












Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) 2023/0112(COD) Directive	Awaiting Council's 1st reading position
Early intervention measures, conditions for resolution and financing of resolution action Amending Directive 2014/59 2012/0150(COD) Subject 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 2.50.04 Banks and credit 2.50.08 Financial services, financial reporting and auditing 2.50.10 Financial supervision Legislative priorities Joint Declaration 2023-24	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Economic and Monetary Affairs	 NIEDERMAYER Luděk	30/05/2023
		Shadow rapporteur	
		 MARQUES Pedro	
		 BOYER Gilles	
		 PETER-HANSEN Kira	
		 Marie	
		 ZANNI Marco	
		 ZÍLE Roberts	
		 SCHIRDEWAN Martin	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Budgets	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	

Key events

18/04/2023	Legislative proposal published	COM(2023)0227	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	A9-0153/2024	
24/04/2024	Decision by Parliament, 1st reading	T9-0327/2024	

Technical information

Procedure reference	2023/0112(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Amending Directive 2014/59 2012/0150(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 114
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting Council's 1st reading position
Committee dossier	ECON/9/11821

Documentation gateway

Legislative proposal	COM(2023)0227	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	
European Central Bank: opinion, guideline, report	CON/2023/0019 OJ C 307 31.08.2023, p. 0019	05/07/2023	ECB	
Economic and Social Committee: opinion, report	CES6298/2022	13/07/2023	ESC	
Committee draft report	PE753.712	03/10/2023	EP	
Amendments tabled in committee	PE755.990	06/11/2023	EP	
Amendments tabled in committee	PE754.692	06/11/2023	EP	
Committee report tabled for plenary, 1st reading/single reading	A9-0153/2024	25/03/2024	EP	
Text adopted by Parliament, 1st reading/single reading	T9-0327/2024	24/04/2024	EP	

PURPOSE: to improve the effectiveness and efficiency of the recovery and resolution framework for institutions and entities.

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: the Union resolution framework consists of Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (BRRD) and Regulation (EU) No 806/2014 of the European Parliament and of the Council establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (SRMR) and a Single Resolution Fund. It was established in the aftermath of the 2008-2009 global financial crisis and aims to deal in an orderly manner with the failure of institutions and entities by preserving institutions and entities critical functions and avoiding threats to financial stability, and at the same time protecting depositors and public funds. In addition, the Union resolution framework intends to foster the development of the internal market in banking by creating a harmonised regime to address cross-border crises in a coordinated way and by avoiding level playing field issues.

However, experience over the past years has shown that when medium-sized and smaller banks fail in the EU, authorities have found solutions outside the EU's harmonised resolution framework. This has often involved the use of taxpayers' money instead of the bank's required internal resources or private, industry-funded safety nets.

While the existing rules already enable authorities to deal with failing banks in an effective manner, further progress is needed to make the rules even more effective in ensuring that European banks keep supporting Europe's economy and do not burden public finances when they fail.

CONTENT: the proposal amends an existing directive, the BRRD, in particular as regards the improved application of the tools that are already available in the bank recovery and resolution framework, clarifying the conditions for resolution, facilitating access to safety nets in the event of bank failure, and improving the clarity and consistency of funding rules.

The proposed amendments are part of the Crisis Management and Deposit Insurance (CMDI) legislative package, which also includes amendments to Regulation (EU) No 806/2014 (Single Resolution Mechanism Regulation SRM) and Directive 2014/49/EU (Deposit Guarantee Schemes Directive or DGSD).

By establishing harmonised requirements for applying the CMDI framework to banks in the internal market, the proposal considerably reduces the risk of divergent national rules in Member States, which could distort competition in the internal market.

The proposal will allow authorities to organise the orderly exit of a failing bank, regardless of its size and business model, using a wide range of tools. It will further safeguard financial stability, protect taxpayers and depositors and support the real economy and its competitiveness. The proposed rules will allow authorities to fully exploit the many benefits of resolution as a key element of the crisis management toolbox.

The amendments included in the CMDI package cover a range of policy aspects:

- expanding the scope of resolution by reviewing the public interest assessment, when this achieves the objectives of the framework, e.g. protecting financial stability, taxpayer money and depositor confidence better than national insolvency proceedings;
- strengthening the funding in resolution by complementing the internal loss-absorbing capacity of institutions, which remains the first line of defence, with the use of DGS funds in resolution to help access resolution funds without imposing losses on depositors where appropriate, subject to conditions and safeguards;
- clarifying the early intervention framework by removing overlaps between early intervention and supervisory measures, providing legal certainty on the applicable conditions and facilitating cooperation between competent and resolution authorities;
- ensuring a timely triggering of resolution.

Transparency				
SCHIRDEWAN Martin	Shadow rapporteur	ECON	06/03/2024	Finance Watch
ZANNI Marco	Shadow rapporteur	ECON	21/02/2024	European Community Shipowners' Associations
BOYER Gilles	Shadow rapporteur	ECON	20/12/2023	Société Générale
BOYER Gilles	Shadow rapporteur	ECON	19/12/2023	Crédit Agricole S.A.
BOYER Gilles	Shadow rapporteur	ECON	01/12/2023	Fédération bancaire française
NIEDERMAYER Lud?k	Rapporteur	ECON	24/10/2023	French Treasury and French Permanent representation to the EU
SCHIRDEWAN Martin	Shadow rapporteur	ECON	23/10/2023	Finance Watch
BOYER Gilles	Shadow	ECON	20/10/2023	Société Générale

	rapporteur			
BOYER Gilles	Shadow rapporteur	ECON	13/10/2023	Luxembourg Bankers' Association
BOYER Gilles	Shadow rapporteur	ECON	27/09/2023	Association for Financial Markets in Europe
	Member	04/01/2024	Fédération bancaire française	
SCHUSTER Joachim	Member	25/10/2023	Bundesverband Öffentlicher Banken Deutschlands eV	
GUSMÃO José	Member	23/10/2023	Finance Watch	
SCHUSTER Joachim	Member	18/10/2023	Finance Watch	
SCHUSTER Joachim	Member	10/10/2023	Deutscher Sparkassen-und Giroverband	
DE LANGE Esther	Member	05/06/2023	Deutscher Sparkassen-und Giroverband	
DE LANGE Esther	Member	31/05/2023	Österreichischer Sparkassenverband	
DE LANGE Esther	Member	04/05/2023	Deutsche Bank AG	
DE LANGE Esther	Member	23/03/2023	Deutscher Sparkassen-und Giroverband	
DE LANGE Esther	Member	22/03/2023	European Savings and Retail Banking Group	