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COVER NOTE

From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

To: Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

Subject: CMDI: COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT pursuant to Article 294(6) of the TFEU concerning the position of the Council on the adoption of the Directive amending the DGSD (Directive 2014/49/EU); COM(2026)124 final [115/2023 (COD)] - SGD(2026)404



Brussels, 6.3.2026
COM(2026) 124 final

2023/0115 (COD)

**COMMUNICATION FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT**

pursuant to Article 294(6) of the Treaty on the Functioning of the European Union

concerning the

position of the Council on the adoption of a 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

(Text with EEA relevance)

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1. BACKGROUND

Date of transmission of the proposal to the European Parliament and to the Council (document COM(2023) 228 final – 2023/0115 COD): 19 April 2023.

Date of the opinion of the European Economic and Social Committee: 13 July 2023.

Date of the position of the European Parliament, first reading: 24 April 2024.

Date of transmission of the amended proposal: N/A.

Date of adoption of the position of the Council: 5 March 2026.

2. OBJECTIVE OF THE PROPOSAL FROM THE COMMISSION

The Commission proposed a package of four amending acts to reform the Crisis Management and Deposit Insurance (CMDI) framework. The proposed amendments to Directive 2014/59/EU as regards certain aspects of the minimum requirement for own funds and eligible liabilities (COM/2023/229 final) were adopted separately by the co-legislators as Directive (EU) 2024/1174. The remaining three acts proposed amendments to, respectively, Directive 2014/59/EU, Regulation (EU) 806/2014, and Directive 2014/49/EU.

The overarching objectives of the CMDI proposal have been to better protect financial stability and taxpayers' money, shield the real economy from the impact of bank failures and to further enhance depositor protection. The proposal aims to achieve those objectives by improving the crisis management tools used to manage the failure of smaller and medium-sized banks. The main tool for achieving that goal is enabling resolution authorities to use funds from deposit guarantee schemes to finance the implementation of a transfer strategy in cases in which the internal loss-absorbing capacity of such a bank is not sufficient to access the resolution fund.

3. COMMENTS ON THE POSITION OF THE COUNCIL

The position of the Council regarding the proposed amendments to Directive 2014/49/EU, as

adopted at first reading, fully reflects the political agreement reached between the European Parliament and the Council on 25 June 2025. The Commission supports this agreement. The main points of this agreement regarding Directive 2014/49/EU are the following:

- The agreed amendments further frame the use of deposit guarantee schemes (DGS) funds outside of resolution. The use of DGS funds for preventive measures remains optional for Member States but their use, becomes subject to additional conditions and safeguards, in particular the least cost test (LCT) which is the same as for use of DGS funds in resolution, i.e. capping the intervention at the gross amount of covered deposits.
- Similarly, the use of DGS funds for alternative measures in insolvency becomes subject to the same LCT and further rules governing what types of transfers from the failing bank can be financed by DGS as part of those measures.
- Institutional protection schemes (IPS) recognised as DGS are required to maintain an ex-ante target level at 0.8% of covered deposits. They are allowed to temporarily transfer funds for the purpose of supporting affiliated institutions' liquidity and solvency up to a certain limit and subject to safeguards. Those funds should be repaid within 7 working days in case of payout or a contribution to the resolution of a credit institution affiliated to such an IPS recognised as DGS.

4. CONCLUSION

The Commission supports the results of the interinstitutional negotiations and can therefore accept the Council's position at first reading.