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'I' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee (Part 2)

Subject: Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2014/59/EU and Regulation (EU) No 806/2014 as regards certain aspects of the minimum requirement for own funds and eligible liabilities
- Confirmation of the final compromise text with a view to agreement

I. INTRODUCTION

1. On the 18 April the European Commission adopted a legislative package known as the reform of the Crisis Management and Deposit Insurance framework ('CMDI') setting out amendments to Directive 2014/59/EU (the Bank Recovery and Resolution Directive or 'BRRD') and to Regulation (EU) No 806/2014 (the Single Resolution Mechanism Regulation or 'SRMR').
2. As part of the CMDI package the Commission also adopted a Directive proposal as a separate legal instrument amending the BRRD and the SRMR (the 'Daisy Chains proposal')¹ to address specific issues on the treatment of 'internal MREL' and of 'liquidation entities' for resolution purposes.

¹ Doc. 8484/0113

3. The draft Directive is based on Article 114 of the Treaty on the Functioning of the European Union (TFEU) (ordinary legislative procedure).
4. The European Economic and Social Committee adopted its opinion² on 13 July and the European Central Bank delivered its opinion³ on 5 July. Both included an opinion on the Daisy Chains proposal.
5. At its meeting of 17 November⁴, the Permanent Representatives Committee granted the Spanish Presidency a mandate to enter into negotiations with the European Parliament on the Daisy Chains proposal. The European Parliament agreed its negotiating position on 20 November.

II. STATE OF PLAY

6. The co-legislators held two trilogues on the Daisy Chains proposal. At the second and final trilogue on 6 December, a provisional agreement was reached between the co-legislators on a final compromise legal text.
7. On 7 December the Presidency launched a silence procedure at WP level on the final compromise draft legal text. The silence procedure closed on 12 December and delegations raised no objections. The final compromise legal text on Daisy Chains is as set out in the document ST 16448/23 accompanying this note.

² Doc. 12013/23

³ Doc. 11577/23

⁴ Doc. 15020/23

III. CONCLUSION

8. The Permanent Representatives Committee is therefore invited to:
- (a) confirm agreement on the final compromise legal text on Daisy Chains as set out in document ST 16448/23 accompanying this note with a view to reaching an agreement at first reading with the European Parliament;
 - (b) authorise the Chair of the Permanent Representatives Committee to send a letter to inform the Chair(s) of the European Parliament's ECON Committee that, should the European Parliament adopt its position at first reading on the text of the proposal in the exact form as set out in document ST 16448/23 accompanying this note, and subject to revision of that text by the lawyer-linguists of both institutions, the Council will approve the European Parliament's position and the act will be adopted in the wording which corresponds to the European Parliament's position.
9. In accordance with the approach to legislative transparency endorsed by Coreper on 14 July 2020⁵, and in full consistency with Regulation (EC) 1049/2001 and the Council's Rules of Procedure, the text of the mandate thus agreed will be made public unless the Permanent Representatives Committee objects.

⁵ Doc. 9493/20.