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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
No. Cion doc.:	COM(2026) 123 final
Subject:	CMDI - 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 2014/59/EU as regards early intervention measures, conditions for resolution and funding of resolution action and Directive 2014/24/EU as regards valuation services in resolution

Delegations will find attached document COM(2026) 123 final.

Encl.: COM(2026) 123 final



Brussels, 6.3.2026
COM(2026) 123 final

2023/0112 (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 2014/59/EU as regards early intervention measures, conditions for resolution and funding of resolution action and Directive 2014/24/EU as regards valuation services in resolution

(Text with EEA relevance)

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1. BACKGROUND

Date of transmission of the proposal to the European Parliament and to the Council 19 April 2023.
(document COM(2023) 227 final – 2023/0112 COD):

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 2014/59/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 2014/59/EU are the following:

- The public interest assessment is amended by requiring the resolution authorities to resolve a bank if any of the resolution objectives is at risk and winding up the bank under normal insolvency proceedings would not achieve the resolution objectives more effectively.
- The least cost test for use of deposit guarantee schemes (DGS) in resolution is simplified by capping DGS interventions at the gross amount of covered deposits, while the existing super-preference of covered deposits is preserved within a simpler three-tier creditor hierarchy.
- Rules on using DGS for resolution funding are subject to explicit sequencing, safeguards and burden-sharing requirements, ensuring that banks' internal loss absorbing capacity remains the first line of defence and taxpayers' money is well protected.

4. CONCLUSION

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