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

2023/0111(COD) - 20/04/2026 - Final act

PURPOSE: to establish a reformed framework for crisis management and deposit insurance (CMDI framework) applicable to banks within the EU.

LEGISLATIVE ACT: Regulation (EU) 2026/808 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.

CONTENT: This regulation is part of a package of amending acts aimed at **reforming the framework for bank crisis management and deposit insurance** (the "CMDI framework"). The revision of the CMDI also amends Directive 2014/49/EU (the Deposit Guarantee Schemes Directive or "DGSD Directive") and Directive 2014/59/EU (the Bank Recovery and Resolution Directive or "BRRD Directive").

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The amendments to the CMDI framework have the overall objectives of **better protecting financial stability and taxpayers' money**, **shielding the real economy from the impact of bank failures,** and **further strengthening depositor protection**. To this end, they aim to improve the crisis management tools used to address the failure of relatively small and medium-sized banks. The main instrument for achieving this is to allow resolution authorities to use funds from deposit guarantee schemes to finance the implementation of a transfer strategy in cases where the failing bank does not have sufficient internal loss-absorbing capacity to qualify for resolution funding.

This Regulation addresses the need to ensure a **more effective and consistent application of the Union's resolution framework** and to ensure that it can be applied whenever doing so is in the public interest, including for certain smaller and medium-sized entities which are primarily funded through deposits and do not have sufficient other bail-inable liabilities.

Bridging the gap

The revised framework will facilitate access for failing banks to industry-funded safety nets - namely national resolution funds and, in the Banking Union, the Single Resolution Fund (SRF) - to finance their resolution and eventual exit from the market. This involves using deposit guarantee funds to 'bridge the gap', i.e. to use such funds to supplement a failing bank's own loss-absorption buffers of own funds and convertible liabilities (MREL), which ensure that losses are borne first by the bank’s shareholders and creditors.

Banks with insufficient MREL at the time of resolution can, as a last resort, rely on DGS or resolution funds (or SRF in the banking union) to finance their resolution without bailing in their depositors.

Access to industry-funded safety nets will be subject to strict safeguards to ensure that MREL remains the primary line of defence, and that moral hazard is minimised.

Public interest assessment (PIA)

A resolution procedure can only be initiated if considered to be in the public interest. The new CMDI framework clarifies how the existing public interest assessment should be conducted by resolution authorities. It broadens the criteria prioritising resolution over liquidation when it better serves financial stability and depositor protection.

Deposit guarantee schemes

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.

Single Resolution Board (SRB)

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.

ENTRY INTO FORCE: 10.5.2026

TRANSPOSITION: from 11.5.2028.