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**WORKING DOCUMENT**

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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 on sensitive technical topics (Annex I of 8th political trilogue)

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## Suggest way forward on selected items

On 5 June 2025, the Commission was tasked by co-legislators to prepare a compromise proposal on a list of points summarised in two tables included in an Annex attached to the agenda of the political trilogue.

This document replicates these two tables and offers a possible compromise (last column) for discussion among co-legislators.

**Table 1: EBA and other mandates**

Issue	Lines	COM proposal	EP	Council	Possible compromise
Monitoring application of PIA	218b ff BRRD	-	Shall provide a report May prepare RTS	-	EBA to report on the resolution authorities' policies with respect to public interest assessment at resolution planning stage.
Monitoring MREL eligible instruments held by retail clients	299g BRRD	-	RAs shall monitor and report to EBA	-	A new recital emphasising the importance of the rules on the protection of retail clients, especially when they are depositors of the issuing bank, and the need for authorities to adequately monitor and enforce those rules (on the basis of existing reporting), including in the context of resolvability assessments. This would be combined with shortening of the deadline for joint EBA/ESMA report on the application of Article 44a from 24 to 18 months (line 300).
Report on liquidity in resolution	413c SRMR	-	COM to report	-	Report can be maintained but should explicitly refer to private measures, in addition to public ones, to ensure the provision of liquidity in resolution. The empowerment would also refer to international developments in order to reflect on ongoing discussions in the Financial Stability

Issue	Lines	COM proposal	EP	Council	Possible compromise
					Board which will lead to a thematic review on the topic of liquidity in resolution in 2026.
Report on effectiveness of internal loss transfer	413f SRMR	-	COM to report	-	No report as this issue should not be tackled in isolation from broader considerations on the single market and the home-host balance.
Report on maintenance of BtG >30bn	416d SRMR	-	-	COM to report	Reporting by Commission would be integrated in the features of the 'emergency brake' condition kept as one condition for the bridge mechanism. Under this provision, Commission would provide a report on the use of the bridge mechanism and submit, where necessary, a legislative proposal to amend the mechanism if it proved not adequate.
Stress tests of DGSDs	93 DGSD	Guidelines	RTS	Guidelines	RTS, considering the relevance of the area
Amounts given temporary protection	111b DGSD	-	Commission to review and report	-	Maximum amount in Article 6(2) DGSD would be only relevant for point (a) (line 111b) due to the potential for unpredictable amounts in the cases under (b) and (c).  Commission offered review text on amounts in technical meetings (line 113b)
Coverage of client fund deposits	144ff DGSD	RTS	RTS	Guidelines	RTS, for credibility of the system and convergence
Conditions and monitoring of preventive measures	213b DGSD	-	RTS	-	Guidelines, considering the IPS practice
Elements of note / plan accompanying preventive measures	227 DGSD	Guidelines	Guidelines	-	Delete (simplification)

Issue	Lines	COM proposal	EP	Council	Possible compromise
Methods for calculating contributions to DGS	254i DGSD	Guidelines (no change to existing)	RTS	Guidelines (no change to existing)	Guidelines
Methods for calculating transfer amount when change of DGS	266a DGSD	No level 2. Amount fixed at contributions for last 12 months	RTS	+/- = COM	Can be deleted if the Commission compromise on Article 14(3) DGSD is accepted, as it would provide sufficient quantitative guidance
Home / host DGSs	270 DGSD	Guidelines	Guidelines within 24 months	Guidelines	Guidelines within 24 months
Coverage of branches in 3rd countries	278a DGS	-	Guidelines	-	Delete (simplification)

**Table 2: Numerical issues**

Issue	Lines	COM proposal	EP	Council	Possible compromise
Appointment / renewal of temporary administrator	157b BRRD, 193 SRMR  (Art 29(7) BRRD, 13b(7) SRMR)	No change to existing BRRD: Appointment for maximum 1 year, may exceptionally be renewed	Appointment for maximum 1 year, exceptionally renewable once	No change, as COM	Appointment for 1 year with possibility of renewal for another year if conditions for appointment continue to be met. Renewal beyond 1+1 possible only in extraordinary circumstances in case the conditions for appointment of the temporary administrator continue to be met solely for reasons beyond the control of the TA and the institution concerned.
MREL transitional period	347a ff (EP), 349b (Council) BRRD  144 ff SRMR	-	4 years from application of BRRD / entry into force of SRMR	3 years from approval of resolution plan, but up to 5 years	For banks changing from liquidation entities to resolution strategy: 4 up to years, extendable to 6 years For other banks: up to 3 years.
Time to re-reach target level of RFAs when < 2/3 target level	417 BRRD  391 SRMR	6 years	4 years	6 years	6 years
Deferral for amount to be proportionate	417 BRRD  391 SRMR	1 or more years	Up to 3 years	1 or more years	Up to 3 years
Transposition date BRRD	475 BRRD	18m from entry into force	18m from entry into force	24m from entry into force	A uniform transposition/application date of 18 months agreed across all three instruments.
Application date SRMR	419 SRMR	18m from entry into force	12m from entry into force	24m from entry into force	A uniform transposition/application date of 18 months agreed across all three instruments.

Issue	Lines	COM proposal	EP	Council	Possible compromise
Limit to temporary protection	109 DGSD	-	€ 2 500 000	-	€ 2 500 000
Time to re-reach target level of DGSs when < 2/3 target level	168 DGSD (197 DGSD also relevant)	6 years	4 years	6 years	6 years
Time to re-reach target level of DGSs for smaller reduction	170c DGSD	-	2 years	-	2y plus the possibility to extend by 1 further year
Transposition date DGSD EU branches	339 DGSD	3m from entry into force	3m from entry into force	3m from <b>general transposition date</b> (= 27m from entry into force)	Agree with Council taking into account the need for transposition
Transition period for IPS	340 DGSD	72 months from entry into force	36m from entry into force	72m from entry into force	60 months from entry into force
Transposition date DGSD preventive and alternative	343 DGSD	36 months from entry into force	36 months from entry into force	48 months from entry into force	36 months from entry into force