

Single Resolution Mechanism and Single Resolution Fund: uniform rules and procedure for the resolution of credit institutions and certain investment firms

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The Council discussed a draft regulation aimed at establishing a single decision-making authority and a single fund for the resolution of failing banks.

The presidency instructed the Council's working group to continue work so as to enable it to prepare a final compromise proposal for the Council's meeting on **10 December 2013**.

The presidency identified issues for consideration by the working group in the following terms:

- **Scope of the single resolution mechanism (SRM):** the point of departure must be that the SRM covers all banks authorised in the participating member states. The working group will however, examine options for enhancing the role of national resolution authorities, bearing in mind the role that national supervisory authorities have in the supervision of less significant banks in the SSM.
- **Decision-making authority:** a large degree of support for the governance structure laid out in the presidency compromise proposal was observed, but an agreement has yet to be found. The voting modalities and the possibilities for involving the Council shall be explored. Any mechanism should enable swift, robust and effective decision-making.
- **Structure of the single resolution fund:** work should continue on the premise that there will be a **single fund**. Beyond that, the working group shall explore possibilities as regards the structure and the build-up of the fund. It will consider how the fund can be constructed in a transitional period.
- **Non-contractual liability and equality of treatment of participating and non-participating member states:** options will be considered to resolve these issues in a reasonable and fair manner.

It should be noted that the Parliament and the Council are currently negotiating a [directive on bank recovery and resolution](#), which is aimed at harmonising EU rules for the orderly resolution of banks.