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**From:** General Secretariat of the Council

**To:** Working Party on Financial Services and the Banking Union (CMDI)  
Financial Services Attachés

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**Subject:** CMDI WP 17.06.2025: Commission non-paper - Compromise proposal for Article 14(3) DGSD on transfer of contributions

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## Compromise proposal for Article 14(3) DGSD on transfer of contributions

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### *Scene setter*

*This compromise aims at finding a middle ground between the position of the European Parliament and the Council regarding transfer of contributions. The European Parliament foresees in Article 14(3) that when a bank changes affiliation to a DGS or its activities are transferred to another DGS, the DGS of origin will have to transfer to the receiving DGS an amount of contributions which reflects the additional potential liabilities faced by the receiving DGS as a result of the transfer, taking into account the impact of the transfer on the financial situation of both the receiving DGS and the DGS of origin relative to the risks they cover. The Council wants to maintain the agreement reached in 2014, i.e. the transfer of contributions raised for the 12 months preceding the transfer. However, the current provision is not future proof as it does not reflect the agreed principle that if a credit institution changes its affiliation, a fraction of contributions should be transferred to the receiving DGS.*

*The Commission suggests a solution that mirrors the 2014 agreement and the spirit of the current Directive. The current text refers to the contributions raised during the year preceding the change of affiliation. During the build-up period this amount was +/- equal to 0,1% of the covered deposits which are to be transferred to the new DGS. Commission's services suggested a compromise which would set this amount to 0,1% of covered deposits transferred. The proposal below maintains this principle and addresses two important questions raised by Member States: (i) when no (or less than 0.1% of covered deposits) contributions were received by the DGS of origin from of a bank which subsequently moves to another DGS and (ii) when the change of affiliation takes place after a major payout and depletion of the DGS of origin.*

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### *Article 14*

(3) Member States shall ensure that where, a credit institution ceases to be member of a DGS and joins another DGS, or if some of the credit institution's activities are transferred to another DGS, the DGS of origin shall transfer to the receiving DGS **an amount equal to one-eighth of the total amount of contributions collected from that credit institution with respect to the covered deposits transferred, excluding any extraordinary contributions. In any case, that amount shall not exceed 0.1% of the covered deposits transferred.**

*(This provision should apply as of the date of entry into force of this Directive to mitigate the risk that the current provision could result in an unequal treatment of DGSs.)*

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

**By way of derogation from the first subparagraph, Member States shall ensure that the DGS of origin may defer by a maximum of 6 years, in whole or in part, the transfer of the amount determined in accordance with paragraph 3 when the available financial means**

**of the DGS of origin have fallen below two-thirds of the target level due to the use of those financial means pursuant to Article 11 of Directive 2014/49/EU prior to the date of the transfer.**

**Member States shall ensure that within 1 month of the change of DGS membership, the DGS of origin and the receiving DGS agree on a plan for the payment of the transfer within the period referred to in the second subparagraph.**

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