Early intervention measures, conditions for resolution and funding of resolution action (SRMR3)

2023/0111(COD) - 26/03/2026 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a legislative resolution **approving** the Council's position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council amending Regulation (EU) No 806/2014 as regards early intervention measures, conditions for resolution and funding of resolution action.

The proposal is part of a package of amending acts aimed at **reforming the framework put in place for the crisis management and deposit insurance** (CMDI) framework.

The proposals relating to the CMDI framework have the general objectives of better protecting financial stability and taxpayers' money, protecting the real economy from the impact of bank failures and further strengthening the protection of depositors.

The CMDI package provides for a targeted development of the existing framework with the aim of making the orderly resolution for small and medium-sized banks practicable by authorising resolution authorities to draw, in exceptional cases and under strict conditions, on funds from the deposit guarantee scheme (DGS) to finance the implementation of a bank’s transfer resolution strategy if the internal loss-absorbing capacity of such bank is not sufficient to access the resolution funding arrangement.

The reform aims to:

- **minimise recourse to taxpayers’ money while preserving depositor access and financial stability** and upholding the resolution framework’s key principle of primary loss absorption by shareholders and creditors to protect the integrity of resolution funding arrangements;

- **harmonise the treatment of alternative and preventive measures** and strengthens cross-border coordination between supervisors and resolution authorities.

The main changes agreed within the framework of the Council's position on the proposals to amend Regulation (EU) No 806/2014 (SRM Regulation) are as follows:

- **the use of deposit guarantee schemes to access funding from the Single Resolution Fund** (SRF) is subject to sequencing, guarantee, and burden-sharing rules identical to those agreed for Directive 2014/59 /EU (BRRD Directive) and, in some cases, stricter. This ensures that banks' internal loss absorbing capacity remains the first line of defence and that taxpayers' money is well protected. For resolution financing, SRF support should be treated not as a systematic source of funding, but rather as a second line of defence that only becomes available after sufficient internal bailouts from shareholders and creditors.

- **the governance of the Single Resolution Board** (SRB) is reformed through additional consultation obligations involving the Board in its Plenary session, strengthening the involvement of the national resolution authorities in the Board’s decision-making processes.