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NOTE

From:	Permanent Representatives Committee (Part 2)
To:	Council
No. prev. doc.:	5114/16; 5006/16
No. Cion doc.:	14649/15; 14650/15
Subject:	Strengthening the Banking Union: Presidency Progress report and draft Council conclusions

I. INTRODUCTION

1. The Commission 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 ("EDIS") was transmitted to the Council on 24 November 2015¹. At the same time, the Commission published the Communication "Towards the completion of the Banking Union"².

This package was presented at the ECOFIN meeting of 8 December 2015.

¹ Doc. 14649/15.

² Doc. 14650/15.

2. Given the importance and the complexity of the subject matters raised in both the above-mentioned proposal and communication, and the fact that the issues addressed are strongly interrelated, Member States agreed that the Council work had to be organised and coordinated at the appropriate level. Therefore, on 13 January 2016, the Committee of Permanent Representatives agreed to establish within the Council the *Ad Hoc* Working Party on the Strengthening of the Banking Union (hereinafter "AHWP")³.
3. Under the Dutch Presidency, this AHWP met nine times (20 January, 1 and 16 February, 1 and 16 March, 5 and 29 April, 10 May, 1 June 2016), alternating the examination of the EDIS legislative text with discussions on risk reduction measures, based on the aforementioned Commission Communication.
4. The European Economic and Social Committee and the European Central Bank delivered their opinions on the EDIS proposal on 17 March 2016⁴ and 20 April 2016⁵ respectively.

II. STATE OF PLAY

5. Taking stock of the work carried out by the AHWP as well as in other relevant fora, the Presidency is hereby submitting:
 - (i) a progress report (doc. 10036/16 + COR1), drawn up under the responsibility of the Presidency, on the basis of positions expressed by delegations at the aforementioned meetings, and in reply to several calls for written comments, on various elements of the EDIS legislative proposal (part II of the document) as well as on measures to strengthening the Banking Union (part III of the document);
 - (ii) a set of draft Council conclusions (doc. 10037/1/16 REV1), recalling the major steps taken to establish the Banking Union, the value of the work currently being carried out by several institutions at various levels as well as important key steps ahead.

³ Doc. 5006/16.

⁴ Doc. 7332/16.

⁵ Doc. 8186/16.

6. Whereas the aforementioned progress report, reflecting the Presidency's best assessment of the main outcomes of the discussions, cannot be considered as binding on the delegations, nor as subject to further negotiation, the draft conclusions have to be agreed by the Council.

III. CONCLUSION

7. Against this background, the Committee of Permanent Representatives invites the Council to consider the text recorded in doc. 10037/1/16 REV1 with a view to reaching an agreement.
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