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NOTE

From:	General Secretariat of the Council
On:	10 November 2025
To:	Permanent Representatives Committee
Subject:	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency *- Political Agreement*

2023/0115 (COD)

Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency

(Text with EEA relevance)

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 53(1) 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 Economic and Social Committee[1],

[1] OJ C , , p. .

Having regard to the opinion of the Committee of the Regions[2],

Having regard to the opinion of the European Central Bank[3],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) In accordance with Article 19(5) and (6) of Directive 2014/49/EU of the European Parliament and of the Council[4], 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 (DGSs) 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.

(1a) The review of the Union crisis management and deposit insurance framework is intended to pave the way towards progress on deepening the Banking Union. Therefore, the functioning of DGSs should be further harmonised.

[2] OJ C , , p. .

[3] OJ C , , p. .

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

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(1c) The Union crisis management framework should consistently uphold the principles that losses must be borne by shareholders and creditors and that taxpayers' resources are not employed to aid or rescue credit institutions in difficulty.

(2) The failure ***of credit institutions*** to comply with ***their*** obligations to pay contributions to DGSs or to provide information to depositors and DGSs could undermine the objective of depositor protection. DGSs, or where relevant, designated authorities ***should charge the statutory interest rate on the amount of contributions due*** for late payment of contributions. It is important to improve coordination between DGSs, designated and competent authorities to take enforcement actions against a credit institution that does not comply with its obligations. ▌It is necessary to ensure that ***DGSs, or where relevant,*** designated authorities inform the competent authorities in time about any infringement of obligations of credit institutions under deposit protection rules***, so that the competent authorities can use their existing supervisory powers under Directive 2013/36/EU. In addition, to ensure that credit institutions comply with the rules laid down in this Directive, Member States should provide for appropriate penalties in case of infringement of those rules.***

(3) To support further convergence of DGSs' practices and assist DGSs in testing their resilience, the European Banking Authority (EBA) should issue guidelines on the performing of stress tests of ***deposit guarantee*** systems.

(4) Pursuant to Article 5(1), point (d), of Directive 2014/49/EU, deposits of certain financial institutions, including investment firms are excluded from coverage by the DGS. However, the funds that those financial institutions receive from their clients and that they deposit in a credit institution on behalf of their clients, in the exercise of the services they offer, should be protected subject to certain conditions.

(5) The range of depositors that are ▌ protected through repayment by a DGS is motivated by the wish to protect non-professional investors, while professional investors are deemed not to need such protection. For that reason, public authorities have been excluded from coverage ***until now***. However, most public authorities (which in some Member States include schools and hospitals) cannot be considered to be professional investors. It is therefore necessary to ensure that deposits of ▌ non-professional investors, ***such as local*** authorities***, small public entities and non-profit institutions controlled by central government or state government***, can benefit from the protection offered by a DGS.

(5a) To ensure that deposits taken for the purpose of compliance with the minimum requirements for own funds and eligible liabilities under Directive 2014/59/EU are used in their entirety to bear losses and contribute to the recapitalisation of a credit institution in the event of its failure, they should be excluded from coverage by a DGS. To ensure equal treatment of such deposits based on objective criteria, they should be excluded from coverage by a DGS regardless of the decision of the resolution authority whether to authorise their inclusion in the amount of own funds and eligible liabilities.

(6) Deposits resulting from certain events, including real estate transactions ***by a natural person*** relating to private residential properties or the payout of certain insurance benefits, can temporarily lead to large deposits. For that reason, Article 6(2) of Directive 2014/49/EU currently obliges Member States to ensure that deposits resulting from those events are protected above EUR 100 000 for at least 3 months, but for no longer than 12 months from the moment the amount has been credited or from the moment when such deposits become legally transferable.

To harmonise depositor protection in the Union and to reduce the administrative complexity and legal uncertainty related to the scope of protection of such deposits, it is necessary to align their protection to ***a minimum amount of*** at least EUR 500 000 ***for all temporary high balances, and for deposits related to real estate transactions, to a maximum of EUR 2 500 000,*** for a harmonised duration of 6 months, in addition to the coverage level of EUR 100 000. ***After their transposition by Member States, these amounts should be reviewed periodically, and at least once every five years. If appropriate, the Commission should submit to the European Parliament and to the Council a proposal for a Directive to adjust these amounts taking into account the evolution of real estate prices in different Member States and the need to ensure proportionality and a level playing field across the Union.***

(7) During a real estate transaction, the funds can transit through different accounts prior to the actual settlement of the transaction. Therefore, to protect depositors going through real estate transactions in a homogenous manner, protection of temporary high balances should apply to the proceeds of a sale as well as to the funds deposited for a purchase of a private residential property ***within a predefined*** short-term ***period***.

(8) To ensure ***legal certainty where a Member State allows for the deduction of a depositor's*** liabilities ***to the credit institution*** when calculating the repayable amount***, it is necessary to clarify that only liabilities that have fallen due before the deposits became unavailable may be deducted from the depositor's eligible deposits, and only to the extent that such set-off is permissible under the applicable statutory and contractual provisions***.

(9) It is necessary to optimise the operational capacities of DGSs and to reduce their administrative burden. For that reason, it should be established that when it comes to the identification of depositors that are entitled to deposits in beneficiary accounts or the assessment of whether depositors are eligible for temporary high balances safeguards, it remains the depositors' and account holders' responsibility to demonstrate, by their own means, their entitlement.

(10) Certain deposits ***might*** be subject to a longer repayment period because they require DGSs to verify the claim for repayment. To harmonise the rules across the Union, the period for repayment should be limited to 20 working days after ***receipt by the DGS concerned*** of relevant ***information or*** documentation. ***That longer period should be distinguished from situations where receipt of amounts made available within the deadlines laid down in this Directive takes longer due to operational steps to be taken by the depositor.***

(10a) To ensure consistency with and implementation of Union restrictive measures, credit institutions should earmark deposits subject to such measures and DGSs should suspend their reimbursement for as long as those measures apply.

(11) The administrative cost related to the repayment of small amounts on dormant accounts can outweigh the benefits for the depositor. It is therefore necessary to specify that DGSs should not be obliged to take active steps to repay deposits held in such accounts below certain thresholds that should be set at national level. The right of depositors to claim such amount should, however, be preserved. In addition, where the same depositor also has other active accounts, DGSs should include that amount in the calculation of the amount to be reimbursed.

(12) DGSs have diverse methods to repay depositors, ranging from cash payouts to electronic transfers. However, to ensure the traceability of the repayment process from DGSs and to stay in line with the objectives of the Union framework on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, depositor reimbursements via credit transfers should be the default payout method when reimbursement exceeds the amount of EUR 10 000.

(13) Financial institutions are excluded from deposit protection. However, certain financial institutions, including e-money institutions, payment institutions and investment firms, also deposit the funds received from their clients in bank accounts, often on a temporary basis, to comply with safeguarding obligations in line with sectorial legislation, including Directive 2009/110/EC of the European Parliament and of the Council[6], Directive (EU) 2015/2366 of the European Parliament and of the Council[7] and Directive 2014/65/EU of the European Parliament and of the Council[8]. Considering the growing role of those financial institutions, DGSs should protect such deposits under the condition that those clients are identified or identifiable.

(14) Clients of financial institutions do not always know which credit institution the financial institution has chosen to deposit their funds. DGSs should therefore not aggregate such deposits with a deposit that the same clients might have in the same credit institution where the financial institution has placed their deposits. Credit institutions may not know the clients entitled to the sum held in the client accounts, or be able to check and record individual data of those clients. Depending on the type and business model of the financial institution, there might be circumstances, where reimbursing the client directly could endanger the account holder.

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6 Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC (OJ L 267, 10.10.2009, p. 7).

7 Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).

8 Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) (OJ L 173, 12.6.2014, p. 349).

Therefore, DGSs should be allowed to reimburse amounts to a client account opened by the account holder in another credit institution for the benefit of each client when certain criteria are met. To avoid the risk of double payment in those situations, any claims clients have in relation to sums held on their behalf by the account holder should be reduced by the amount reimbursed by the DGS to those clients directly. The EBA should therefore develop draft regulatory technical standards to specify the technical details related to the identification of clients for the purpose of repayment, the criteria for repayment to the account holder for the benefit of each client or to the client directly, and the rules to avoid multiple claims for payouts to the same beneficiary.

(15) When reimbursing depositors, DGSs may encounter situations that give rise to money laundering concerns. DGS should therefore withhold the payout to a depositor when notified that a financial intelligence unit has suspended a bank or payment account in accordance with the applicable anti-money laundering rules.

(16) Article 9 of Directive 2014/49/EU provides that where a DGS makes payments in the context of resolution proceedings, the DGS should have a claim against the credit institution concerned for an amount equal to its payments and that claim should rank ***pari passu*** with covered deposits. That provision does not distinguish between a DGS's contribution when an open-bank bail-in tool is used, and DGS's contribution to the financing of a transfer strategy (sale of business or bridge institution tool) followed by liquidation of the residual entity.

To ensure clarity and legal certainty with respect to the existence and amount of a DGS's claim in different scenarios, it is necessary to specify that when the DGS contributes to support the application of the sale of business tool or of the bridge institution tool, or alternative measures, whereby a set of assets, rights and liabilities, including deposits, of the credit institution are transferred to a recipient, that DGS should have a claim against the residual entity in its subsequent winding-up proceedings under national law.

To ensure that the shareholders and creditors of the credit institution left behind in the residual entity effectively absorb the losses of that credit institution and improve the possibility of repayments in insolvency to the DGS, the DGS claim should have the same ranking as ***covered deposits. In the event that*** the open bank bail-in tool is applied (i.e., the credit institution continues its operations), the DGS ***is to contribute*** the amount by which covered deposits would have been written down or converted to absorb the losses in that credit institution, had covered deposits been included within the scope of bail-in. Therefore, the DGS's contribution should not result in a claim against the institution under resolution as it would eliminate the purpose of the DGS's contribution.

(17) To ensure convergence of DGS practices and legal certainty for depositors to claim their deposits, and to avoid operational hurdles for DGSs, it is important to set an adequately long period within which depositors can claim the repayment of their deposits, in those cases where the DGS has not repaid depositors within the deadlines laid down in Article 8 of Directive 2014/49/EU in the case of a payout. ***Any such claim should be considered by the DGS, including in cases where the claimant has not yet been recognised as a depositor by means of a court decision.***

(18) Pursuant to Article 10(2) of Directive 2014/49/EU, Member States are to ensure that by 3 July 2024, the available financial means of a DGS reach a target level of 0,8 % of the amount of the covered deposits of its members. ***In order*** to objectively assess whether DGSs fulfil that requirement, a clear reference period should be set to determine the amount of covered deposits and DGSs' available financial means.

(19) To ensure the resilience of DGSs, their funds should derive from stable and irrevocable contributions. Certain sources of DGS financing, ***such as*** expected recoveries ***against DGS claims deriving from its interventions***, are too contingent to be accounted as ***available financial means that qualify for*** the DGS' target level. To harmonise DGSs' conditions for the fulfilment of their target level and to ensure that DGSs' available financial means are financed by contributions from the industry, funds that qualify to reach the target level should be distinguished from funds that are considered as complementary sources of financing***, such as borrowed*** funds ***resulting in debt liabilities due by the DGS.***

However, foreseeable loan repayments ▌ can be planned and factored in regular contributions from DGS members, and ***debt liabilities due by the DGS*** should therefore not ***be deducted in full from the available financial means that qualify for the target level.***

To foster the Single market for banking by incentivising liquidity support between DGSs and to facilitate the use of the available financial means ***of an IPS recognised as DGS under DGSD for IPS measures to prevent the failure of their member institutions while avoiding double counting, an outstanding claim on a loan provided to another DGS or for means otherwise made*** available ***to the IPS account of that IPS recognised as DGS*** should ***count exclusively for*** the target level ***of the lending DGS or of the DGS account of the IPS recognised as DGS***.

(19a) To ensure predictability and legal certainty on the time to reach the DGS target level following the use of DGS funds or an increase of the amount of covered deposits, it is necessary to specify the replenishment period not only in the event of substantial (above one third of the target level), but also for smaller (below one-third of the target level) reduction of the available financial means. To avoid procyclical effects of imposing a high financial burden on banks, the six-year replenishment period in the event of larger reductions should be maintained regardless of the cause of reduction – DGS intervention or substantial increase of the amount of covered deposits.

In the event of smaller reduction of the target level by less than one third of the DGS target level, the replenishment period should be two years. However, if the reduction of the target level is very small in proportion to the cost of collecting contributions, the DGS should be able to extend this period by one year.

(19b) To ensure consistent application, the EBA should develop draft regulatory technical standards specifying the methodology for the calculation of the available financial means qualifying for the DGS target level and the details of the process to reach the DGS target level following reduction.

(20) The available financial means of a DGS should be immediately usable to face sudden events of payout or other interventions. In view of various practices across the Union, it is appropriate to lay down requirements for DGSs' funds investment strategy to mitigate any negative impact on the ability of a DGS to fulfil its mandate. Where a DGS is not competent to set the investment strategy, the authority, ▌ body or entity in the Member State that is responsible for setting the investment strategy should, when setting that investment strategy, also respect the principles regarding diversification and investments in low-risk assets. To preserve full operational independence and flexibility of the DGS in terms of access to its funds, where ***Member States allow*** DGS funds ***to be*** deposited with ***the central bank or*** the treasury, those funds should ***clearly*** be earmarked and ***separated for accounting purposes and should be readily available for use by the DGS***.

(20a) To ensure adequately diversified investment of DGS funds and convergent practices, the EBA should issue guidelines to provide DGSs with guidance in that respect.

(21) The option to raise the available financial means of a DGS through mandatory contributions paid by member institutions to existing schemes of mandatory contributions established by a Member State to cover the costs related to systemic risk has never been used and should therefore be removed.

(22) It is necessary to enhance depositor protection, while avoiding the need for a fire sale of the assets of a DGS and limiting possible negative pro-cyclical effects over the banking industry caused by the collection of extraordinary contributions. ***Member States*** should therefore ***have the option to allow their DGSs*** to use alternative funding arrangements ***from private sources*** that enable them to obtain at any time short-term funding from sources other than contributions, including before using their available financial means and funds collected through extraordinary contributions. Because credit institutions should primarily bear the cost and responsibility for financing DGSs, alternative funding arrangements from public funds should ***be allowed only in the form of guarantees or loans to a DGS with maturity not exceeding six years,*** used as a last resort ***and only in the event of payout or DGS contribution to resolution***. ***This does not prevent the use of short-term loans from public sources before other alternative funding arrangements in exceptional circumstances to ensure timely repayment to depositors or contribution to resolution.***

(24) While the primary role of DGSs is the repayment of covered depositors, interventions outside payout can prove more cost-effective for DGSs and ensure uninterrupted access to deposits by facilitating transfer strategies. DGSs may be required to contribute to the resolution of credit institutions. In addition, in some Member States, DGSs may finance preventive measures to restore the long-term viability of credit institutions, or alternative measures in insolvency. ***Such preventive and alternative measures can play an effective role in the continuum of crisis management tools to maintain depositor confidence and financial stability. Member States which have not implemented preventive and alternative measures in their national law prior to the entry into force of this Directive should therefore consider building the necessary capacity of their DGSs and other relevant authorities to implement such measures in the future. Following assessment of the preparedness of Member States and the experience from the application of preventive and alternative measures, the Commission should present its assessment to the European Parliament and to the Council, accompanied where relevant with a legislative proposal.*** While such preventive and alternative measures can significantly improve the protection of deposits, it is necessary to subject such measures to adequate safeguards, including in the form of a harmonised least cost test, to ensure a level playing field and the effectiveness and cost-efficiency of such measures. Such safeguards should only apply to interventions financed with the DGS's available financial means regulated under this Directive.

(24b) To ensure a consistent approach to the application of preventive measures by DGS across the Union, the EBA should issue guidelines to specify the conditions to be imposed on credit institutions benefiting from preventive measures, the systems that DGS are to have in place in order to adequately select and implement preventive measures and monitor their risks as well as the modalities of cooperation between resolution authorities, designated authorities and competent authorities.

(25) Measures to prevent failure of a credit institution through sufficiently early interventions can play an effective role in the continuum of crisis management tools to maintain depositor confidence and financial stability. Those measures can take various forms - capital support measures through own funds instruments (including Common Equity Tier 1 instruments) or other capital instruments, guarantees, or loans. DGSs have had heterogeneous recourse to those measures. To ensure the continuum of crisis management tools and recourse to preventive measures in a manner consistent with the resolution framework and the state aid rules, it is necessary to specify the timing and conditions for their application. Preventive measures ▌ should be used early to prevent deterioration of the financial situation of ***a credit institution. They are not appropriate once the resolution authority has taken a decision determining that the credit institution is failing or likely to fail and that there are no measures that could prevent its failure, regardless of the assessment whether the resolution is in the public interest or not***. Designated authorities should ***confirm*** whether the conditions for such DGS intervention have been fulfilled. ▌

(26) To ensure that preventive measures achieve their objective, credit institutions should be required to ***present to the competent authority*** a note outlining the measures that they commit to undertake. ***That*** note should contain all elements which aim at preventing the outflow of funds and strengthening the capital and liquidity position of the credit institution, enabling the credit institution to comply with all the relevant prudential and other regulatory requirements on a forward-looking basis. ***The*** note should therefore contain capital raising measures, including rules on the issuance of rights, the voluntary conversion of subordinated debt instruments, liability management exercises, capital generating sales of assets, the securitisation of portfolios, and earnings retention, including dividend bans and bans on the acquisition of stakes in undertakings. ***Additionally, the note should detail the credit institution's initial capital shortfall,*** For the same reason, during the implementation of the measures envisaged in the note, credit institutions should also strengthen their liquidity positions and refrain from aggressive commercial practices, and from the ***distribution of dividends or variable remuneration or*** repurchasing of own shares or call hybrid capital instruments.

The note should also contain an exit strategy for any support measures received. ***Within a reasonable timeframe, the credit institution should provide the*** competent ***authority with a business reorganisation plan to secure long-term viability. Competent authorities and resolution*** authorities are best positioned to ***assess*** the relevance and credibility of the measures envisaged in the ***business reorganisation plan***. To ensure that the designated authorities of the DGS that is requested to finance a preventive measure by the credit institution can assess that all the conditions for preventive measures are fulfilled, the competent authorities should cooperate with the designated authorities. ***The further provision of funds to a credit institution should be suspended where the competent authority is not satisfied that the business reorganisation plan is credible and feasible.*** To ensure a consistent approach to the application of preventive measures across the Union, the EBA should issue guidelines to assist credit institutions to draft such a ***business reorganisation plan***.

(27) To ensure that credit institutions receiving support from DGSs in the form of preventive measures deliver on their commitments, competent authorities should request a remediation plan from credit institutions that failed to fulfil their commitments ***outlined in the note or the business reorganisation plan or to repay the amount contributed under the preventive measures or to comply with the exit strategy***.

Where a competent authority is of the opinion that the measures in the remediation plan are not capable of achieving the credit institution's long-term viability, the DGS should not provide any further preventive support to the credit institution ***and the relevant authorities should carry out an assessment whether the institution is failing or is likely to fail, pursuant to Article 32 of Directive 2014/59/EU. The same consequences should apply in cases where the credit institution fails to comply with the remediation plan***. To ensure a consistent approach to the application of preventive measures across the Union, the EBA should issue guidelines to assist credit institutions to draft such a remediation plan.

(27a) It is necessary to subject a DGS contribution to alternative measures to adequate safeguards to ensure a level playing field and the effectiveness and cost-efficiency of such measures. The DGS can only be used to finance the transfer of non-covered deposits and other unsecured liabilities to a recipient if the transfer is strictly necessary and proportionate to avoid contagion, or if the transfer would maximise the value of the assets upon sale or if preservation of client relationships would maintain confidence. The DGS should not be used to transfer own funds or liabilities ranking below ordinary unsecured liabilities in the national laws governing normal insolvency proceedings.

(28) To avoid detrimental effects on competition and on the internal market, it is necessary to lay down that in the case of alternative measures in insolvency, relevant bodies representing a credit institution ▌ (liquidator, receiver, administrator or other) ***or the relevant national authority*** should make arrangements for the marketing of the business of the credit institution or part of it in an open, transparent and non-discriminatory process, while aiming to maximise, as far as possible, the sale price. The credit institution or ***the relevant national authority or*** any intermediary acting on ***their*** behalf ▌ should apply rules that are adequate for the marketing of assets, rights and liabilities that are to be transferred to potential purchasers. In any event, the use of State resources should remain subject to the relevant State aid rules under the Treaty, where applicable.

(29) Since the main aim of DGSs is to protect covered deposits, DGSs should only be allowed to finance interventions other than payouts where ***the total amount of*** such interventions ***is less*** than the ***amount*** of covered deposits ***in the credit institution.***

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(31a) To further account for the specificities of IPS recognised as DGS and strengthen their effectiveness, Directive 2014/49/EU should provide for the possibility for a DGS to provide a loan or otherwise temporarily transfer the funds regulated by that Directive to the IPS account, which is separate from the DGS account for accounting purposes, for the purpose of granting financial support to a member and in particular to ensure its liquidity and solvency to avoid bankruptcy where necessary, in fulfilment of the objectives of Article 113(7) of Regulation (EU) No 575/2013. That should be possible in cases where the provided means are needed to supplement the other means dedicated to ensure the liquidity and solvency of an affiliated institution in order to avoid its bankruptcy and should be subject to the condition that repayment to the DGS within seven working days, if needed, is a credible prospect.

(32) To enhance harmonised protection of depositors and specify respective responsibilities across the Union, the DGS of the home Member State should ensure the payout to depositors located in Member States where the credit institutions that are a member of the DGS take deposits and other repayable funds by offering deposit services on cross-border basis without establishment in the host Member State. To facilitate the payout operations ***by the*** provision of information to depositors ***and the collection and forwarding of relevant documents***, the DGS of the host Member State should be allowed to operate as a point of contact for depositors at credit institutions that exercise the freedom to provide services.

(33) The cooperation between DGSs across the Union is vital to ensure fast and cost-efficient depositors' repayment where credit institutions conduct banking ***services*** through branches in other Member States. In view of technological advancements that promote the use of cross-border transfers and remote identification, the DGS of the home Member State should be allowed to make the repayments directly to depositors at branches located in another Member State, provided that the administrative burden and costs are lower than if the repayment would be carried out by the DGS of the host Member State. That flexibility should complement the current cooperation mechanism, requiring the DGS of the host Member State to repay depositors in branches on behalf of the DGS of the home Member State. To preserve depositor confidence in both host and home Member States, EBA should issue guidelines to assist the DGSs in such cooperation, inter alia by ***including*** a list of ***circumstances and*** conditions under which a DGS of the home Member State could decide to reimburse depositors at branches located in the host Member State.

(34) Credit institutions may change affiliation to a DGS ***or some of*** their ***activities may be transferred and thus become subject*** to another ***DGS***. Article 14(3) of Directive 2014/49/EU requires that the contributions of that credit institution paid during the 12 months preceding the ***change of DGS membership, or*** transfer ***of activities,*** are transferred ***from the DGS of origin*** to the other DGS in proportion to the amount of covered deposits transferred. To ensure that the transfer of contributions to the receiving DGS is not dependent on divergent national rules regarding invoicing or actual date of payment of contributions, the DGS of origin should calculate the amount to be transferred on the basis of contributions due rather than contributions paid.

(35) It is necessary to ensure equal protection of depositors across the Union that cannot be fully guaranteed by an equivalence assessment regime of depositor protection in third countries. For that reason, branches in the Union of a credit institution that has its head office in a third country should join a DGS in the Member State where they perform their deposit-taking activity. That requirement would also ensure consistency with Directives 2013/36/EU and 2014/59/EU that aim to introduce a more robust prudential and resolution ***framework*** for third country groups providing banking services in the Union. Conversely, it should be avoided that DGSs are exposed to the economic and financial risks of third countries. Deposits in branches established in third countries by Union credit institutions should therefore not be protected***, unless Member States decide that deposits in those branches are to be covered***.

(36) Standardised and regular information disclosure enhances awareness of depositors about deposit protection. To align disclosure requirements with technological developments, those requirements should take into account the new digital communication channels whereby credit institutions interact with depositors. Depositors should obtain clear and homogeneous information that explains their deposit protection, while limiting the related administrative burden for credit institutions or DGSs.

The EBA should be mandated to develop draft implementing technical standards to specify ▌ the content and format of the depositor information sheet to communicate to depositors ***and*** the template information that ***DGSs, designated authorities*** or credit institutions are required to communicate to depositors in specific situations, including mergers of credit institutions, determination that deposits are unavailable, or repayment of client funds deposits.

(37) The merger of a credit institution or the conversion of subsidiary into branch or vice versa might affect the key features of depositor protection. To avoid adverse impacts on depositors that would have deposits in both merging banks and whose claim to deposit coverage would be reduced because of changes to DGS affiliation, all depositors should be informed about such changes and should have the right to withdraw their funds ***or transfer them to another credit institution*** without incurring a penalty up to an amount equal to the lost coverage of ***their*** deposits.

(38) To preserve financial stability, avoid contagion and enable depositors to exercise their rights to claim deposits when applicable, designated authorities, DGSs and credit institutions concerned should inform depositors about deposits becoming unavailable.

(39) To increase transparency for depositors and to promote financial robustness and trust among DGSs when fulfilling their mandate, the current reporting requirements should be improved. Building on the current requirements that enable DGSs to request all necessary information from their member institutions to prepare for payout, DGSs should also be able to request information necessary to prepare for a payout in the context of ***cross-border*** cooperation. Upon the request from a DGS, member institutions should be required to provide general information about any material cross-border business in other Member States ***or where relevant, also in third countries***. Likewise, in order to provide the EBA with the suitable range of information on the evolution of the DGSs' available financial means and on the use of those means, Member States should ensure that DGSs inform the EBA on a yearly basis of the amount of covered deposits and available financial means, and notify the EBA about the circumstances that led to the use of DGS funds either for payouts or other measures. Finally, to reflect the strengthened role of DGSs in the bank crisis management which aims to facilitate the use of DGS funds in resolution, ***resolution authorities*** should ***provide DGSs with a*** summary of resolution plans of credit institutions to increase their general preparedness to make the funds available***, to the extent necessary***.

(40) Technical standards in financial services should facilitate consistent harmonisation and adequate protection of depositors across the Union. As a body with highly specialised expertise, it would be efficient and appropriate to entrust the EBA with the development of draft regulatory and implementing technical standards which do not involve policy choices, for adoption by the Commission.

(41) The Commission should, where provided for in this Directive, adopt draft regulatory technical standards developed by the EBA by means of delegated acts pursuant to Article 290 ***of the Treaty on the Functioning of the European Union (TFEU)***, in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council ▌ to specify the following: (a) the technical details related to the identification of clients of financial institutions for payout of client funds deposits, the criteria ***and the circumstances*** for repayment to the account holder for the benefit of each client or to the client directly, and the rules to avoid multiple claims for payouts to the same beneficiary ***and (b)*** the methodology for the calculation of available financial means qualifying for the target level ***and the process for DGS replenishment***.

(42) The Commission should, where provided for in this Directive, adopt draft implementing technical standards developed by EBA by means of implementing acts pursuant to Article 291 TFEU, in accordance with Article 15 of Regulation (EU) No 1093/2010 to specify: (a) the content and format of the depositor information sheet, the ***procedure for and content of the*** information that should ***be communicated*** to depositors; (b) the procedures to be followed when providing information by credit institutions to their DGS, and by DGSs and designated authorities to EBA, and the templates for providing that information.

▌

(44) To allow branches of credit institutions having their head offices outside the Union that are not members of a DGS established in the Union to join a Union DGS, those branches should be given a sufficient period to take the necessary steps to comply with that requirement.

(45) Directive 2014/49/EU allows Member States to recognise an IPS as a DGS if it fulfils the criteria laid down in Article 113(7) of Regulation (EU) No 575/2013 and complies with Directive 2014/49/EU. To take into account the specific business model of those IPSs, in particular the relevance of preventive measures at the core of their mandate, it is appropriate to provide for the possibility of Member States to allow ***for a longer period for*** IPSs to adapt to the new ***rules. That possibility for a*** longer compliance period takes into account the ***time that IPSs recognised as DGSs need to build financial means on a separate account for accounting*** purposes ***dedicated to granting financial support to a member and in particular to ensure its liquidity and solvency to avoid bankruptcy where necessary***.

(46) To allow DGSs and designated authorities to build up the necessary operational capacity to apply the new rules on the use of preventive measures, it is appropriate to provide for a deferred application of those new rules.

(47) Since the ***objective*** of this Directive, namely to ensure uniform protection of depositors in the Union, cannot be sufficiently achieved by the Member States due to the risks that diverging national approaches might entail for the integrity of the single market but can rather, by amending rules that are already laid down at Union level, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on the European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve ***that objective***,

(47a) Directive 2014/49/EU should therefore be amended accordingly.

HAVE ADOPTED THIS DIRECTIVE:

Article 1

Amendments to Directive 2014/49/EU

Directive 2014/49/EU is amended as follows:

(1) Article 1 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. This Directive lays down rules and procedures relating to the establishment and the functioning of deposit guarantee schemes (DGSs), the coverage and repayment of deposits, and the ***safeguards for the*** use of DGS funds for measures ***other than the repayment of deposits*** to ensure the access of depositors to their deposits***.’***;’

(b) in paragraph 2, point (d) is replaced by the following:

‘(d) credit institutions, and branches of credit institutions that have their head office outside the Union, that are affiliated to the schemes referred to in ***point*** (a), (b) or (c) of this paragraph***.’***;’

(2) in Article 2, paragraph 1 is amended as follows:

(a) in point (3), the introductory wording is replaced by the following:

‘(3) ‘deposit’ means a credit balance which results from funds left in an account or from temporary situations deriving from normal banking transactions habitually carried out by credit institutions in the course of their business, and which a credit institution is required to repay under the legal and contractual conditions applicable, including a fixed-term deposit and a savings deposit, but excluding a credit balance where:;’

(b) in point (13), the introductory wording is replaced by the following:

‘(13) ‘payment commitment’ means an irrevocable, fully collateralised obligation of a credit institution to pay a DGS a monetary amount when called by that DGS, and where the collateral:’

(c) the following points ▌ are added:

‘(19) ‘resolution authority’ means a resolution authority as defined in Article 2, point (18) of Directive 2014/59/EU;

(20) ‘client funds deposits’ means funds that account holders that are financial institutions as defined in Article 4(1), point (26), of Regulation (EU) No 575/2013 deposit in the course of their business with a credit institution for the account of their clients;

(21) ‘Union State aid framework’ means the framework established by Articles 107, 108 and 109 TFEU and regulations and all Union acts, including guidelines, communications and notices, made or adopted pursuant to Article 108(4) or Article 109 TFEU;

(22) ‘money laundering’ means money laundering as defined in Article 2, point (1) of [please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final] *’;

(23) ‘terrorist financing’ means terrorist financing as defined in Article 2, point (2) [please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final]. **’; ’

(d) paragraph 3 is replaced by the following:

‘3. Shares in Irish building societies, apart from those of a capital nature covered by Article 5(1), point (b), shall be treated as deposits.’;

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* [Please insert full reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final].

** [Please insert full reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final. ’

(3) Article 4 is amended as follows:

(a) paragraph 4 is replaced by the following:

‘4. ***Member*** States shall ensure that where a credit institution does not comply with its obligations as a member of a DGS, that DGS ▌ immediately ***notifies the designated authority and*** the competent authority of that credit institution thereof. Member States shall ensure that the competent authority, in cooperation with ***the designated authority and, where relevant, with*** that DGS, ▌ promptly takes all ***appropriate*** measures***, including, where necessary, the imposition of penalties,*** to ensure that the credit institution concerned complies with its obligations ***as a member of a DGS.***

Member States shall, where relevant, provide that the competent authority uses the supervisory powers laid down in Title VII, Chapter 1, Section IV, of Directive 2013/36/EU.

Member States shall lay down rules on penalties applicable in the event of infringements by credit institutions of the obligations incumbent on them as a member of a DGS. The penalties shall be effective, proportionate and dissuasive.';'

(b) the following paragraph 4a is inserted:

'4a. ***Member*** States shall ensure that where a credit institution fails to pay the contributions referred to in Article 10 and Article 11(4) within the timeframe specified by the DGS, that DGS ***or where relevant, the designated authority*** shall, for the period of the delay, charge ***the*** statutory interest rate on the amount due.***''***

(c) paragraphs 5 and 6 are replaced by the following:

'5. Member States shall ensure that the DGS informs the designated ***authority and the competent*** authority where the measures referred to in paragraphs 4 and 4a fail to restore compliance by the credit institution. Member States shall ensure that the ***DGS or, where appropriate, the*** designated authority assesses whether the ***credit*** institution still fulfils the conditions for a continued membership of the DGS and inform the competent authority of the outcome of that assessment.

6. Member States shall ensure that where the competent authority decides to withdraw the authorisation in accordance with Article 18 of Directive 2013/36/EU, the credit institution ceases to be a member of the DGS. Member States shall ensure that deposits held ***at that credit institution*** on the date on which ***it*** ceased to be a member of the DGS ***following the withdrawal of authorisation*** continue to be covered by that DGS.;'

(ca) in paragraph 7, the following subparagraph is added:

''Where the operation of the DGS is administered by a private entity, the designated authorities shall have the necessary enforcement powers, including powers to impose penalties or other administrative measures, to remedy infringements of this Directive by a DGS.';'

(d) paragraph 8 is deleted;

(e) the following paragraph 13 is added:

'13. By… [OP – please add 36 months after entry into force], the EBA shall develop guidelines on the scope, contents and procedures of the stress tests referred to in paragraph 10.';

(4) Article 5 is amended as follows:

(a) paragraph 1 is amended as follows:

(ii) point (c) is replaced by the following:

‘(c) deposits arising out of transactions in connection with which there has been a criminal conviction for money laundering ***or*** terrorist financing;***’***

(iia) point (d) is replaced by the following:

'(d) deposits made by financial institutions, as defined in point (26) of Article 4(1) of Regulation (EU) No 575/2013, on their own behalf and for their own account;’’

(iii) point (e) is deleted;

(iv) point (f) is replaced by the following:

‘(f) deposits the holder of which has never been identified pursuant to Article 16 of Regulation (EU) …. [please insert short reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final]*****, where those deposits have become unavailable, except where a holder requests payout and ***neither the credit institution nor the DGS can prove*** that the lack of identification was ▌ caused by ***the account holder’s actions or failure to act and provided that the identity of the depositor has been verified before the payout.;’***

(v) point (j) is ***replaced by the following:***

'(j) deposits by central or state governments, as defined under points 2.114 and 2.115 of Annex A to Regulation (EU) No 549/2013 on the European system of national and regional accounts in the European Union, except non-profit institutions controlled by central government or state governments;'

▌

(vi) the following point is added:

'(l) deposits meeting the conditions referred to in Article 45b(1a), points (a) to (d) of Directive 2014/59/EU, including deposits with a residual maturity of less than one year.'

(b) paragraph 2 is replaced by the following:

'2. By way of derogation from paragraph 1 ▌, Member States may decide that deposits held by personal pension schemes and occupational pension schemes of small or medium-sized enterprises are included up to the coverage level laid down in Article 6(1).';'

****** ***Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (OJ L, 2024/1624, 19.6.2024).***

(5) Article 6 is amended as follows:

(a) paragraph 2 is amended as follows:

(i) the introductory wording is replaced by the following:

‘In addition to paragraph 1, Member States shall ensure that the following deposits are protected as a minimum to an amount of EUR 500 000 for 6 months after that amount has been credited or from the moment when such deposits become legally transferable***:’***;’

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

‘(a) deposits resulting from real estate transactions ***by a natural person*** relating to private residential properties and deposits intended for such transactions, provided that those transactions ***have been or are intended to be*** concluded in the short term ▌ , and provided that that natural person can provide documents proving ***that before the date on which a relevant administrative authority makes a determination as referred to in point (8)(a) of Article 2(1) or on which a judicial authority makes a ruling as referred to in point (8)(b) of Article 2(1),*** such transaction ***had been or was intended to be concluded in that short term***;***’;’***

(iia) the following subparagraph is added:

For the purposes of point (a), Member States shall ensure that deposits are protected as a maximum to an amount of EUR 2 500 000.
For the purposes of point (a), Member States shall define "short term" in national law.

(b) the following paragraph 2a is inserted:

‘2a. Member States shall ensure that the coverage level laid down in paragraph 2 supplements the coverage level laid down in paragraph 1.

(c) paragraph 6 is replaced by the following:

6. The amounts referred to paragraphs 1 and 2 shall be reviewed periodically, and at least once every five years. If appropriate, the Commission shall submit to the European Parliament and to the Council a proposal for a Directive to adjust the amount referred to in paragraph 1, taking account in particular of developments in the banking sector and the economic and monetary situation in the Union, and for the amounts referred to in paragraph 2, taking into account the evolution of real estate prices in different Member States and the need to ensure proportionality and a level playing field across the Union.'

(6) Article 7 is amended as follows:

(-a) Paragraph 3 is replaced by the following:

'3. Where the account holder is not absolutely entitled to the sums held in an account, the person who is absolutely entitled shall be covered by the guarantee, provided that that person has been identified or is identifiable before the date on which a relevant administrative authority makes a determination as referred to in point (8)(a) of Article 2(1) or a judicial authority makes a ruling referred to in point (8)(b) of Article 2(1).

Without prejudice to Article 8c, in the case of funds held by an account holder on behalf of an absolutely entitled person in a separate account for professional purposes as defined by national law, and where those funds are insulated in accordance with national law in the interest of that person against the claims of other creditors of the account holder, when determining the covered amount due to the absolutely entitled person, the DGS shall not take into account other deposits placed by that person with the same credit institution if that person is identified by the credit institution.

Member States shall ensure that DGSs may repay covered deposits either to the account holder for the benefit of each absolutely entitled person, or to the absolutely entitled person directly.'

(a) ***the first subparagraph of*** paragraph 5 is ***replaced by the following:***

'5. Member States may decide that the liabilities of the depositor to the credit institution that have fallen due before the date on which a relevant administrative authority makes a determination as referred to in point (8)(a) of Article 2(1) or when a judicial authority makes a ruling as referred to in point (8)(b) of Article 2(1) are deducted from the total amount of that depositor's eligible deposits to the extent the set-off is possible under the statutory and contractual provisions governing the contract between the credit institution and the depositor.';

(b) paragraph 7 is replaced by the following:

‘7. Member States shall ensure that the DGS reimburses ***the principal amount at par and the*** interest on deposits which has accrued until ▌ the date on which a relevant administrative authority makes a determination as referred to in Article 2(1), point (8)(a), or a judicial authority makes a ruling as referred to in Article 2(1), point (8)(b). The coverage level laid down in Article 6(1) or, in the circumstances referred to in Article 6(2), the coverage level laid down in that paragraph, shall not be exceeded.**’**;

▌

(7) the following Article 7a is inserted:

‘Article 7a

Burden of proof for deposit eligibility and entitlement

Member States shall ensure that in the cases referred to in Article 6(2) and Article 7(3) a depositor or, where appropriate, an account holder, proves either that the deposits concerned meet the conditions of Article 6(2), or the entitlement to the deposits in the circumstances referred to in Article 7(3).;’

(8) Article 8 is amended as follows:

(-a) paragraph 1 is replaced by the following:

'1. DGSs shall ensure that the repayable amount is available as soon as possible and in any event within seven working days of the date on which a relevant administrative authority makes a determination as referred to in Article 2(1), point (8)(a), or a judicial authority makes a ruling as referred to in Article 2(1), point (8)(b).';'

(-b) paragraph 2 is deleted;

(a) paragraph 3 is replaced by the following:

'3. By way of derogation from paragraph 1, Member States shall allow DGSs to apply a longer ▌ period for ***repaying:***

(a) the deposits referred to in Article 6(2) ***exceeding the amount defined in 6(1)***, ***and***

(b) the deposits referred to in Article 7(3) and Article 8b ***where the person who is absolutely entitled to those deposits has not been identified when those deposits become unavailable.***

That longer period shall not exceed 20 working days from the date on which those DGSs received the complete ***information or*** documentation they requested ***in order*** to examine the claims and ***to*** verify that the conditions for repayment are met.;'

(aa) paragraph 4 is deleted;

(b) paragraph 5 is amended as follows:

(-i) point (b) is deleted;

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

'(c) by way of derogation from paragraph 9, there has been no transaction relating to the deposit ***within*** the last 24 months (the account is dormant), except where a depositor also has deposits on another account ***with the same credit institution*** that is not dormant***'***;

(ii) point (d) is deleted;

(ba) the following paragraph is added:

5a. Without prejudice to Article 9(3), where a deposit is subject to Union restrictive measures, Member States shall ensure that DGSs suspend the reimbursement of the repayable amount for the duration of such measures. 'Union restrictive measures' means restrictive measures adopted by the Union on the basis of Article 29 TEU or Article 215 TFEU.

Member States shall ensure that credit institutions mark deposits subject to Union restrictive measures in a way that allows immediate identification for the purpose of the first subparagraph. '

(c) paragraph 8 is deleted;

(d) paragraph 9 is replaced by the following:

'9. Member States shall ensure that where there has been no transaction relating to the deposit during the last 24 months, ***a DGS*** may set a threshold concerning the administrative costs that would be incurred by ***that DGS*** in making such a repayment. ***The DGS*** shall not be obliged to take active steps to repay depositors below that threshold. Member States shall ensure that ***the DGS repays*** depositors below that threshold where so requested by those depositors.'; '

(9) the following Articles 8a, 8b and 8c are inserted:

‘Article 8a

Repayment of deposits exceeding EUR 10 000

Member States shall ensure that***,*** when amounts to be reimbursed exceed EUR 10 000, DGSs shall***, where possible,*** reimburse depositors via credit transfers as defined in Article ***4***, point (***24***) ▌ of Directive ***2015/2366*** of the European Parliament and of the Council* ***or, where such credit transfers are not possible, via means of payment, other than payment in cash, that ensure traceability of reimbursed funds***.

Article 8b

Coverage of client funds deposits

1. Member States shall ensure that client funds deposits are covered by the DGSs where all of the following applies:

   (a) such deposits are placed on behalf and for the account of clients who are eligible for protection in accordance with Article 5(1);

(b) such deposits are made ***on segregated accounts*** in compliance with safeguarding requirements laid down in Union law regulating the activities of the entities referred to in Article 5(1), point (d);

(c) the clients referred to in point (a) are identified or identifiable ***by the financial institution holding the account on behalf of clients*** prior to the date on which a relevant administrative authority makes a determination as referred to in Article 2(1), point (8)(a) or a judicial authority makes a ruling as referred to in Article 2(1), point (8)(b).

2. Member States shall ensure that the coverage level referred to in Article 6(1) applies to each of the clients that meet the conditions laid down in paragraph 1, point (c), of this Article. By way of derogation from Article 7(1), when determining the repayable amount for an individual client, the DGS shall not take into account the aggregate fund deposits placed by that client with the same credit institution.

3. Member States shall ensure that DGSs repay covered ***client funds*** deposits either to the account holder for the benefit of each client, or to the client directly.

4. The EBA shall develop draft regulatory technical standards to specify:

   (a) the technical details related to the identification of clients for the repayment in accordance with Article 8;

   (b) the criteria under, and the circumstances in which the repayment is to be made to the account holder for the benefit of each client or to the client directly;

   (c) the rules to avoid multiple claims for payouts to the same beneficiary.

   When developing those draft regulatory technical standards, EBA shall take into account all of the following:

(a) the specificities of the business model of the different types of financial institutions referred to in Article 5(1), point (d);

(b) the specific requirements of the applicable Union law regulating the activities of the financial institutions referred to in Article 5(1), point (d), for the treatment of client funds.

The EBA shall submit those draft regulatory technical standards to the Commission by … [OP – please insert the date= 12 months after the date of entry into force of this Directive].

Power is delegated to the Commission to supplement this Directive by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.

Article 8c

Suspension of repayments in case of concerns about money laundering or terrorist financing

1. Member States shall ensure that the designated authority informs the DGS within 24 hours from the moment the designated authority received ***from a financial supervisor as defined in Article 2, point (1), of Directive (EU) 2024/1640,*** the information referred to in Article ***64(4) of that*** Directive ▌. Member States shall ensure that the information exchanged between the designated authority and the DGS is limited to the information that is strictly necessary for the exercise of the DGS' tasks and responsibilities under this Directive and that such exchange of information respects the requirements laid down in Directive 96/9/EC of the European Parliament and of the Council** ▌

2. Member States shall ensure that DGSs suspend the ***reimbursement of the repayable amount*** where a depositor or any person entitled to sums held in his or her account has been charged with an offence arising out of, or in relation to, money laundering or terrorist financing, pending the judgment of the court. ***Member States shall establish a procedure which ensures that that information is communicated in a timely manner to the DGS.***

3. Member States shall ensure that DGSs suspend the ***reimbursement of the repayable amount*** for the same duration as laid down in Article ***24 of*** Directive (EU) ***2024/1640*** where they are ***informed by the credit institution or designated authority that*** the financial intelligence unit referred to in Article ***24 of that*** Directive ***has suspended*** a transaction, ▌ account ***or business relationship related to the concerned depositor.***

4. Member States shall ensure that DGSs are not held liable for any ***suspension undertaken by them*** in accordance with ***paragraphs 2 and 3***.

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* Directive ***(EU) 2015/2366*** of the European Parliament and of the Council of ***25 November 2015 on*** payment ***services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23/12/2015, p. 35).***

** Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases (OJ L 77, 27.3.1996, p. 20).'; '

****** Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive(EU) 2019/1937, and amending and repealing Directive (EU) 2015/849 (OJ L, 19.6.2024).';***

(10) in Article 9, paragraphs 2 and 3 are replaced by the following:

‘2. Without prejudice to rights they may have under national law, DGSs that make payments under guarantee within a national framework shall have the right of subrogation to the rights of depositors in ***winding-up*** or reorganisation proceedings for an amount equal to the DGSs payments made to depositors. DGSs that make a contribution in the context of the resolution tools referred to in Article 37(3), point (a) or (b), of Directive 2014/59/EU, or in the context of measures taken in accordance with Article 11(5) of this Directive, shall have a claim ***in winding-up proceedings*** against the residual credit institution for ***an amount equal to their contribution***. That claim shall rank at the same level as ***covered*** deposits under national law governing normal insolvency proceedings ***in accordance with Article 108(1) of Directive 2014/59/EU***.’

3. Member States shall ensure that depositors whose deposits have not been repaid or acknowledged by the DGS by deadlines laid down in Article 8(1) and (3) can ***enter a*** claim ***against the DGS for*** the repayment of their deposits within a period of 5 years ***from the date that a relevant administrative authority has made a determination as referred to in Article 2(1), point (8)(a), or a judicial authority has made a ruling as referred to in Article 2(1), point (8)(b)***.;'

(11) Article 10 is amended as follows:

(a) paragraph 2, is amended as follows:

(i) after the first subparagraph, the following subparagraphs are inserted:

'For the calculation of the target level referred to in the first subparagraph, the reference period shall be between 31 December preceding the date by which the target level is to be reached and that date.

When determining whether the DGS has reached that target level, Member States shall only take into account available financial means directly contributed by, or recovered from, members to the DGS, net of administrative fees and charges. Those available financial means shall include investment income derived from funds contributed by members to the DGS ***and funds recovered by the DGS against its claims deriving from its interventions***, but shall exclude repayments not claimed by eligible depositors during payout procedures, and ***any debt liabilities due by the DGS***. ***An outstanding loan claim to another DGS under Article 12 or an outstanding loan claim or means otherwise made available under Article 12a shall be included and counted exclusively towards the target level referred to in the first subparagraph of this paragraph.'***;'

(ii) the third subparagraph is replaced by the following:

‘Where, after the target level referred to in the first subparagraph has been reached for the first time and the available financial means, following ***either an increase of the amount of covered deposits or*** a disbursement of DGS’s funds in accordance with Article ***8 or*** Article 11(2), (3) ***or*** (5), have been reduced to less than two-thirds of the target level, DGSs shall set the regular contribution at a level allowing for the target level to be reached within ***a period that shall not exceed six*** years.***’***;

Where, after the target level referred to in the first subparagraph has been reached for the first time and the available financial means have been reduced by less than one third of the target level, DGSs shall set the regular contribution at a level allowing for the target level to be reached within two years, which a DGS may extend by one further year to ensure that the amount to be collected reaches an amount that is proportionate to the costs of collecting the contributions’;’

▌

(b) paragraph 3 is replaced by the following:

‘3. The available financial means that the DGS takes into account to reach the target level referred to in paragraph 2 may include payment commitments***,*** ***payable within two working days of a request of the DGS***. The total share of such payment commitments shall not exceed 30 % of the total amount of available financial means raised in accordance with paragraph 2.

The EBA shall issue guidelines on payment commitments laying down criteria for the admissibility of those commitments;’

(c) paragraph 4 is deleted;

(d) paragraph 7 is replaced by the following:

‘7. Member State shall ensure that DGSs, designated authorities, or competent authorities set the investment strategy for the available financial means of DGSs, and that that investment strategy complies with the principle of diversification and investments in low-risk assets. ***DGSs shall use derivatives only for risk management purposes, including managing market risk and liquidity risk.***;’

(e) the following paragraph 7a is inserted:

‘7a. ***Where DGSs are allowed to*** place all or part of their available financial means with their national central bank or national treasury, ***Member States shall ensure*** that those available financial means are ***separated from other funds for accounting purposes*** and that they are readily available for use by the DGS in accordance with Articles 11***, 12 and 14(3)***.***’’***

(ea) paragraph 9 is replaced by the following:

‘9. Member States shall ensure that DGSs have in place adequate alternative funding arrangements to enable them to obtain short-term funding to meet claims against those DGSs. Alternative funding arrangements financed through public funds shall only be used for measures referred to in Art 8(1) and 11(2) as a last resort and be provided in the form of loans or guarantees. Alternative funding arrangements from public sources shall only be provided under the condition that the DGS undertakes the legal commitment that alternative funding arrangements financed or guaranteed through public funds and the agreed interest and fees will be repaid within six years.

In extraordinary circumstances, where, in light of disbursements and recoveries during the repayment period, the competent authority assesses that the repayment could overburden the remaining member institutions' financing capacities, the repayment period may be extended once by up to three years.'

(f) paragraph 10 is deleted;

(g) the following paragraphs 11, 12 and 13 are added:

'11. ▌ In the context of the measures referred to in Article 11(1), (2), (3) and (5), ***Member States may allow DGSs to*** use the funds originating from the alternative funding arrangements referred to in Article 10(9) which are not financed ***or guaranteed*** through public funds, before using the available financial means and before collecting the extraordinary contributions referred to in Article 10(8). ▌

12. The EBA shall develop draft regulatory technical standards to specify:

(a) the methodology for the calculation of available financial means qualifying for the target level referred to in paragraph 2, including the delineation of the available financial means of DGSs and the categories of available financial means that derive from contributed funds;

(b) the details of the process to reach the target level referred to in paragraph 2 after a DGS has used available financial means in accordance with Article 11 ***or when the amount of covered deposits has increased***.

EBA shall submit those draft regulatory technical standards to the Commission by … [OP – please insert the date = 24 months after the date of entry into force of this ***amending*** Directive].

Power is delegated to the Commission to supplement this Directive by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.

13. By… [OP – please insert the date = 24 months after the date of entry into force of this ***amending*** Directive] The EBA shall develop guidelines to ***assist*** DGSs with the diversification of their available financial means and on how DGSs could invest in low-risk assets applicable to the available financial means of DGSs.**'**;'

(12) Article 11 is replaced by the following:

'Article 11

Use of funds

1. Member States shall ensure that DGSs use the available financial means referred to in Article 10 primarily to ***secure repayments to*** depositors in accordance with Article 8 ▌ .

2. Member States shall ensure that DGSs use the available financial means to finance the resolution of credit institutions in accordance with Article 109 of Directive 2014/59/EU. ▌

3. Member States may allow DGSs to use the available financial means for preventive measures as referred to in Article 11a where all of the following applies:

(a) ***the resolution authority has not taken a decision*** referred to in Article ***82(2)*** of Directive 2014/59/EU ▌ ;

▌

(c) all of the conditions laid down in Articles 11a and 11b are met.

4. Where available financial means ***have been*** used for preventive measures as referred to in Article 11a, the affiliated credit institutions shall immediately provide the DGS with the means used for such measures, where necessary in the form of extraordinary contributions, where any of the following applies:

(a) the need to repay depositors ***or to intervene in resolution*** arises and the available financial means of the DGS amount to less than two-thirds of the target level;

(b) the available financial means of the DGS fall below 25 % of the target level.

5. Where a credit institution is wound up in accordance with Article 32b of Directive 2014/59/EU in order to exit the market or terminate its banking activity, Member States may allow DGSs to use the available financial means for alternative measures to preserve the access of depositors to their deposits, including the transfer of assets and liabilities and a deposit book transfer, provided that all the conditions laid down in Article 11d of this Directive are met.';

5a. The Commission shall, by ... [four years from the date of entry into force of this Directive], after having consulted EBA, submit a report to the European Parliament and to the Council assessing the implementation and impact of the provisions related to the measures referred to in Article 11(3) and (5), including:

(a) an evaluation of the state of play of the transposition and implementation of those measures and any legal or practical obstacles that have prevented Member States from enabling their DGS to finance them;

(b) an assessment of the effectiveness of those measures and the extent to which they have contributed to the achievement of the objectives of this Directive;

(c) an analysis of the appropriateness of making these measures available to DGSs in all Member States.

The report shall be accompanied by a legislative proposal where appropriate.'

(13) the following Articles 11a to 11e are inserted:

'Article 11a

Preventive measures

1. Where Member States allow the use of DGS funds for preventive measures as referred to in Article 11(3), Member States shall ensure that DGSs use the available financial means for the preventive measures referred to in Article 11(3), provided that all of the following conditions are met:

(a) the request of a credit institution for the financing of such preventive measures is accompanied by a note containing measures as referred to in Article 11b;

(b) the credit institution has consulted the competent authority on the measures envisaged in the note referred to in Article 11b ***and has taken into account the competent authority's comments on the measures;***

(c) the use of preventive measures by the DGS is linked to conditions imposed on the supported credit institution, involving at least more stringent risk monitoring of the credit institution***, accompanied by governance arrangements that facilitate such monitoring,*** greater verification rights for the DGS ***and more frequent reporting to the competent authorities***;

(d) the use of the preventive measures by the DGS is conditional upon the credit institution's ***obligation*** to secure ***effective*** access to covered deposits;

(e) the affiliated credit institutions are able to pay the extraordinary contributions in accordance with Article 11(4);

(f) the credit institution complies with its obligations under this Directive and ***the reimbursement schedule or exit strategy as referred to in Article 11b(4) of this Directive or in Article 32c(2), point (b), of Directive 2014/59/EU has been complied with in respect of*** any previous preventive measure ***or extraordinary public financial support;***

2. Member States shall ensure that DGSs have monitoring systems and decision-making procedures in place that are appropriate for selecting and implementing preventive measures and monitoring affiliated risks.

3. Member States shall ensure that DGSs may implement preventive measures only where the designated authority has confirmed that all the conditions laid down in paragraph 1 have been met. The designated authority shall notify the competent authority and the resolution authority.

4. Member States shall ensure that the DGS uses its available financial means for capital support measures***, including recapitalisations, asset impairment measures and asset guarantees, only where the conditions under Article 11b are met***.

4a. Member States shall ensure that the DGS transfers its holdings of shares or other capital instruments in the supported credit institution as soon as commercial and financial circumstances allow.

4b. EBA shall develop guidelines to specify the following:

(a) the conditions referred to in paragraph 1, point (c);

(b) the monitoring systems and decision-making procedures that DGSs are to have in place in accordance with paragraph 2, taking into account the practices of IPSs referred to in Article 1(2), point (c);

(c) taking into account the requirements set out in Article 11b, the modalities of cooperation between the resolution authorities, the designated authorities and the competent authorities under paragraphs 1 and 3 of this Article.

Article 11b

Requirements for preventive measures

1. Member States shall ensure that credit institutions which request a DGS to finance preventive measures in accordance with Article 11(3) present to the competent authority ▌ a note with measures that those credit institutions commit to undertake ***in order to secure*** compliance with the ***applicable*** supervisory requirements ▌ in ***accordance with*** Directive 2013/36/EU and Regulation (EU) No 575/2013.

2. The note referred to in paragraph 1 shall set out actions to mitigate the risk of deterioration of the financial soundness and strengthen the credit institution's capital and liquidity position.

2a. Where the financial means of a DGS are used for preventive measures in accordance with Article 11(3) of this Directive, such use shall be considered as a change of the financial situation of the credit institution and an update of the recovery plan shall be required pursuant to Article 5(2) of Directive 2014/59/EU.

3. Member States shall ensure that in the event of a capital support measure ***under*** paragraph 1***, the available financial means of a DGS covers only*** the capital shortfall ***as currently estimated on the basis of the following elements, which are to be included in the note:***

(a) the capital shortfall identified in a Union or national stress test, asset quality review or equivalent exercise, or during the supervisory review and evaluation process, on-site inspections or temporary administration, or by an independent valuer;

(b) capital-raising measures to be implemented within six months of submission of the business reorganisation plan;

(c) safeguards preventing outflows of funds, including the measures referred to in paragraph 5;

When determining the amount of capital support to be provided by the DGS, the DGS may also take into account any forward-looking capital adequacy assessment, including the capital conservation plan referred to in Article 142 of Directive 2013/36/EU.

The DGS shall notify the competent authority of the amount of capital support to be provided.

4. Member States shall ensure that ▌ the note referred to in paragraph 1 provides for ***an exit strategy from the preventive measures, including*** a clearly specified repayment schedule by the credit institution of any ***repayable*** funds received as part of the preventive measures ***and divestment of the DGS' holding in the credit institution's capital pursuant to the second subparagraph of Article 11a(4)***. ***That information shall not be disclosed until after exiting the preventive measures, or until after the assessment under Article 11c(3) has been completed, subject to non-delayable disclosure obligations referred to in Article 17 of Regulation (EU) No 596/2014.***

5. ***Member States shall ensure that no dividends, share buy-backs or variable remuneration are paid out and no irrevocable commitment to pay out dividends, share buy-backs or variable remuneration is undertaken by the supported credit institution. The competent authority may exceptionally allow the payment of dividends*** where ***the credit institution demonstrates to the satisfaction of the competent authority that it is legally bound to pay out such dividends.*** Member States shall ensure that the ***prohibitions under this*** paragraph ***remain in place until after exiting the preventive measures.***

5a. Member States shall ensure that within six months of the provision of the initial financial support, the beneficiary credit institution submits a business reorganisation plan to the competent authority. Where the competent authority is not satisfied that the business reorganisation plan is credible or feasible, the further provision of funds by the DGS to the credit institution concerned shall be suspended.

The competent authority may extend the period in the first subparagraph, up to a maximum of eight months after the preventive measures have been granted.

6. ▌ Member States shall ensure that the measures envisaged in the ***business reorganisation plan*** referred to in paragraph ***5a are compatible*** with the restructuring plan ***of*** the credit institution ***that may be*** required ***by*** the Commission***, in accordance with the Union State aid*** framework.

6a. The competent authority shall provide the business reorganisation plan to the resolution authority. The resolution authority may examine the business reorganisation plan with a view to identifying any actions which might adversely impact the resolvability of the institution and may make recommendations to the competent authority with regard to those matters. The resolution authority shall communicate its assessment and recommendations within the timeframe set by the competent authority.

Article 11c

Remediation plan

1. Member States shall ensure that where the credit institution fails to fulfil the commitments outlined in the note referred to in Article 11b(1), or ***the business reorganisation plan referred to in Article 11b(5a), first subparagraph, or*** fails to repay the amount contributed under the preventive measures at maturity ***or to comply with the exit strategy under Article 11b(4)***, the DGS informs the competent authority thereof without delay.

2. In the situation referred to in paragraph 1, Member States shall ensure that the competent authority requests the credit institution to submit a ***one-time*** remediation plan ***to the designated authority and the DGS*** describing the steps the credit institution will take to ***secure*** compliance with supervisory requirements, to ensure its long term viability and to repay the due amount contributed by the DGS to the preventive measure, as well as the associated timeframe. ***The designated authority and the DGS shall consult the competent authority as regards the measures envisaged in the remediation plan.***

3. Where the competent authority is not satisfied that the remediation plan is credible or feasible ***or where the credit institutions fails to comply with the remediation plan***, ***the competent authority shall inform the DGS and the resolution authority of its assessment. In that case*** the DGS shall not grant any further preventive measures to that credit institution ***and the relevant authorities shall carry out an assessment of whether the institution is failing or likely to fail, in accordance with Article 32 of Directive 2014/59/EU***.

4. By … [OP – please insert the date = ***36*** months after the date of entry into force of this Directive] the EBA shall issue guidelines setting elements of the ***business reorganisation plan*** accompanying the preventive measures referred to in Article 11b ***(3) to (5a)*** and the remediation plan referred to in paragraph 1 of this Article.

Article 11d

Conditions for alternative measures ▌

-1a Member States shall ensure that where available financial means of a DGS are used for alternative measures referred to in Article 11(5), the DGS may contribute by financing the transfer of non-covered deposits and other ordinary unsecured liabilities to a recipient and to ensure the capital neutrality of the recipient, in addition to the transfer of covered deposits and assets of the credit institution concerned, where in the assessment of the relevant national authority:

(a) the transfer of deposits that are not covered or of ordinary unsecured liabilities is strictly necessary and proportionate to avoid contagion, in particular as regards eligible deposits held by natural persons and micro, small and medium sized enterprises;

(b) the transfer of deposits that are not covered and of ordinary unsecured liabilities would maximise the value upon sale or transfer to a new buyer, thereby limiting the destruction of economic value and reducing potential losses for creditors, or

(c) there is a need to preserve the whole relationship with clients in order to maintain confidence.

Member States shall ensure that DGSs do not finance the transfer of own funds and liabilities ranking below ordinary unsecured liabilities in their national laws governing normal insolvency proceedings.

1. ▌ Member States ***shall ensure that when a DGS finances the transfer of assets and liabilities, including deposit book transfer*** referred to in Article 11(5), ▌ the credit ***institution concerned, or the relevant national authority, markets, or makes*** arrangements for the marketing of, the assets, rights and liabilities those credit institutions intend to transfer. Without prejudice to the Union State aid framework, such marketing shall comply with all of the following:

   (a) the marketing is open and transparent and does not misrepresent the assets, rights and liabilities that are to be transferred;

   (b) the marketing does not favour, nor discriminate between, potential purchasers and does not confer any advantages on a potential purchaser;

   (c) the marketing is free from any conflict of interest;

(d) the marketing takes account of the need to implement a rapid solution taking into account the deadline laid down in Article 3(2), second subparagraph, for the determination referred to in Article 2(1), point (8)(a);

(e) the marketing aims at maximising, as much as possible, the sale price for the assets, rights and liabilities concerned.

Article 11e

Least cost test

Member States shall ensure that, when DGS funds ***are used for a measure*** referred to in Article 11(2), (3) or (5) ***of this Directive, the amount*** of the ***respective DGS intervention does not exceed the lower of***:

(a) the ***amount of covered deposits at the credit institution***, ***or***

(b) the ***amount resulting from the conditions for the application of the relevant measure laid down in*** Article ***109 of Directive 2014/59/EU or in Article 11(3) or Article 11(5) of this Directive, respectively***.

▌

(-13a) the following Article 12a is inserted:

'Article 12a

Use of the available financial means of IPS recognised as DGS under Article 113(7), point (b), of Regulation (EU) No 575/2013

1. Members States may allow an IPS referred to in Article 1(2), point (c), to lend or otherwise make available its available financial means referred to in Article 10(1) to any other funds of that IPS referred to in Article 113(7), point (b), of Regulation (EU) No 575/2013, provided that the following conditions are met:

(a) the provided means are needed to ensure the liquidity and solvency to avoid bankruptcy of an affiliated institution;

(b) there is no immediate need for the DGS to use the available financial means referred to in Article 10(1) to repay depositors of its member institutions or to intervene in resolution of its member institutions;

(c) the total amount does not exceed 75 % of the DGS target level;

(d) the provided means must be repaid within six years.

Member States shall ensure that if a DGS has provided means in accordance with the first subparagraph and the need to repay depositors of its member institutions or to intervene in resolution arises, the means are repaid upon request within a period not exceeding the period referred to in Article 8(1).'

(14) Article 14 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. Member States shall ensure that DGSs cover the ***following:***

(a) depositors at branches set up by their member credit institutions in other Member States, and

(b) depositors ***at*** their member credit institutions ***exercising*** the freedom to provide services as referred to in Title V, Chapter 3, of Directive 2013/36/EU ***where those depositors make use of those services in a different Member State.’***;’

(b) in paragraph 2, the following subparagraph is added:

‘By way of derogation from the first subparagraph, Member States shall ensure that a DGS of the home Member State may decide to repay depositors at branches directly where all of the following applies:

(i) the administrative burden and cost of such repayment is lower than the repayment by a DGS of the host Member State;

(ii) the DGS of the home Member State ensures that the depositors are not worse off than where the reimbursement would have been conducted in accordance with the first subparagraph.;

(iia) the repayment is made in the same currency as it would have been if the reimbursement had been conducted in accordance with the first subparagraph.';'

(c) the following paragraphs 2a, 2b and 2ba are inserted:

'2a. Member States shall ensure that a DGS of a host Member State may, subject to an agreement with a DGS of a home Member State, act as the point of contact for depositors at credit institutions that exercise the freedom to provide services as referred to in Title V, Chapter 3, of Directive 2013/36/EU, and shall be compensated ***by the DGS of the home Member State*** for the costs incurred.

2b. ***Where paragraph 2 applies***, Member States shall ensure that the DGS of the home Member State and the DGS of the host Member State concerned have an agreement in place on the payout terms and conditions, including on the compensation of any costs incurred, the contact point for depositors, the timeline and the payment method.;

2ba. Where paragraph 2 or 2a applies, the DGS of the home Member State shall provide the DGS of the host Member State with information on:

(a) the number of depositors at branches set up by their member credit institutions in that host Member State, the amount of covered deposits in those branches and possible relevant changes thereto;

(b) the number of depositors at their member credit institutions exercising the freedom to provide services as referred to in Title V, Chapter 3, of Directive 2013/36/EU where these depositors make use of these services in that host Member State, the total amount of covered deposits of those depositors and possible relevant changes thereto.'

(d) paragraph 3 is replaced by the following:

‘3. Member States shall ensure that where**,** a credit institution ceases to be member of a DGS and joins ▌ another ***DGS***, or if some of the credit institution’s activities are transferred to ▌ another ***DGS***, the DGS of origin shall transfer to the receiving DGS the contributions due for the last 12 months preceding the change of DGS membership ***or transfer of activities, in proportion to the amount of covered deposits transferred***, with the exception of the extraordinary contributions referred to in Article 10(8).***’***;’

(e) the following paragraph 3a is inserted:

‘3a. For the purposes of paragraph 3, Member States shall ensure that the DGS of origin transfers ***at the request of the receiving DGS*** the amount referred to in that paragraph within 1 month from ***that request.’***;’

(f) the following paragraph 9 is added:

‘9. ***By ... [OP please insert date: 24 months from the date of entry into force of this amending Directive]*** EBA shall issue guidelines on ▌ the respective roles of ***the DGS of the*** home and host ***Member States*** as referred to in paragraph 2, ***including*** a list of circumstances and conditions under which a DGS of the home Member State ***is*** able to decide to reimburse depositors at branches located in another Member State as laid down ***in*** paragraph 2, third subparagraph.***’***;’

(15) Article 15 is replaced by the following:

‘Article 15

Branches of credit institutions that are established in third countries

Member States shall require branches of credit institutions that have their head office outside the Union to join a DGS within their territory before they allow such branches to take eligible deposits in those Member States.;

Member States shall ensure that the branches referred to in the first subparagraph contribute to the DGS, in accordance with Article 13.'

(16) the following Article 15a is inserted:

'Article 15a

Member credit institutions that have branches in third countries

Member States shall ensure that DGSs do not cover depositors at branches that have been set up in third countries by their member credit institutions ▌.▐

By way of derogation from the first subparagraph, Member States may provide that DGSs cover depositors at branches that have been set up in third countries by their member credit institutions under the condition that those DGSs raise corresponding contributions from the credit institutions concerned and subject to the approval of the designated authority.'

(17) Article 16 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. Member States shall ensure that credit institutions provide actual and intending depositors with the information those depositors need to identify the DGSs of which the credit institution and its branches are members within the Union. Credit institutions shall provide that information in the form of an information sheet prepared in a data extractable format as defined in Article 2, point (3), of Regulation (EU) XX/XXXX of the European Parliament and of the Council [ESAP Regulation]***.

_____

*** Regulation (EU) XX/XXX of the European Parliament and of the Council of dd mm jj establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability.;’

(b) the following paragraph 1a is inserted:

‘1a. Member States shall ensure that the information sheet referred to in paragraph 1 contains all of the following:

(i) basic information about the protection of deposits;

(ii) contact details of the credit institution as a first point of contact for information on the content of the information sheet;

(iii) coverage level for deposits as referred to in Article 6(1) and ***(2)*** in EUR or, where relevant, another currency;

(iv) applicable exclusions from DGS protection;

(v) limit of protection in relation to joint accounts;

(vi) reimbursement period in case of the credit institution’s failure;

(vii) currency of reimbursement;

(viii) identification of the DGS responsible for protecting a deposit, including a reference to its website.;’

(c) paragraph 2 is replaced by the following:

‘2. Member States shall ensure that credit institutions provide the information sheet referred to in paragraph 1 before they enter into a contract on deposit-taking***,*** and, subsequently, ***whenever there is any change to the information provided and at least every five years***. ***Credit institutions shall require that*** depositors▌ acknowledge the receipt of that information sheet ***when they enter into that contract.’’***

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

‘Member States shall ensure that credit institutions confirm on their depositors’ statements of account that the deposits are eligible deposits, including a reference to the information sheet referred to paragraph 1.;’

(e) paragraph 4 is replaced by the following:

‘4. Member States shall ensure that credit institutions make the information referred to in ***this Article*** available in the language that was agreed by the depositor and the credit institution when the account was opened or in the official language or languages of the Member State in which the branch is established.***’***;’

(f) paragraphs 6 and 7 are replaced by the following:

‘6. Member States shall ensure that in the case of a merger of credit institutions, conversion of subsidiaries of a credit institution into branches, or similar operations, credit institutions notify ***the DGS and*** their depositors thereof at least 1 month before that operation takes legal effect, unless the competent authority allows for a shorter deadline on the grounds of commercial secrecy or financial stability. That notification shall explain the impact of the operation on depositor protection.

Member States shall ensure that, where**,** as a result of operations referred to in the first subparagraph ***of this paragraph***, depositors with deposits in those credit institutions will be affected by the reduced deposit protection, the credit institutions concerned notify those depositors that they may withdraw or transfer to another credit institution their eligible deposits, including all accrued interest and benefits, without incurring any penalty**,** up to an amount equal to the lost coverage of their deposits***, including with respect to the coverage levels provided under Article 6(2),*** within 3 months following the notification referred to in the first subparagraph.

7. Member States shall ensure that credit institutions that cease to be a member of a DGS ***and join another DGS notify*** their depositors thereof at least 1 month prior to such ***cessation. That notification shall explain the impact of the cessation of that membership on depositor protection***.;'

(g) the following paragraph 7a is inserted:

'7a. Member States shall ensure that designated authorities, DGSs and credit institutions concerned inform depositors, including by a publication on their websites, of the fact that a relevant administrative authority has made a determination as referred to in Article 2(1), point (8)(a), or a judicial authority has made a ruling as referred to in Article 2(1), point (8)(b).;'

(h) paragraph 8 is replaced by the following:

'8. Member States shall ensure that where a depositor uses internet banking, credit institutions provide the information they have to provide to their depositors under this Directive by electronic means unless a depositor requests to receive that information on paper.;'

(i) the following paragraph 9 is added:

‘9. The EBA shall develop draft implementing technical standards to specify:

(a) the content and the format of the information sheet ▌ referred to in paragraph ***1***;

(b) the procedure to be followed for the provision of, and the content of, the information to be provided in the communications from designated authorities, DGSs or credit institutions to depositors, in the situations referred to in Articles 8b and 8c and in paragraphs 6, 7 and 7a of this Article.

The EBA shall submit those draft implementing technical standards to the Commission by … [OP - please insert date = 12 months after the date of entry into force of this ***amending*** Directive].

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph ***of this paragraph*** in accordance with Article 15 of Regulation (EU) No 1093/2010.***’***;’

(18) the following Article 16a is inserted:

‘Article 16a

Information exchange between credit institutions and ***DGSs***, and reporting by authorities

1. Member States shall ensure that DGSs, at any time and upon request, ***receive*** from their affiliated credit institutions all information necessary to ***carry out the stress testing referred to in Article 4(10) and to*** prepare for a repayment of ***deposits***, in accordance with the identification requirement laid down in Article 5(4), including the information for the purposes of Article 8(5) and Articles 8b and 8c.

2. Member States shall ensure that credit institutions, upon request of a DGS, provide the DGS of which they are a member ***the*** information ***referred to in paragraph 1*** about:

   (a) depositors at branches of those credit institutions ***in other Member States or, where those deposits are covered by the DGS, in third countries***;

   (b) depositors who are recipients of services provided by member institutions on the basis of the freedom to provide services.

The information referred to in points (a) and (b) ***of the first subparagraph of this paragraph*** shall indicate the Member States ***or third countries*** in which those branches or depositors are located.

3. Member States shall ensure that, by 31 March ***of*** each year, DGSs inform ▌ EBA of the amount of covered deposits in their Member State on 31 December of the preceding year. By ***31 March of each year***, DGSs shall also report to ▌ EBA the amount of their available financial means ***as at 31 December of the preceding year***, including the share of borrowed ***or lent*** resources ***and*** payment commitments***, and, following any disbursement of DGS's funds in accordance with Article 8(1) or Article 11(2), (3) or (5),*** the timeline for reaching the target level ▌ .

4. Member States shall ensure that the designated authorities notify the EBA, without undue delay, about ***any*** of the following:

   (a) the determination of unavailable deposits pursuant to circumstances referred to in Article 2(1), point (8);

   (b) whether ***a repayment of deposits in accordance with Article 8 or*** any of the measures referred to in Article 11(2), (3) and (5) have been applied and the amount of funds used in accordance with Article ***8*** and Article 11(2), (3) and (5), and, where applicable and once available, the amount of funds recovered, the resulting cost for the DGS and the duration of the recovery process**.**

(c) the ▌ alternative funding arrangements ***available and their actual use*** as referred to in Article ***10(9)***;

(d) any DGSs that have ceased to operate or the establishment of any new DGS, including as a result of a merger or of the fact that a DGS started operating on a cross-border basis.

The notification referred to in the first subparagraph***, point (b),*** shall contain a summary describing all of the following:

(a) the initial situation of the credit institution;

(b) ***the repayment of deposits in accordance with Article 8 or*** the measures for which the DGS funds have been used***, including the specific instruments that have been used for the measures referred to in Article 11(2), (3) or (5)***;

(c) the expected amount of ***funds*** used.

5. The EBA shall publish the information received in accordance with ***paragraph*** 3 and the summary referred to in paragraph 4 without undue delay.
The EBA shall not publish any information provided by a DGS that is regarded by that DGS as confidential.

6. Member States shall ensure that the resolution authorities of the credit institutions which are a member of a ***DGS*** provide that DGS ▌ with the summary of the key elements of the resolution plans as referred to in Article 10(7), point (a), of Directive 2014/59/EU**.** ***Resolution authorities may exclude from that summary*** information ***which is not*** necessary for the DGS and designated authorities to exercise the obligations referred to in Article ***8 and Article*** 11(2), (3) and (5) and in Article 11e.

7. The EBA shall develop draft implementing technical standards to specify the procedures to be followed ***and the minimum contents of*** the information referred to in ***paragraph 1***, taking into account the types of depositors***, and the procedures, templates and the content of the information referred to in paragraphs 3 and 4***.

The EBA shall submit those draft implementing technical standards to the Commission by …. [OP - please insert the date = 12 months after the date of entry into force of this ***amending*** Directive].

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.;’

(19) Annex I is deleted.

Article 2

Transitional provisions

1. Member States shall ensure that branches of credit institutions that have their head office outside the Union and take eligible deposits in a Member State on … [OP please insert the date = ▌ entry into force ***of this amending Directive +24 months***], and that are not members of a DGS on that date, join a DGS in operation within their territories by [OP please insert the date = ▌ entry into force ***of this amending Directive +27 months***]. Article 1(15) shall not apply to those branches until [OP please insert the date = ▌ entry into force ***of this amending Directive +27 months***].

2. By way of derogation from Article 11(3) of Directive 2014/49/EU, as amended by this Directive, and Articles 11a, 11b, 11c and***, to the extent that it refers to Article 11(3), 11e of Directive 2014/49/EU as regards*** to preventive measures, until ***31 December 2032 or*** [OP – please insert the date = ***60*** months after the date of entry into force of this ***amending*** Directive]***, whichever is the later***, Member States may allow IPS referred to in Article 1(1), point (c), to comply with the national provisions implementing Article 11(3) of Directive 2014/49/EU as applicable on [OP – please insert the date of entry into force of this ***amending*** Directive].

Article 3

Transposition

1. Member States shall adopt and publish, by … [OP – please insert the date = 24 months after the date of entry into force of this ***amending*** Directive] ▌ , the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.

   They shall apply those provisions from … [OP – please insert the date = 24 months after the date of entry into force of this ***amending*** Directive]. However, they shall apply the provisions necessary to comply with Article 11(3) ***of Directive 2014/49/EU***, as amended by this Directive, and Articles 11a, 11b, 11c and***, to the extent that it refers to Article 11(3), 11e of Directive 2014/49/EU from … [OP*** – please insert the date = ***36*** months after the date of entry into force of this ***amending*** Directive].

   When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 4

Entry into force

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

Article 5

Addressees

This Directive is addressed to the Member States.

Done at Strasbourg,

For the European Parliament	*For the Council*
The President	*The President*