st reading		
20/03/2024	Vote in committee, 1st reading		
25/03/2024	Committee report tabled for plenary, 1st reading	A9-0154/2024	
24/04/2024	Decision by Parliament, 1st reading	T9-0328/2024	

Technical information	
Procedure reference	2023/0115(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Amending Directive 2014/49 2010/0207(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 053-p1
Stage reached in procedure	Awaiting Council's 1st reading position
Committee dossier	ECON/9/11799

Documentation gateway					
Legislative proposal		COM(2023)0228	18/04/2023	EC	Summary
Document attached to the procedure		SWD(2023)0225	19/04/2023	EC	
Document attached to the procedure		SWD(2023)0226	19/04/2023	EC	
Document attached to the procedure		N9-0047/2023 OJ C 255 20.07.2023, p. 0004	12/06/2023	EDPS	
European Central Bank: opinion, guideline, report		CON/2023/0019 OJ C 307 31.08.2023, p. 0019	05/07/2023	ECB	
Committee draft report		PE753.698	03/10/2023	EP	
Amendments tabled in committee		PE754.693	06/11/2023	EP	
Committee report tabled for plenary, 1st reading/single reading		A9-0154/2024	25/03/2024	EP	
Text adopted by Parliament, 1st reading/single reading		T9-0328/2024	24/04/2024	EP	

Deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency

PURPOSE: to ensure uniform protection of depositors in the Union.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: deposit guarantee schemes (DGS) reimburse a limited amount to compensate depositors whose bank has failed. A fundamental principle underlying DGS is that they are funded entirely by banks, and that no taxpayer funds are used.

Under existing EU rules, deposit guarantee schemes protect depositors' savings by guaranteeing deposits of up to EUR 100 000 and help prevent the mass withdrawal of deposits in the case of bank failure, which can create financial instability.

In accordance with Directive 2014/49/EU of the European Parliament and of the Council on deposit guarantee schemes, the Commission has reviewed the application and the scope of that Directive and concluded that the objective of protection of depositors in the Union through the establishment of deposit guarantee schemes has mostly been met. However, the Commission also concluded that there is a need to address the remaining gaps in depositor protection and to enhance the functioning of DGSs, while harmonising rules for DGSs interventions other than payout proceedings.

The proposed amendments to Directive 2014/49/EU (the Deposit Guarantee Schemes Directive or DGSD) are part of the crisis management and deposit insurance (CMDI) legislative package that includes also amendments to Directive 2014/59/EU (the Bank Recovery and Resolution Directive or BRRD) and Regulation (EU) No 806/2014 (the Single Resolution Mechanism Regulation or SRMR).

CONTENT: the aim of the proposed amendments is to build on and clarify the mandate of DGSs to better protect deposits in the context of the reimbursement of depositors.

More specifically, the proposal:

- clarifies the scope so that along with the establishment and functioning of the DGS, the coverage and repayment of deposits, and the use of DGS funds for measures to maintain the access of depositors to their deposits also fall within the scope of this Directive;
- harmonises the level of coverage of EUR 100 000 per depositor and bank, as set out in the Deposit Guarantee Scheme Directive and extends depositor protection to public entities (i.e. hospitals, schools, municipalities), as well as client money deposited in certain types of client funds (i.e. by investment companies, payment institutions, e-money institutions);
- includes measures to harmonise the protection of temporary high balances on bank accounts in excess of EUR 100 000 linked to specific life events (such as inheritance or insurance indemnities);
- consolidates the provisions on the exchange of information between credit institutions and DGS and reporting by authorities;
- harmonises the rules for the calculation of the repayable amount;
- allows the DGS to apply a longer period of up to 20 working days in the case of repayment of beneficiary accounts, client funds, and temporary high balances;
- aims to ensure that depositors, above a threshold of EUR 10 000, are reimbursed via credit transfers in line with the AML/CFT objectives;
- seeks to harmonise to five years the period during which depositors can make a claim against the DGS;
- establishes a set of safeguards for preventive measures and allocate the responsibilities among authorities for assessing how preventive measures are applied. This aims at ensuring that the use of these measures is timely, cost-effective and applied consistently across Member States, as improvements to the current situation;
- establishes requirements for the credit institutions which did not comply with their commitments or fail to repay financial support granted with preventive measures. The EBA is mandated to develop guidelines on the content of the note with measures needed for the efficient implementation of a preventive measure and of the remediation plan;
- clarifies that the protection by DGSs also covers depositors located in Member States where their member credit institutions exercise the freedom to provide services;
- requires that branches of credit institutions established in third countries join a DGS in a Member State if they want to provide banking services and take eligible deposits in the EU. This enhances the protection of depositors as it eliminates the risk of having deposits in the EU whose protection by a non-EU DGS would not be up to the EU standards;
- seeks to harmonise information which banks have to provide to their clients annually on the protection of their deposits. It also enhances the information requirements for depositors in case of mergers or other major reorganisations of credit institutions, changes of DGS affiliation and unavailability of deposits due to the critical financial situation of banks;
- clarifies rules on reporting and improving the exchange of information from the credit institution to the DGSs and from the DGSs and the designated authorities to the EBA. It is also important that the EBA is appropriately informed of situations that occur and for which the DGS may intervene, to support the EBA in its tasks of overseeing the financial integrity, stability, and security of the European banking system.

Transparency					
SCHIRDEWAN Martin	Shadow rapporteur	ECON	25/01/2024	Deutscher Sparkassen-und Giroverband	
URTASUN Ernest	Rapporteur	ECON	12/10/2023	Single Resolution Board	
URTASUN Ernest	Rapporteur	ECON	12/10/2023	Permanent Representation to the EU of France	
URTASUN Ernest	Rapporteur	ECON	10/10/2023	European Commission	
URTASUN	Rapporteur	ECON	21/09/2023	European Commission	

Ernest				
URTASUN Ernest	Rapporteur	ECON	20/09/2023	European Central Bank
URTASUN Ernest	Rapporteur	ECON	19/09/2023	German Permanent Representation to the EU
URTASUN Ernest	Rapporteur	ECON	17/07/2023	European Commission
URTASUN Ernest	Rapporteur	ECON	06/07/2023	Permanent Representation of France to the EU
DE LANGE Esther	Member	12/10/2023	Deutscher Sparkassen-und Giroverband	