Basic information

2015/0270(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Awaiting Parliament's position in 1st reading
European deposit insurance scheme (EDIS) Amending Regulation (EU) 806/2014 2013/0253(COD) **Subject** 2.50.04 Banks and credit 2.50.10 Financial supervision 5.20.02 Single currency, euro, euro area **Legislative priorities** Joint Declaration 2021 Joint Declaration 2022 Joint Declaration 2023-24	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	MUREŞAN Siegfried (EPP)	12/09/2024

Former committee responsible	Former rapporteur	Appointed
ECON Economic and Monetary Affairs	KARAS Othmar (EPP)	29/02/2024
ECON Economic and Monetary Affairs		

Former committee for opinion	Former rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
BUDG Budgets		
EMPL Employment and Social Affairs		
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection		

IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	
REGI Regional Development		
REGI Regional Development	The committee decided not to give an opinion.	
JURI Legal Affairs	The committee decided not to give an opinion.	
JURI Legal Affairs		
AFCO Constitutional Affairs		
AFCO Constitutional Affairs	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	3435	2015-12-08
Economic and Financial Affairs ECOFIN	3626	2018-06-22

European Commission

Commission DG	Commissioner
Economic and Financial Affairs	DOMBROVSKIS Valdis

European Economic and Social Committee

Key events

Date	Event	Reference	Summary
24/11/2015	Legislative proposal published	COM(2015)0586	Summary
08/12/2015	Debate in Council		
18/01/2016	Committee referral announced in Parliament, 1st reading		
22/06/2018	Debate in Council		
21/10/2019	Resumption of business from the previous parliamentary term		
18/04/2024	Vote in committee, 1st reading		
23/04/2024	Committee report tabled for plenary, 1st reading	A9-0182/2024	Summary

13/11/2024	Resumption of business from the previous parliamentary term		

Technical information	
Procedure reference	2015/0270(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EU) 806/2014 2013/0253(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 114
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting Parliament's position in 1st reading
Committee dossier	ECON/10/00056

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A9-0182/2024	23/04/2024	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2015)0586	24/11/2015	Summary
Commission document (COM)	COM(2015)0587	24/11/2015	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2015)0586	16/02/2016	
Contribution	DE_BUNDESRAT	COM(2015)0586	22/02/2016	
Contribution	RO_SENATE	COM(2015)0587	14/03/2016	
Contribution	DE_BUNDESTAG	COM(2015)0586	21/03/2016	
Contribution	RO_SENATE	COM(2015)0586	29/03/2016	
Contribution	RO_CHAMBER	COM(2015)0587	06/04/2016	
Contribution	CZ_SENATE	COM(2015)0586	21/04/2016	

Contribution	RO_CHAMBER	COM(2015)0586	10/05/2016	
Contribution	IT_SENATE	COM(2015)0586	23/05/2016	
Contribution	IT_SENATE	COM(2015)0587	23/05/2016	
Contribution	FR_SENATE	COM(2015)0586	25/07/2016	
Contribution	IT_CHAMBER	COM(2015)0587	30/01/2017	
Contribution	IT_CHAMBER	COM(2015)0586	31/01/2017	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES6357/2015	16/03/2016	
ECB	European Central Bank: opinion, guideline, report	CON/2016/0026 OJ C 252 12.07.2016, p. 0001	20/04/2016	Summary
CofR	Committee of the Regions: opinion	CDR1602/2016	12/10/2016	

Additional information

Source	Document	Date
EP Research Service	Briefing	
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
MUREŞAN Siegfried	Rapporteur	ECON	01/10/2025	representatives of the Baden-Württemberg cooperative banks and savings banks
MUREŞAN Siegfried	Rapporteur	ECON	03/03/2025	Deutscher Sparkassen-und Giroverband
FERNÁNDEZ Jonás	Shadow rapporteur	ECON	01/03/2023	Insurance Ireland

Other Members

Transparency

Name	Date	Interest representatives
WINZIG Angelika	20/11/2025	Verband der Versicherungsunternehmen Österreichs / Austrian Insurance Association
SAILLIET Laurence	07/03/2024	Fédération bancaire française

European deposit insurance scheme (EDIS)

2015/0270(COD) - 24/11/2015 - Document attached to the procedure

This Communication, which accompanies the Commission's legislative proposal to establish the European Deposit Insurance Scheme (EDIS), is placed in the broader context of completing the Banking Union and the necessary **additional measures** of risk sharing and risk reduction in the banking sector.

Completing Banking Union: the Banking Union was established primarily in response to the financial crisis that evolved into a sovereign debt crisis in particular in the euro area. The crisis was driven by the link between banks and their respective national sovereign.

To this end, the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM) – the first two pillars of the Banking Union – have been established. The SSM became operational in November 2014 and is already delivering independent and uniform prudential supervision. The SRM will be fully operational from January 2016, when contributions to the Single Resolution Fund (SRF) will also begin.

However, while some components of the Banking Union are already or will soon become operational, the overall construction is clearly incomplete. One of the missing elements, as underlined in the Five Presidents' Report and set out in this Communication, is a common deposit insurance scheme.

The Commission therefore proposes a **common deposit insurance scheme** (EDIS) for Banking Union, based on a reinsurance approach that will be progressively converted to a full insurance scheme over a number of years.

EDIS would **increase the resilience of the Banking Union against future financial crises** by reducing the vulnerability of national deposit guarantee schemes to large local shocks and further **reducing the link between banks and their home sovereign**. In such circumstances, EDIS could help to reassure depositors across the Banking Union and so reduce the risk of bank runs and increase financial stability.

Bridging finance for the Single Resolution Fund (SRF) and provision for a common fiscal backstop: in the context of establishing Banking Union, Member States should also begin work to reinforce the agreed bridge-financing arrangements for the SRM and on developing a common fiscal backstop:

1) Bridging finance: bank contributions to the SRF will begin in 2016, but the SRF will not reach its steady state size of approximately EUR 55 billion until 2024. Contributions will be mutualised on a progressive basis over an eight-year period. These features, during the transition to full mutualisation, will limit the borrowing capacity of the SRF in the coming years.

To address the risk of inadequate SRF capacity, the participating Member States are discussing the **establishment of national credit lines** to support their respective compartments. Member States' credit lines would be supporting a declining share of the total SRF over time. The Commission considers it essential, therefore, that Member States (i) take the necessary steps to put these national credit lines in place **before 1 January 2016** when the Single Resolution Board becomes fully operational, (ii) begin discussion of a **more robust mutualised credit line** via the European Stability Mechanism (ESM).

2) A common fiscal backstop: even this extensive menu of prudential and crisis management measures cannot eliminate entirely the risk that public funding may be required to enhance the financial capacity of resolution funds. For this reason, Member States have agreed that the Banking Union requires access to an **effective common fiscal backstop to be used as a last resort**. Such a backstop would imply a temporary mutualisation of possible fiscal risk related to bank resolutions across the Banking Union. However, use of the backstop would be fiscally neutral in the medium term, as any public funds used would be reimbursed over time by the banks (through ex-post contributions to the SRF).

Risk reduction measures: the Commission considers that the risk sharing implied by these measures must be accompanied by measures to reduce risk in the banking sector by weakening the link between banks and their national sovereigns. From this point of view, the first priority is to ensure that Member States **deliver full transposition** of the Bank Recovery and Resolution Directive (BRRD) and the Deposit Guarantee Scheme Directive.

(DGSD). The Commission has begun infringement proceedings against several Member States. It has also called on Member States to ratify the Inter-Governmental Agreement on the SRF.

Furthermore, **additional risk-reducing measures** will be needed in parallel with work to establish EDIS:

- to ensure that the SSM can function effectively, it is necessary to **reduce national options and discretions in the application of prudential rules,** e.g. in the Directive and Regulation on own funds (CRD IV and CRR) that apply to banks under the responsibility of the SSM. Significant progress has been made in this respect;
- the **harmonisation of national deposit guarantee schemes** will need to advance in parallel with the establishment of EDIS;
- **the Single Resolution Board must be enabled to operate as effectively as possible** so that it might respond in a timely and effective manner in the event that a bank(s) is failing or likely to fail. In addition, the TLAC (total loss absorbing capacity) requirement has been developed at the international level by the Financial Stability Board. The Commission will bring forward a legislative proposal in 2016 so that TLAC can be implemented by the agreed deadline of 2019. The operation of the SRF should also begin smoothly;
- it is essential that **the use of public funds to sustain a solvent and resilient banking sector be minimised and be available only as a last resort**. To this end, there must be a consistent application of the bail-in rules under BRRD so as to ensure that the costs of resolving banks that are failing or likely to fail are borne primarily by their shareholders and creditors;
- as identified in the Commission's action plan on building a capital markets union of 30 September 2015, there is a need for **greater convergence in insolvency law and restructuring proceedings across Member States;**

- lastly, a number of **further targeted prudential measures** addressing weaknesses identified should be put in place. These measures include the remaining elements of the regulatory framework agreed within the Basel Committee, and in particular measures to limit bank leverage, to assure stable bank funding and to improve the comparability of risk-weighted assets.

The Commission will work to ensure that further measures to reduce risk are taken in parallel with ongoing work to establish EDIS, including any necessary regulatory changes.

It will continue the dialogue on the overall package of EDIS and risk reduction measures **with the European Parliament, Member States and all interested parties.**

European deposit insurance scheme (EDIS)

2015/0270(COD) - 23/04/2024 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Othmar KARAS (EPP, AT) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 806/2014 in order to establish a European Deposit Insurance Scheme.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Subject matter

According to Members, the creation of a European Deposit Insurance Scheme would not only increase confidence among Union depositors in the financial markets, but would also reduce risks for consumers while facilitating access to a wider choice of financial products and promoting the stability and integration of the banking system.

This amending Regulation establishes the **first stage** of a European Deposit Insurance Scheme (EDIS I), which operates as a liquidity scheme that provides loans to participating deposit guarantee schemes, with the aim of making progress towards the establishment of a full insurance scheme with loss coverage at a later stage. The establishment of an EDIS I, with decision-making, monitoring and enforcement powers centralised and entrusted to the Single Resolution and Deposit Insurance Board, will be essential in achieving the objective of a harmonised deposit guarantee framework.

Modalities for the use of the Deposit Insurance Fund

This amending Regulation establishes the modalities for the use of the Deposit Insurance Fund and the general criteria to determine the fixing and calculation of contributions and lays down the powers of the Board for using and managing the Deposit Insurance Fund. The Deposit Insurance Fund could provide liquidity support where the available financial means of a DGS are used for payout, in the context of resolution in accordance with Regulation (EU) 806/2014, or for the measures referred to in Directive 2014/49/EU.

Liquidity support from the Deposit Insurance Fund (DIF) should be available only after funds from participating DGSs have been used. However, spending the necessary administrative expenses of the participating DGS should not be considered as a condition to access funds from the DIF. Additionally, the procedure of preliminary information and the duty to notify the Board should ensure that the necessary liquidity support is provided at an appropriate time before the complete depletion of the funds of a participating DGS.

Mandatory lending

In cases where the DIF funds are insufficient to provide the amount of liquidity support to a participating DGS, all other participating DGSs should be obliged to **lend to the DIF** upon the request of the Board. That mandatory lending should be kept to **30% of the target level** of each lending DGS. The Board should always take into consideration the effect on financial stability when making a decision on mandatory lending. Before the DIF is fully funded, the cap on mandatory lending should decrease evenly from 60% to 30% of the target level of each DGS.

If a DGS has received liquidity support from the DIF or via mandatory lending from other participating DGSs, that liquidity support should be repaid with a clear repayment plan and as a matter of priority for the DGS that received the liquidity support.

Target level of the participating Deposit Insurance Fund (DIF)

After three years, **50% of the target level of the participating DGS** should be transferred to the DIF. The Board should ensure that the contributions are transferred and spread out evenly. In the event that the participating DGS does not have sufficient financial means, the Board should draw up a plan to ensure that the amounts due from that participating DGS are transferred to the DIF within six years. It is the legal responsibility of the participating DGS to meet and maintain both the target level of the DGS and of the DIF.

The Deposit Insurance Fund should be able to contract borrowings or other forms of support from credit institutions, financial institutions or other third parties along with recourse to mandatory lending in the event that the funds available in the Deposit Insurance Fund are not sufficient for the requested liquidity support.

Extending EDIS I

The Commission should continuously review the appropriateness of extending EDIS I from the provision of liquidity support to the establishment of a **full insurance scheme with loss coverage**. It should consider the treatment of institutional protection schemes, changes to the general DGS target level, convergence of contributions to the DIF and the need for a publicly funded backstop mechanism.

The Commission should also examine the possibility of modifying the capital and liquidity waivers and the level of application of the output floor in Regulation (EU) No 575/2013 of the European Parliament and of the Council, as well as progress on legislation and reviews on risk reduction and the diversification of banks' sovereign bond holdings and progress on international level on the regulatory treatment of sovereign exposures.

European deposit insurance scheme (EDIS)

2015/0270(COD) - 24/11/2015 - Legislative proposal

PURPOSE: to establish a European Deposit Insurance Scheme (EDIS) as the third pillar of Banking Union.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with Council.

BACKGROUND: in 2012, the Commission called for a Banking Union that would place the banking sector on a more sound footing and restore confidence in the Euro. The Banking Union should be implemented by:

- shifting supervision to the European level;
- establishing an integrated framework for bank crisis management and,
- setting up a **common system for deposit protection**.

While the establishment of the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM) has achieved the first two steps, a common system for deposit protection has not yet been established.

The Five Presidents' Report set out a clear plan for deepening Economic and Monetary Union (EMU), including steps to further limit risks to financial stability. For the single currency, a unified and fully integrated financial system is key for effective monetary policy transmission, adequate risk diversification across Member States and general confidence in the euro area banking system.

The Commission undertook in its follow-up Communication to put forward a legislative proposal before the end of 2015 on the first steps towards EDIS with a view to creating a more European system, disconnected from the sovereign, so that (i) financial stability is enhanced, (ii) citizens can be certain that the safety of their deposits does not depend on their geographical location, and (iii) sound banks are not penalised by their place of establishment.

IMPACT ASSESSMENT: a **quantitative analysis** has considered the effectiveness of a fully mutualised EDIS in coping with potential pay-outs. The analysis indicates that the number and size of banks for which the Deposit Insurance Fund could handle pay-outs increases significantly for all Member States under EDIS compared to national DGSs.

CONTENT: the proposal envisages the establishment of **a European Deposit Insurance Scheme (EDIS) as the third pillar of Banking Union** through an amendment of Regulation (EU) No 806/2014 (SRM Regulation). It builds on the existing framework of national DGSs as governed by la Directive 2014/49/EU (the DGS Directive). Depositors will continue to benefit from the same levels of protection (EUR 100 000).

Gradual evolution of EDIS: the proposed amendment to the SRM Regulation establishes EDIS in three successive stages. National DGGs would benefit from:

- a **reinsurance** scheme for participating national DGSs in a first period of three years (Phase I),
- a **co-insurance** scheme for participating national DGSs in a second period of four years (Phase 2), and
- a **full insurance** scheme for participating national DGSs in the steady state (phase 3).

Management of the European Deposit Insurance Fund would be **entrusted to the existing Single Resolution Board** during the 3 phases. The Deposit Insurance Fund is part of EDIS. It would be filled by contributions owed and paid by banks directly to the Board and calculated and invoiced by participating DGSs.

EDIS applies to all DGSs that are officially recognised in a participating Member State and to all credit institutions affiliated to such schemes. The participating Member States are those whose currency is the euro and those other Member States that have established a close cooperation with the European Central Bank.

The different stages of EDIS: in all three stages, reinsurance, co-insurance and full insurance, EDIS would both provide funding, and cover losses of participating deposit guarantee schemes.

The funding provided by EDIS **addresses the initial liquidity need of a DGS** to compensate

Depositors within the pay out deadline set by the Directive (normally seven working days), but also to **satisfy the request for contribution to a resolution procedure in time**. The funding must be reimbursed by the participating DGS to the SRB.

EDIS, would, in all stages, also cover losses that the participating DGS ultimately incurs by compensating depositors or contributing to resolution.

The level of funding provided and the share of loss covered by EDIS increase in each stage:

- **in the reinsurance phase**, EDIS would provide additional funds to a national system, but only up to a certain level (20% maximum of the participating DGS's excess loss, the remaining 80% being covered by other sources of financing);

- **in the co-insurance phase**, the EDIS contribution would be 20% in the first year and increases each subsequent year by 20 percentage points, reaching 80% in the last year of co-insurance;
- **following the co-insurance phase**, EDIS will fully insure national DGS as of 2024.

Safeguards for coverage by EDIS: the proposal includes safeguards against incorrect or unwarranted access to EDIS by national DGS. A national DGS can only benefit from EDIS if its funds are being built up in line with a **precise funding path** and it otherwise complies with essential requirements under Union law. The Board can decide to disqualify a participating DGS from EDIS coverage by specific voting requirements.

BUDGETARY IMPLICATIONS: concerning its EDIS-related functions, the Board would be fully financed by administrative contributions from credit institutions affiliated to participating DGSs. In turn, this means that the EDIS-related functions will not necessitate a contribution from the EU budget.

European deposit insurance scheme (EDIS)

2015/0270(COD) - 20/04/2016 - European Central Bank: opinion, guideline, report

EUROPEAN CENTRAL BANK OPINION OF THE EUROPEAN CENTRAL BANK on a proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 806/2014 in order to establish a European Deposit Insurance Scheme.

Overall, the ECB:

- fully shares the Commission's view that a single system of deposit protection is the necessary third pillar of the Banking Union and that it is needed to further enhance depositor protection and to underpin financial stability, thus contributing to the deepening of Economic and Monetary Union (EMU);
- welcomes the fact that the proposed regulation puts in place a gradual process of increasing the mutual insurance of participating DGSs in order to finally achieve a uniform system of deposit insurance that limits the link between a bank and its home sovereign;
- welcomes the fact that the proposed regulation sets a clear roadmap and timeline with clearly defined and limited transitional steps towards a fully-fledged EDIS.

The ECB also supports all other risk reduction measures in the banking sector, in addition to the creation of European Deposit Insurance Scheme (EDIS), as recommended by the Commission in its Communication "Towards the completion of the Banking Union". In this context, it emphasises the importance of the full and timely implementation of Directive 2014/49/EU of the European Parliament and of the Council as a necessary precondition to the EDIS.

The ECB states that a solution that makes the transition from one phase of EDIS to the next dependent on the progress with regard to risk reduction could cause delay. If such a conditional phasing-in of EDIS is supported, **any milestones on risk-reduction would have to be precisely defined** ex-ante, objectively verifiable, realistically achievable and legally linked to the transitions between the phases in the EDIS proposal. In order to ensure that EDIS is not postponed indefinitely, the list of milestones should include the most important elements that are needed to further strengthen the Banking Union.

The ECB makes a number of specific comments on the following issues:

Objective of the proposed regulation: the ECB considers it necessary to expressly clarify, within the text of the proposed regulation, that the EDIS also has the objective of ensuring the highest possible level of depositor protection across the Member States of the Banking Union.

Scope of the EDIS: the ECB welcomes the fact that the proposed regulation should apply to all DGSs that are officially recognised in the Member States participating in the Banking Union under Directive 2014/49/EU. However, all credit institutions with access to EDIS resources must be regulated and supervised on the basis of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2013/36/EU of the European Parliament and of the Council. This is fully in line with the recommendation of the Five Presidents' Report that the EDIS's scope should coincide with that of the SSM and that the risk-based fees should be paid by all the participating banks in the Member States.

Governance of the EDIS: the ECB welcomes the fact that the EDIS will be administered by the Board. Resources for both the Single Resolution Fund (SRF) and the Deposit Insurance Fund (DIF) should be clearly earmarked for their respective purposes, specifically avoiding the risk that resources for deposit protection might be commingled and potentially ‘consumed’ for resolution purposes.

Minimising costs for liquidation and control over the use of the EDIS: resolution authorities should try to minimise resolution costs and avoid destruction of value, the authorities in charge of liquidation should also have the general objective of minimising liquidation costs, thereby also ensuring that losses for covered deposits, and consequently, the DGSs, are minimised. In order to achieve this goal, the authorities in charge of liquidation should be permitted to carve out the covered deposit book together with certain other assets of the failing credit institution and transfer them to a private sector purchaser.

It is also important that the Board has the possibility to exercise some control over the national liquidation process. It should be able to have a say in the liquidation proceeding if it is likely that EDIS resources will be needed.

Risk-based contributions: the ECB supports the fact that the proposed regulation introduces a methodology throughout the Banking Union for calculating risk-based contributions from the co-insurance stage and that it designates the Board to set each credit institution's contribution level relative to all other participating credit institutions.

An important issue to consider will be whether, and if so to what extent, the risk-based approach to determine the level of contributions should also reflect the likelihood to trigger deposit insurance for a credit institution, and especially the likelihood that it should be put into liquidation as opposed to resolution.

Use of resources: the ECB welcomes the fact that the proposed regulation requires the use of resources, not only for pay-outs, but also in the event of resolution occurring in any of the three stages of the EDIS. However, the proposed regulation needs to expressly address whether deposit balances above EUR 100 000, which are temporarily protected from 3 to 12 months according to the legislation of the Member State concerned, should be covered by EDIS.

Duty of the EDIS towards DGSs in both the partial and full insurance stages: the ECB states that at the full insurance stage, the proposed regulation should clearly stipulate a legal obligation for the EDIS or the DIF to meet all resource needs related to depositors' claims following an event notified by a national DGS. The same legal obligation, albeit limited to the specific share that is co-insured, must also apply to the obligations of the EDIS towards the DGSs during the co-insurance phase. This also confirms the need for a fiscally neutral public backstop for the EDIS. The length of time for the Board to take a decision on the available financial means should be reduced, since DGSs are expected to compensate depositors within seven working days.

Disqualification from coverage by the EDIS: the ECB supports the fact that the proposed regulation provides safeguards aimed to ensure that all DGSs comply with their respective obligations. Infringements triggering a disqualification should be established in a more precise way in order to enhance legal certainty. Other sanctions, including penalty payments, could be considered for lesser breaches. Furthermore, where a disqualification is decided, a proper mechanism needs to be in place to ensure that the overarching aim of ensuring the adequate protection of all guaranteed deposits is fully respected at any given time. The ECB suggests several solutions in this context.

Backstop arrangements: the ECB is of the view that a fiscally neutral common public backstop for the EDIS at the latest as of the full insurance stage is necessary to ensure a uniformly high level of confidence in deposit protection under all circumstances and to effectively weaken the bank/sovereign link at the national level. However, the proposed regulation does not provide such a measure.