Deposit guarantee schemes: coverage level and the payout delay

2008/0199(COD) - 11/03/2009 - Final act

PURPOSE: to amend Directive 94/19/EC on Deposit Guarantee Schemes as regards the coverage level and the payout delay.

LEGISLATIVE ACT: Directive 2009/14/EC of the European Parliament and of the Council amending Directive 94/19/EC on deposit-guarantee schemes as regards the coverage level and the payout delay.

CONTENT: following a first reading agreement with the European Parliament, the Council adopted a Directive raising guarantee levels and reducing payout delays in the event that deposits of a bank would become unavailable. The new Directive includes provisions:

- raising the **coverage level to a minimum of EUR 50 000** as from 30 June 2009, rather than the present EUR 20 000;
- setting the **coverage level at EUR 100 000 as from 31 December 2010**;
- reducing the payout delay to **25 working days** (a period of five working days to establish that a credit institution has failed to repay deposits which are due and payable, and of 20 working days, subject to extension by 10 working days, to make the repayment). The corresponding periods are at present 21 working days and three months, subject to the possibility of two three-month extensions.

By 16 March 2011, the Commission shall submit to the European Parliament and to the Council a report on the effectiveness and delays of the payout procedures assessing whether reduction to 10 working days of the delay could be implemented.

Member States shall ensure that:

- credit institutions make available to actual and intending depositors the information necessary for the identification of the deposit-guarantee scheme of which the institution and its branches are members within the Community;
- the depositors be informed of the provisions of the deposit-guarantee scheme or any alternative arrangement applicable, including the amount and scope of the cover offered by the deposit-guarantee scheme;
- deposit-guarantee schemes perform regular tests of their systems and that, if appropriate, they are informed in the event that the competent authorities detect problems in a credit institution that are likely to give rise to the intervention of deposit-guarantee schemes.

The Commission shall submit a **report** to the European Parliament and to the Council by 31 December 2009 at the latest. It shall be accompanied, if necessary, by appropriate proposals to amend this Directive.

ENTRY INTO FORCE: 16/03/2009.

TRANSPOSITION: 30/06/2009.