Credit institutions: reorganisation and winding up

1985/0046(COD) - 19/12/1985 - Legislative proposal

PURPOSE: To establish mutual recognition by Member States relating to the reorganisation and winding-up of credit institutions.

PROPOSED ACT: Council Directive.

CONTENT: The proposal provides a definition of "reorganization measures" as those measures which are intended to safeguard or restore the financial situation of a credit institution, e.g. the total or partial suspension of activities, the power to appoint an official to investigate the state and conduct of an authorized institution.

It puts forward rules for the application of reorganization measures to credit institutions having their head office within the Community, e.g. the respective roles of home and host country regulatory authorities.

It lays down corresponding rules for the application of reorganization measures to credit institutions having their head office outside the Community. Responsibility lies with the authorities in the host Member State, except where bilateral agreements exist with the home country.

The proposal also contains rules for the winding-up of credit institutions having their head office within the Community, e.g. role of the regulatory authorities, effect on banking authorization, cross-frontier powers of liquidators.

Corresponding rules for winding-up credit institutions having their head office outside the Community are provided for.

Existing Member State deposit-guarantee schemes should cover deposits in branches of institutions having their head office in other Member States. Pending the introduction of schemes in all Member States, Member States with schemes should extend the cover to deposits in branches of their institutions in other Member States with no scheme, and do so under the same conditions as apply to domestic deposits.