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THE EUROPEAN PARLIAMENT **THE COUNCIL**

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DIRECTIVE
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
AMENDING DIRECTIVE 2014/49/EU
AS REGARDS THE SCOPE OF DEPOSIT PROTECTION, THE USE OF DEPOSIT GUARANTEE SCHEMES FUNDS, CROSS-BORDER COOPERATION, AND TRANSPARENCY

DIRECTIVE (EU) 2026/…
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 30 March 2026

amending Directive 2014/49/EU as regards the scope of deposit protection, the 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 Central Bank[1],

After consulting the European Economic and Social Committee,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure[2],

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1 OJ C 307, 31.8.2023, p. 19.

2 Position of the European Parliament of 24 April 2024 (OJ C, C/2025/3754, 17.9.2025, ELI: http://data.europa.eu/eli/C/2025/3754/oj) and position of the Council at first reading of 5 March 2026 (not yet published in the Official Journal). Position of the European Parliament of 26 March 2026 (not yet published in the Official Journal).

Whereas:

(1) In accordance with Article 19(5) and (6) of Directive 2014/49/EU of the European Parliament and of the Council[3], 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.

(2) The review of the Union's 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.

(3) The Union's crisis management and deposit insurance framework should consistently uphold the principles that losses are to be borne by shareholders and creditors and that taxpayer resources are not to be employed to aid or rescue credit institutions in difficulty.

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3 Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (OJ L 173, 12.6.2014, p. 149, ELI: http://data.europa.eu/eli/dir/2014/49/oj).

(4) A failure by 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 and designated and competent authorities in taking enforcement action 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 the obligations of credit institutions under deposit protection rules, so that the competent authorities can use their supervisory powers under Directive 2013/36/EU of the European Parliament and of the Council[4]. In addition, in order to ensure that credit institutions comply with the rules laid down in this Directive, Member States should provide for appropriate penalties in cases of infringement of those rules.

(5) To support further convergence of DGSs' practices and assist DGSs in testing their resilience, the European Supervisory Authority (European Banking Authority) ('EBA'), established by Regulation (EU) No 1093/2010 of the European Parliament and of the Council[5], should issue guidelines on the performing of stress tests of deposit guarantee schemes.

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[4] Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338, ELI: http://data.europa.eu/eli/dir/2013/36/oj).

[5] Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12, ELI: http://data.europa.eu/eli/reg/2010/1093/oj).

(6) Pursuant to Directive 2014/49/EU, deposits of certain financial institutions, including investment firms, are excluded from coverage by DGSs. 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.

(7) The categories of depositors that are protected by a DGS are based on the objective of protecting non-professional investors, whereas professional investors are deemed not to need such protection. For that reason, public authorities have been excluded from coverage to date. 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.

(8) 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 of the European Parliament and of the Council[6] 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 DGSs. In order to ensure equal treatment of such deposits based on objective criteria, they should be excluded from coverage by DGSs regardless of whether the resolution authority has authorised their inclusion in the amount of own funds and eligible liabilities.

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[6] Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190, ELI: http://data.europa.eu/eli/dir/2014/59/oj).

(9) 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, Directive 2014/49/EU obliges Member States to ensure that deposits resulting from those events are protected above EUR 100 000 for at least three 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 EUR 500 000 for all temporary high balances, and for deposits related to real estate transactions to a maximum amount of EUR 2 500 000, for a harmonised duration of six 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 those 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.

(10) During a real estate transaction, funds can pass 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.

(11) 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.

(12) 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 to the assessment of whether depositors are eligible for temporary high-balances safeguards, it remains the depositors' or account holders' responsibility to demonstrate, by their own means, their entitlement to such deposits.

(13) While the repayable amount, as a rule, should be available within seven working days, 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, that longer repayment period should be limited to 20 working days from the date of the receipt by the DGS concerned of the relevant information or documentation. The situations in which that longer repayment period applies should be distinguished from situations where receipt of amounts made available by the DGS within the deadlines laid down in this Directive takes longer due to any operational steps the depositor needs to take.

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

(15) 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 the amounts on those accounts in the calculation of the amount to be repaid.

(16) 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 repayments via credit transfers should be the default payout method when repayment exceeds the amount of EUR 10 000.

(17) 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, in order to comply with safeguarding obligations in line with sectorial legislation, including Directives 2009/110/EC[7], 2014/65/EU[8] and (EU) 2015/2366[9] of the European Parliament and of the Council. Considering the growing role of those financial institutions, DGSs should protect such deposits under the condition that those clients are identified or identifiable.

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7 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, ELI: http://data.europa.eu/eli/dir/2009/110/oj).

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 (OJ L 173, 12.6.2014, p. 349, ELI: http://data.europa.eu/eli/dir/2014/65/oj).

9 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, ELI: http://data.europa.eu/eli/dir/2015/2366/oj).

(18) Clients of financial institutions do not always know with which credit institution their 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 sums 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 repaying the client directly could endanger the account holder. Therefore, DGSs should be able to repay 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 repaid by the DGS to those clients directly. 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.

(19) When repaying depositors, DGSs may encounter situations that give rise to money laundering concerns. DGSs 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.

(20) 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 a DGS's contribution to the financing of a transfer strategy followed by the 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 the financing of a transfer strategy in resolution, such as the application of the sale of business tool or of the bridge institution tool, or to the financing of 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 subsequent winding-up proceedings under national law. In order to ensure that the shareholders and creditors of the credit institution remaining in the residual entity effectively absorb the losses of that credit institution, and to 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 to resolution should not result in a claim against the institution under resolution as it would negate the purpose of the DGS's contribution.

(21) To ensure convergence of DGS practices and legal certainty for depositors claiming 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 where the DGS has not repaid depositors within the deadlines laid down in 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.

(22) Pursuant to Directive 2014/49/EU, Member States were 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 established to determine the amount of covered deposits and DGSs' available financial means.

(23) In order 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. In order 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 to be complementary sources of financing, such as borrowed funds resulting in debt liabilities of the DGS. However, foreseeable loan repayments can be planned and factored in regular contributions from DGS members, and debt liabilities of 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 institutional protection scheme (IPS) recognised as a DGS under Directive 2014/49/EU for IPS measures to prevent the failure of its member institutions while avoiding double counting, an outstanding claim on a loan provided to another DGS or on financial means otherwise made available to the IPS account of that IPS recognised as a DGS should count exclusively for the target level of the lending DGS or of the DGS account of the IPS recognised as a DGS.

(24) To ensure predictability and legal certainty concerning 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 a substantial reduction in the available financial means which results in the available financial means being less than two thirds of the target level, but also in the event of a smaller reduction which results in the available financial means falling below the target level but still being at more than two thirds of the target level. To avoid the 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 whether the cause of those reductions is DGS intervention or a substantial increase of the amount of covered deposits. In the event of smaller reductions, 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 the relevant contributions, the DGS should be able to extend that two-year period by one year.

(25) To ensure consistent application, 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 be followed in order to reach the DGS target level following reduction.

(26) 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 strategies in order to mitigate any negative impact on the ability of any 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 of diversification and investment 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 their national central bank or national treasury, those funds should clearly be earmarked and separated for accounting purposes and should be readily available for use by the DGS.

(27) To ensure adequately diversified investment of DGS funds and convergent practices, EBA should issue guidelines to DGSs in that respect.

(28) The possibility set out in Directive 2014/49/EU 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.

(29) 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 across the banking sector being 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 maturities not exceeding six years, used as a last resort and only in the event of payout or DGS contribution to resolution. This should 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.

(30) 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, in order to maintain depositor confidence and financial stability. Member States which have not provided for preventive and alternative measures in their national law prior to the date of entry into force of this Directive should therefore consider building the necessary capacity of their DGSs and other relevant authorities in order to implement such measures in the future. Following an assessment of the preparedness of Member States and the experience of the application of preventive and alternative measures, the Commission should present its assessment to the European Parliament and to the Council accompanied, where relevant, by 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, in order 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.

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

(32) Measures to prevent the failure of a credit institution through sufficiently early interventions can play an effective role in the continuum of crisis-management tools used to maintain depositor confidence and financial stability. Those measures can take various forms such as 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 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 is likely to fail and that there are no measures that could prevent its failure, regardless of the assessment of whether the resolution is in the public interest or not. Designated authorities should confirm whether the conditions for such DGS intervention have been fulfilled.

(33) 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 positions 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. During the implementation of the measures envisaged in the note, credit institutions should also strengthen their liquidity positions and refrain from aggressive commercial practices, from the distribution of dividends or of variable remuneration, from the repurchasing of own shares, and from calling hybrid capital instruments. The note should also contain a strategy for exiting from the 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 a business reorganisation plan. To ensure that the designated authority of the DGS that is requested by the credit institution to finance a preventive measure is in a position to assess whether all the conditions for preventive measures are fulfilled, the competent authority should cooperate with the designated authority. 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, EBA should issue guidelines to assist credit institutions to draft business reorganisation plans.

(34) 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 have failed to fulfil the commitments outlined in their note or business reorganisation plan, failed to repay the amount contributed under the preventive measures, or failed to comply with the exit strategy. Where a competent authority considers that the measures in the remediation plan are not capable of achieving the credit institution's long-term viability, or where the credit institution fails to comply with the remediation plan, the DGS should not provide any further preventive support to the credit institution and the relevant authorities should carry out an assessment pursuant to Directive 2014/59/EU of whether the institution is failing or is likely to fail. To ensure a consistent approach to the application of preventive measures across the Union, EBA should issue guidelines to assist credit institutions to draft remediation plans.

(35) It is necessary to subject a DGS contribution to alternative measures to adequate safeguards in order 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, if the transfer would maximise the value of the assets upon sale, or if the 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.

(36) 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, such as a liquidator, a receiver, an administrator or another body, 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 behalf of that credit institution or relevant national authority, should apply rules that are adequate for the marketing of the assets, rights and liabilities that are to be transferred to potential purchasers. In any event, the use of Member State resources should remain subject to the relevant State aid rules under the Treaty on the Functioning of the European Union (TFEU), where applicable.

(37) 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 concerned.

(38) To further account for the specificities of IPSs recognised as DGSs and to 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 of the European Parliament and of the Council[10]. That should be possible in cases where the provided means are needed to supplement the other means dedicated to ensuring 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.

(39) To enhance the harmonised protection of depositors and to specify responsibilities in cross-border situations 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 its member take deposits and accept other repayable funds by offering deposit services on a cross-border basis without being established 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.

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[10] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj).

(40) Cooperation between DGSs across the Union is vital to ensure fast and cost-efficient depositor 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 were carried out by the DGS of the host Member State. That flexibility should complement the current cooperation mechanism which requires 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 State DGSs, EBA should issue guidelines to assist DGSs to participate 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 repay depositors at branches located in the host Member State.

(41) Credit institutions may change affiliation to a DGS or some of their activities may be transferred and thus become subject to another DGS. Directive 2014/49/EU requires that the contributions of a credit institution paid during the 12 months preceding a 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 on the 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.

(42) 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 which aim to introduce a more robust prudential and resolution framework for third-country groups providing banking services in the Union. Conversely, exposure of DGSs to the economic and financial risks of third countries should be avoided. 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.

(43) Standardised and regular information disclosure enhances awareness among depositors of 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 homogenous information that explains deposit protection while limiting the related administrative burden for credit institutions or DGSs. EBA should develop draft implementing technical standards to specify the content and format of the depositor information sheet to be communicated 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, determinations that deposits are unavailable, or the repayment of client funds deposits.

(44) The merger of credit institutions or the conversion of a subsidiary into a branch or vice versa, might affect the key features of depositor protection. To avoid adverse impacts on depositors with deposits in both merging credit institutions and whose claims to deposit coverage would be reduced by 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 up to an amount equal to the lost coverage of their deposits without incurring a penalty.

(45) 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.

(46) To increase transparency for depositors and to promote financial robustness and trust among DGSs when fulfilling their mandates, 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 a 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 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 EBA on a yearly basis of the amount of covered deposits and available financial means and notify EBA about the circumstances that led to the use of DGS funds either for payouts or for other measures. Finally, to reflect the strengthening of the role of DGSs in banking crisis management in order to facilitate the use of DGS funds in resolution, resolution authorities should provide DGSs with a summary of the resolution plans of credit institutions to increase the general preparedness of those DGSs to make the funds available, to the extent necessary.

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

(48) Where provided for in this Directive, the Commission should adopt draft regulatory technical standards developed by EBA by means of delegated acts pursuant to Article 290 TFEU, in accordance with Regulation (EU) No 1093/2010. Such draft regulatory technical standards should specify the technical details related to the identification of clients of financial institutions for payout of client funds deposits, the criteria and circumstances for repayment to the account holder for the benefit of each client or to the client directly, and the rules for avoiding multiple claims for payouts to the same beneficiary. The draft regulatory technical standards should also specify the methodology for the calculation of available financial means qualifying for the target level and the process for DGS replenishment.

(49) Where provided for in this Directive, the Commission should 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. Such draft implementing technical standards should specify the content and format of the depositor information sheet and the procedure for and content of the information that should be communicated to depositors. The draft implementing technical standards should also specify the procedures to be followed when a credit institution provides information to its DGS and where a DGS or designated authority provides information to EBA, as well as the templates for providing such information.

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

(51) 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.

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

(53) 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 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.

(54) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 of the European Parliament and of the Council[11] and delivered an opinion on 12 June 2023[12].

(55) Directive 2014/49/EU should therefore be amended accordingly,

HAVE ADOPTED THIS DIRECTIVE:

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11 Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39, ELI: http://data.europa.eu/eli/reg/2018/1725/oj).

12 OJ C 255, 20.7.2023, p. 4.

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 offices outside the Union, that are affiliated to the schemes referred to in point (a), (b) or (c) of this paragraph.’;

(2) Article 2 is amended as follows:

(a) paragraph 1 is amended as follows:

(i) 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:’;

(ii) 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:’;

(iii) the following points are added:

‘(19) “resolution authority” means a resolution authority as defined in Article 2(1), 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 of the Treaty on the Functioning of the European Union (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(1), point (1), of Regulation (EU) 2024/1624 of the European Parliament and of the Council*;

(23) “terrorist financing” means terrorist financing as defined in Article 2(1), point (2), of Regulation (EU) 2024/1624.

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* 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, ELI: http://data.europa.eu/eli/reg/2024/1624/oj).’;

(b) 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.’;

(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 that competent authority, in cooperation with that 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.

For the purposes of the measures referred to in the first subparagraph, Member States shall, where relevant, ensure that competent authorities are able to use 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 of a DGS member. Such penalties shall be effective, proportionate and dissuasive.';

(b) the following paragraph 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 concerned 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 concerned where the measures referred to in paragraphs 4 and 4a fail to restore compliance by the credit institution with its obligations as a DGS member. Member States shall ensure that the DGS or, where appropriate, the designated authority concerned assesses whether that credit institution still fulfils the conditions for continued membership of that DGS and informs the competent authority concerned of the outcome of that assessment.

6. Member States shall ensure that where a competent authority decides to withdraw an authorisation in accordance with Article 18 of Directive 2013/36/EU, the credit institution concerned ceases to be a member of its 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.';

(d) 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 to remedy infringements of this Directive by that DGS, including powers to impose penalties or other administrative measures.';

(e) paragraph 8 is deleted;

(f) the following paragraph is added:

'13. By … [36 months from the date of entry into force of this amending Directive], 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:

(i) 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;’;

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

‘(d) deposits made by financial institutions, as defined in Article 4(1), point (26), 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 20 of Regulation (EU) 2024/1624, where those deposits have become unavailable, except where a holder requests payout and neither the credit institution or 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 in points 2.114 and 2.115 of Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council*, with the exception of deposits by non-profit institutions controlled by central government or state governments;

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* Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/549/oj).’;

(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 of this Article, 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).’;

(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 to an amount of not less than EUR 500 000 for six 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 concluded 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 Article 2(1), point (8)(a), or on which a judicial authority makes a ruling as referred to in Article 2(1), point (8)(b), such transaction had been concluded or was intended to be concluded in the short term;’;

(iii) the following subparagraphs are added:

‘For the purposes of point (a) of the first subparagraph, Member States shall ensure that deposits are protected to a maximum amount of EUR 2 500 000.

For the purposes of point (a) of the first subparagraph, Member States shall define “short term” in national law.’;

(b) the following paragraph is inserted:

‘2a. Member States shall ensure that the coverage level laid down in paragraph 2 is supplementary to the coverage level laid down in paragraph 1.’;

(c) paragraph 6 is replaced by the following:

‘6. The Commission shall review periodically, and at least once every five years, the amounts referred to in paragraphs 1 and 2. If appropriate, the Commission shall submit to the European Parliament and to the Council a proposal for a legislative act 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, as well as to adjust 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 Article 2(1), point (8)(a), or a judicial authority makes a ruling as referred to in Article 2(1), point (8)(b).

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, the DGS shall not, when determining the covered amount due to the absolutely entitled person, take into account other deposits placed by that person with the same credit institution if that person is identified by that 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.’;

(b) 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 Article 2(1), point (8)(a), or a judicial authority makes a ruling as referred to in Article 2(1), point (8)(b), are deducted from the total amount of that depositor’s eligible deposits to the extent that the set-off is possible under the statutory and contractual provisions governing the contract between the credit institution and the depositor.’;

(c) paragraph 7 is replaced by the following:

‘7. Member States shall ensure that the DGS repays 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.’;

(d) in paragraph 9, the last sentence is replaced by the following:

‘That information shall be included in the depositor information referred to in Article 16 of this Directive.’;

(7) the following article 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 that the deposits concerned meet the conditions of Article 6(2) or, alternatively, proves an 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;

(c) 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 repayment of:

(a) the deposits referred to in Article 6(2) exceeding the amount defined in Article 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 receive the complete information or documentation they have requested in order to examine the claims and to verify that the conditions for repayment are met.’;

(d) paragraph 4 is deleted;

(e) paragraph 5 is amended as follows:

(i) point (b) is deleted;

(ii) 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, and the account is therefore dormant, except where a depositor also has deposits on another account with the same credit institution that is not dormant; or’;

(iii) point (d) is deleted;

(f) the following paragraph is inserted:

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

Member States shall ensure that credit institutions earmark deposits subject to Union restrictive measures in a way that allows immediate identification for the purpose of the first subparagraph of this paragraph.’;

(g) paragraph 8 is deleted;

(h) 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. However, Member States shall ensure that the DGS repays depositors below that threshold where so requested by those depositors.’;

(9) the following Articles are inserted:

‘*Article 8a*
Repayment of deposits exceeding EUR 10 000

Member States shall ensure, where the amounts to be repaid exceed EUR 10 000, that DGSs repay, where possible, depositors via credit transfers as defined in Article 4, point (24), of Directive (EU) 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 the traceability of funds.

Article 8b

Coverage of client funds deposits

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

   (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) of this paragraph are identified or identifiable by the financial institution holding the account on behalf of those 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 condition 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 amount of 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. EBA shall develop draft regulatory technical standards to specify:

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

(b) the criteria under and circumstances in which 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 payout to the same beneficiary.

When developing the draft regulatory technical standards referred to in the first subparagraph of this paragraph, EBA shall take into account 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.

EBA shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by … [12 months from 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 of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.

Article 8c

Suspension of repayments in the event of concerns about money laundering or terrorist financing

1. Member States shall ensure that the designated authority informs the DGS within 24 hours of the moment that the designated authority receives from a financial supervisor as defined in Article 2, point (1), of Directive (EU) 2024/1640 of the European Parliament and of the Council[**] 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 the DGS suspends the repayment 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 to the DGS in a timely manner.

3. Member States shall ensure that the DGS suspends the repayment of the repayable amount for the same period as that laid down in Article 24 of Directive (EU) 2024/1640 where it is informed by the credit institution or designated authority that the financial intelligence unit referred to in that Article has suspended a transaction, account or business relationship related to the concerned depositor.

4. Member States shall ensure that the DGS is not held liable for any suspension undertaken 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, ELI: http://data.europa.eu/eli/dir/2015/2366/oj).

** 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, 2024/1640, 19.6.2024, ELI: http://data.europa.eu/eli/dir/2024/1640/oj).

*** 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, ELI: http://data.europa.eu/eli/dir/1996/9/oj).';

(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 payments made by those DGSs to those 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 within the deadlines laid down in Article 8(1) and (3) can enter a claim against the DGS for the repayment of their deposits within five years 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).’;

(11) Article 10 is amended as follows:

(a) paragraph 2 is replaced by the following:

‘2. Member States shall ensure that, by 3 July 2024, the available financial means of a DGS shall at least reach a target level of 0,8 % of the amount of the covered deposits of its members.

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 the target level referred to in the first subparagraph, Member States shall take into account only the 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 that target level.

Where the financing capacity falls short of the target level, the payment of contributions shall resume at least until the target level is reached again.

Where the target level referred to in the first subparagraph of this paragraph 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 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, a DGS 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 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, a DGS shall set the regular contribution at a level allowing for the target level to be reached within two years. A DGS may extend that period 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.

The regular contribution shall take due account of the phase of the business cycle, and the impact procyclical contributions may have when setting annual contributions in the context of this Article.

Member States may extend the initial period referred to in the first subparagraph for a maximum of four years if the DGS has made cumulative disbursements in excess of 0,8 % of covered deposits.';

(b) paragraph 3 is replaced by the following:

‘3. The available financial means that the DGS takes into account in order 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.

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 States 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 principles of diversification and investment in low-risk assets. DGSs shall use derivatives only for risk management purposes, including managing market risk and liquidity risk.’;

(e) the following paragraph 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 those DGSs in accordance with Articles 11 and 12 and Article 14(3).’;

(f) 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 the repayment under Article 8(1) and for the measures referred to in Article 11(2) as a last resort and shall 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 makes the legal commitment to repay alternative funding arrangements financed or guaranteed through public funds and the agreed interest and fees 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 financing capacities of the remaining member institutions, the repayment period may be extended once by up to three years.’;

(g) paragraph 10 is deleted;

(h) the following paragraphs 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. 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 the draft regulatory technical standards referred to in the first subparagraph to the Commission by … [24 months from 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 … [24 months from the date of entry into force of this amending Directive], EBA shall develop guidelines to assist DGSs with the diversification of their available financial means and on how DGSs can 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 where all of the following apply:

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

   (b) 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 either 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.

6. By … [four years from the date of entry into force of this amending Directive], the Commission shall, 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 paragraphs 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 DGSs 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 those measures available to DGSs in all Member States.

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

(13) the following Articles 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), they shall ensure that DGSs use the available financial means for such preventive measures, 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 setting out measures as referred to in Article 11b(1);

   (b) the credit institution has consulted the competent authority on the measures set out in the note referred to in Article 11b(1) and has taken into account the competent authority's comments on those 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 repayment schedule or exit strategy as referred to in Article 11b(6) 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. 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 the IPSs referred to in Article 1(2), point (c);

(c) taking into account the requirements set out in Article 11b, the detailed arrangements 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 pursuant to Article 11(3) present to the competent authority a note setting out the 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 of the credit institution and strengthen its capital and liquidity positions.

3. Where the financial means of a DGS are used for preventive measures pursuant to 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.

4. Member States shall ensure that in the event of capital support measures, including recapitalisations, asset impairment measures and asset guarantees, the available financial means of a DGS cover only the capital shortfall as currently estimated on the basis of the following elements:

(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 7.

The elements referred to in the first subparagraph, points (a) to (c), shall be included in the note referred to in paragraph 1.

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.

5. Member States shall ensure that DGSs transfer their holdings of shares or other capital instruments in the supported credit institution as soon as commercial and financial circumstances allow.

6. 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 schedule for the repayment by the credit institution of any repayable funds received as part of the preventive measures and divestment of the holding of the DGS concerned in that credit institution's capital pursuant to paragraph 5. That information shall not be disclosed until after that credit institution exits the preventive measures, or until after the assessment referred to in Article 11c(3) has been completed, subject to non-delayable disclosure obligations referred to in Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council*.

7. 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 set out in this paragraph remain in place until after the credit institution exits the preventive measures.

8. Member States shall ensure that within six months of the provision of the initial financial support, the supported credit institution submits a business reorganisation plan to the competent authority. After the preventive measures have been granted, the competent authority may extend that period to a maximum period of eight months. 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.

9. Member States shall ensure that the measures envisaged in the business reorganisation plan referred to in paragraph 8 are compatible with the restructuring plan of the credit institution that may be required by the Commission, pursuant to the Union State aid framework.

10. The competent authority shall provide the business reorganisation plan referred to in paragraph 8 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 a credit institution fails to fulfil the commitments outlined in the note referred to in Article 11b(1), or in the business reorganisation plan referred to in Article 11b(8) or fails to repay the amount contributed by the DGS under the preventive measures referred to in Article 11(3) at maturity or to comply with the exit strategy under Article 11b(6), the DGS informs the competent authority thereof without delay.

2. In the circumstances 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 measures, 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 institution 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 is likely to fail in accordance with Article 32 of Directive 2014/59/EU.

4. By … [36 months from the date of entry into force of this amending Directive], EBA shall issue guidelines setting out the elements to be included in the business reorganisation plan accompanying the preventive measures referred to in Article 11b(4) to (8) and in the remediation plan referred to in paragraph 1 of this Article.

Article 11d

Conditions for alternative measures

1. Member States shall ensure that, where available financial means of a DGS are used for alternative measures as referred to in Article 11(5), the DGS may contribute the amount necessary to finance 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 amount necessary for 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.

2. Member States shall ensure that when a DGS finances the transfer of assets and liabilities, including a deposit book transfer as 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 that credit institution intends to transfer. Without prejudice to the Union State aid framework, such marketing shall:

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

(b) not favour, or discriminate between, potential purchasers and not confer any advantages on a potential purchaser;

(c) be free from any conflict of interest;

(d) take 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); and

(e) aim 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, where DGS funds are used for any measure referred to in Article 11(2), (3) or (5) of this Directive, the amount of the respective DGS intervention does not exceed the lesser of the following amounts:

(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.

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* Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173, 12.6.2014, p. 1, ELI: http://data.europa.eu/eli/reg/2014/596/oj).';

(14) the following article is inserted:

'*Article 12a*

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

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

   (a) those financial means lent or otherwise made available 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 financial means lent or otherwise made available must be repaid within six years.

2. Member States shall ensure that if an IPS as referred to in Article 1(2), point (c), has lent or otherwise made available financial means in accordance with paragraph 1 of this Article and the need to repay depositors of its member institutions or to intervene in resolution arises, those means are repaid upon request within a period not exceeding the period referred to in Article 8(1).';

(15) 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 affiliated credit institutions in other Member States; and

(b) depositors at their affiliated 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 in another Member State directly where all of the following apply:

(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 they would have been if the repayment had been conducted in accordance with the first subparagraph;

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

(c) the following paragraphs 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.

2c. 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 its affiliated credit institutions in that host Member State, the amount of covered deposits in those branches and any relevant changes thereto;

(b) the number of depositors at its affiliated 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 any relevant changes thereto.';

(d) paragraph 3 is replaced by the following:

‘3. Member States shall ensure that, where a credit institution ceases to be a 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 transfers to the receiving DGS the contributions due for the 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 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 one month of that request.’;

(f) in paragraph 4, the first subparagraph is replaced by the following:

‘4. Member States shall ensure that DGSs of the home Member State exchange information referred to under Article 4(7) and (10), and Article 16a(1) and (2) with those in host Member States. The restrictions set out in Article 4(11) shall apply.’;

(g) the following paragraph is added:

‘9. By … [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 repay depositors at branches located in another Member State as laid down in paragraph 2, third subparagraph.’;

(16) Article 15 is replaced by the following:

‘*Article 15*
Branches in the Union of credit institutions that are established in third countries

Member States shall require branches of credit institutions that have their head offices 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 paragraph contribute to the DGS in accordance with Article 13.’;

(17) the following article is inserted:

‘*Article 15a*
Affiliated 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 affiliated credit institutions.

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

(18) 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) 2023/2859 of the European Parliament and of the Council*.

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* Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023 establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability (OJ L, 2023/2859, 20.12.2023, ELI: http://data.europa.eu/eli/reg/2023/2859/oj).’;

(b) the following paragraph is inserted:

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

(a) basic information about the protection of deposits;

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

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

(d) applicable exclusions from DGS protection;

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

(f) repayment period in case of the credit institution's failure;

(g) currency of repayment;

(h) 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 concerned 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 one month before that operation takes legal effect, unless the competent authority allows for a shorter deadline on 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 the operations referred to in the first subparagraph of this paragraph, depositors with deposits in the credit institutions concerned will be affected by the reduced deposit protection, those credit institutions 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 three months of the notification to the depositors referred to in the first subparagraph of this paragraph.

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

(g) the following paragraph is inserted:

'7a. Where 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), Member States shall ensure that designated authorities, DGSs and credit institutions concerned inform depositors thereof, including by a publication on their websites.';

(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 is added:

‘9. 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.

EBA shall submit the draft implementing technical standards referred to in the first subparagraph to the Commission by … [12 months from 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.’;

(19) the following article is inserted:

‘*Article 16a*

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

1. Member States shall ensure that credit institutions maintain at all times and, upon request, provide to the DGS to which they are affiliated 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, provide to the DGS to which they are affiliated the information referred to in paragraph 1 regarding:

   (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 affiliated credit institutions on the basis of the freedom to provide services.

   The information referred to in points (a) and (b) of the first subparagraph 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:

(a) the amount of covered deposits in their Member State on 31 December of the preceding year;

(b) 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,

(c) in the event of 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 EBA, without undue delay, about any of the following:

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

(b) the repayment of deposits in accordance with Article 8 or the application of any of the measures referred to in Article 11(2), (3) and (5), 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. EBA shall publish the information received in accordance with paragraph 3 and the summary referred to in paragraph 4 without undue delay. However, it 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, Article 11(2), (3) and (5) and Article 11e of this Directive.

7. 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.

EBA shall submit those draft implementing technical standards to the Commission by …. [12 months from 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.';

(20) 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 … [24 months from the date of entry into force of this amending Directive], and that are not members of a DGS on that date, join a DGS in operation within their territories by … [27 months from the date of entry into force of this amending Directive]. Article 1, point (16) shall not apply to those branches until … [27 months from the date of entry into force of this amending Directive].

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), Article 11e of that Directive as regards preventive measures, Member States may until [31 December 2032/] [60 months from the date of entry into force of this amending Directive] [OJ: please insert only the latest of those two dates], allow IPSs referred to in Article 1(2), point (c), of Directive 2014/49/EU to comply with the national provisions implementing Article 11(3) of that Directive as applicable on … [date of entry into force of this amending Directive].

Article 3

Transposition

1. By … [24 months from the date of entry into force of this amending Directive], Member States shall adopt and publish the measures necessary to comply with this Directive. They shall immediately inform the Commission thereof.

   They shall apply those measures from … [24 months from 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), Article 11e of Directive 2014/49/EU from … [36 months from the date of entry into force of this amending Directive].

   When Member States adopt those measures, they shall contain a reference to this Directive or shall be accompanied by such a reference on the occasion of their official publication. The methods of making such reference shall be laid down by the Member States.

2. Member States shall communicate to the Commission the text of the main measures 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 Brussels, …

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