Basic information

2023/0115(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency Amending Directive 2014/49 2010/0207(COD) **Subject** 2.50.02 Savings 2.50.04 Banks and credit 4.70.05 Regional cooperation, cross-border cooperation **Legislative priorities** Joint Declaration 2023-24	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	PETER-HANSEN Kira Marie (Greens/EFA)	12/09/2024
	Shadow rapporteur NIEDERMAYER Luděk (EPP) TINAGLI Irene (S&D) ZIJLSTRA Auke (PfE) ZĪLE Roberts (ECR) BOYER Gilles (Renew) SCHIRDEWAN Martin (The Left) JUNGBLUTH Alexander (ESN)	

Former committee responsible	Former rapporteur	Appointed
ECON Economic and Monetary Affairs	PETER-HANSEN Kira Marie (Greens/EFA)	27/11/2023

Former committee for opinion	Former rapporteur for opinion	Appointed
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	

	JURI Legal Affairs	The committee decided not to give an opinion.	

Council of the European Union	

European Commission	Commission DG	Commissioner
	Financial Stability, Financial Services and Capital Markets Union	MCGUINNESS Mairead

Key events

Date	Event	Reference	Summary
18/04/2023	Legislative proposal published	COM(2023)0228	Summary
10/07/2023	Committee referral announced in Parliament, 1st reading		
20/03/2024	Vote in committee, 1st reading		
25/03/2024	Committee report tabled for plenary, 1st reading	A9-0154/2024	
24/04/2024	Decision by Parliament, 1st reading	T9-0328/2024	Summary
24/04/2024	Results of vote in Parliament		
21/10/2024	Committee decision to open interinstitutional negotiations after 1st reading in Parliament		
13/11/2024	Resumption of business from the previous parliamentary term		
13/11/2024	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 73)		
05/11/2025	Approval in committee of the text agreed at early 2nd reading interinstitutional negotiations	PE779.333	
06/03/2026	Council position published	15484/1/2025	
12/03/2026	Committee referral announced in Parliament, 2nd reading		
18/03/2026	Vote in committee, 2nd reading		
19/03/2026	Committee recommendation tabled for plenary, 2nd reading	A10-0065/2026	
25/03/2026	Debate in Parliament		
26/03/2026	Decision by Parliament, 2nd reading	T10-0090/2026	Summary
26/03/2026	Results of vote in Parliament		
30/03/2026	Final act signed		
20/04/2026	Final act published in Official Journal		

Technical information

Procedure reference	2023/0115(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 2014/49 2010/0207(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 053-p1
Stage reached in procedure	Procedure completed
Committee dossier	ECON/9/11799

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE753.698	03/10/2023	
Amendments tabled in committee		PE754.693	06/11/2023	
Committee report tabled for plenary, 1st reading/single reading		A9-0154/2024	25/03/2024	
Text adopted by Parliament, 1st reading/single reading		T9-0328/2024	24/04/2024	Summary
Text agreed during interinstitutional negotiations		PE779.333	05/11/2025	
Committee draft report		PE785.243	10/03/2026	
Committee recommendation tabled for plenary, 2nd reading		A10-0065/2026	19/03/2026	
Text adopted by Parliament, 2nd reading		T10-0090/2026	26/03/2026	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position	15484/1/2025	06/03/2026	
Draft final act	00019/2026/LEX	24/03/2026	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2023)0228	18/04/2023	Summary
Document attached to the procedure	SWD(2023)0225	19/04/2023	
Document attached to the procedure	SWD(2023)0226	19/04/2023	
Commission response to text adopted in plenary	SP(2024)394	08/08/2024	
Commission communication on Council's position	COM(2026)0124	06/03/2026	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2023)0228	02/10/2023	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EDPS	Document attached to the procedure	N9-0047/2023 OJ C 255 20.07.2023, p. 0004	12/06/2023	
ECB	European Central Bank: opinion, guideline, report	CON/2023/0019 OJ C 307 31.08.2023, p. 0019	05/07/2023	

Additional information

Source	Document	Date
European Parliament	Briefing	31/05/2024
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
SCHIRDEWAN Martin	Shadow rapporteur	ECON	25/01/2024	Deutscher Sparkassen-und Giroverband
URTASUN Ernest	Rapporteur	ECON	12/10/2023	Permanent Representation to the EU of France
URTASUN Ernest	Rapporteur	ECON	12/10/2023	Single Resolution Board
URTASUN Ernest	Rapporteur	ECON	10/10/2023	European Commission
URTASUN Ernest	Rapporteur	ECON	21/09/2023	European Commission
URTASUN Ernest	Rapporteur	ECON	20/09/2023	European Central Bank
URTASUN Ernest	Rapporteur	ECON	19/09/2023	German Permanent Representation to the EU
URTASUN Ernest	Rapporteur	ECON	17/07/2023	European Commission
URTASUN Ernest	Rapporteur	ECON	06/07/2023	Permanent Representation of France to the EU

Other Members

Transparency

Name	Date	Interest representatives
DE LANGE Esther	12/10/2023	Deutscher Sparkassen-und Giroverband

Final act	
Directive 2026/0804 OJ OJ L 20.04.2026	Summary

Deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency

2023/0115(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 directive of the European Parliament and of the Council amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency.

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.

This proposal aims to ensure the **uniform protection of depositors in the Union**. It sets out the rules and procedures relating to the establishment and the functioning of deposit guarantee schemes (DGSs), the coverage and repayment of deposits, and the safeguards for the use of DGS funds for measures other than the repayment of deposits to ensure the access of depositors to their deposits.

The main changes agreed within the framework of the Council's position on the proposal to amend Directive 2014/49/EU (DSGD Directive) aim to:

- **further frame the use of deposit guarantee schemes funds outside of resolution**. The use of DGS funds for preventive measures remains optional for Member States but their use, becomes subject to additional conditions and safeguards, in particular the least cost test (LCT) which is the same as for use of DGS funds in resolution, i.e. capping the intervention at the gross amount of covered deposits;

- subject the use of DGS funds for alternative measures in insolvency becomes subject to the same **least cost test** (LCT) and further rules governing what types of transfers from the failing bank can be financed by DGS as part of those measures;

- require **Institutional protection schemes** (IPS) recognised as Deposit Guarantee Schemes are required to maintain an ex-ante target level at 0.8% of covered deposits. They are allowed to temporarily transfer funds for the purpose of supporting affiliated institutions’ liquidity and solvency up to a certain limit and subject to safeguards. Those funds should be repaid within 7 working days in case of payout or a contribution to the resolution of a credit institution affiliated to such an IPS.

Deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency

2023/0115(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: Directive (EU) 2026/804 of the European Parliament and of the Council amending Directive 2014/49/EU as regards the scope of deposit protection, the use of deposit guarantee schemes funds, cross-border cooperation, and transparency.

CONTENT: this directive is part of a package of amending acts aimed at **reforming the framework for managing banking crises and deposit insurance** (the "CMDI framework"). The revision of the CMDI also amends Directive 2014/59/EU (the Bank Recovery and Resolution Directive or "BRRD Directive") and Regulation (EU) No 806/2014 (the Single Resolution Mechanism Regulation or "SRM Regulation").

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 deposit guarantee scheme funds 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.

This directive aims to **ensure the uniform protection of depositors in the Union**. It sets out the rules and procedures relating to the establishment and the functioning of deposit guarantee schemes (DGSs), the coverage and repayment of deposits, and the safeguards for the use of DGS funds for measures other than the repayment of deposits to ensure the access of depositors to their deposits.

Enhanced protection for depositors and hierarchy of claims

In insolvency or resolution proceedings, the deposit guarantee scheme - the industry-funded system that protects deposits under its scope up to EUR 100 000.

The directive **retains the current preference for the repayment of DGS-protected depositors in the first instance**, and a second tier for deposits of households and SME depositors not covered by the DGS. This order of preference will enhance depositor protection and help maintain trust in the banking system while ensuring business continuity.

Beyond the standard EU guarantee of EUR 100 000 per depositor per bank, certain deposits linked to real estate transactions will also be protected, **ranging from EUR 500 000 up to EUR 2 500 000** depending on the circumstances.

Better regulation of the use of deposit guarantee schemes (DGS) funds outside of resolution

The use of DGS funds for preventive measures remains optional for Member States but their use, becomes subject to additional conditions and safeguards, in particular the least cost test (LCT) which is the same as for use of DGS funds in resolution, i.e. capping the intervention at the gross amount of covered deposits.

Lowest cost test

The updated legislation provides for a harmonised approach to carrying out the so-called 'least cost test' to determine whether a bank should be able to use the resources of the DGS instead of using other measures such as liquidation through an insolvency procedure. It ensures that any use of DGS funds cannot exceed the amount of covered deposits held by the bank in question.

Institutional Protection Systems (IPS)

Institutional protection schemes (IPS) recognised as Deposit Guarantee Schemes are required to maintain an ex-ante target level at **0.8%** of covered deposits. They are allowed to temporarily transfer funds for the purpose of supporting affiliated institutions' liquidity and solvency up to a certain limit and subject to safeguards. Those funds should be repaid within 7 working days in case of payout or a contribution to the resolution of a credit institution affiliated to such an IPS.

ENTRY INTO FORCE: 10.5.2026.

TRANSPOSITION: no later than 11.5.2028.

Deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency

2023/0115(COD) - 24/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 385 votes to 180, with 156 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency.

The proposed Directive aims to ensure uniform protection of depositors in the Union.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the proposal as follows:

Official recognition, participation and supervision

Member States should ensure that the competent authority, in cooperation with the designated authority, promptly takes all appropriate measures, including, if necessary, the imposition of penalties, to ensure that the credit institution concerned complies with its obligations as a member of a DGS.

They should determine the system of penalties applicable in the event of failure by credit institutions to comply with their obligations as members of a DGS. Sanctions must be effective, proportionate and dissuasive.

The designated authorities should have the necessary enforcement powers, including powers to impose penalties or other administrative measures, to remedy infringements of this Directive by a DGS.

Eligibility of deposits

The following should be excluded from any reimbursement by DGSs: (i) deposits arising from transactions for which a criminal conviction has been handed down for a money laundering or terrorist financing offence; (ii) deposits made by natural or legal persons subject to targeted financial sanctions adopted by the Union.

Level of cover

To harmonise depositor protection in the Union and to reduce the administrative complexity and legal uncertainty related to the scope of protection of such deposits, it is necessary to align their protection to a minimum amount of at least **EUR 500 000** and a maximum of **EUR 2 500 000** for a harmonised duration of 6 months, in addition to the coverage level of EUR 100 000. After their transposition by Member States, the Commission should carry out a review of the amounts which are protected, with a view to determining whether the maximum amount should be reduced, taking into account whether the amounts which are protected are proportionate and ensure a level playing field across the Union.

Determining refundable amount

Member States should ensure that credit institutions report to their DGSs, at least annually, the aggregated amount of eligible deposits and ensure that DGSs may at any time request credit institutions to inform them about the aggregated amount of eligible deposits of every depositor.

Where interest rates on certain deposits significantly exceed the prevailing market interest rate, as determined and based on transparent and publicly available data, the DGS should have the power to adjust the reimbursed interest to reflect the prevailing market interest rate at the time of the determination made by the relevant administrative authority or of the ruling made by the judicial authority. That adjustment should be made to prevent moral hazard.

Repayments

DGSs should ensure that the repayable amount is available as soon as possible and in any event within **seven working days**. Where DGSs are not able to make the repayable amount available in less than seven working days, they should ensure that depositors have access to an appropriate amount of their covered deposits to cover the cost of living within five working days of making a request for that amount.

DGS funding

Member States should ensure that DGSs have in place adequate alternative funding arrangements to enable them to obtain short-term funding to meet claims against those DGSs. Member States should ensure that the alternative funding arrangements of DGSs are not financed through public funds. They should ensure that DGSs use the financial resources available primarily to guarantee repayments to depositors.

Target level

Member States are to ensure that by 3 July 2024, the available financial means of a DGS reach a target level of **0.8 %** of the amount of the covered deposits of its members. In consideration of the expansion of scope for DGS use, the adequacy of the 0.8 % target level should be subject to close monitoring and assessment.

Transparency

It is essential that any involvement of the DGS in any scenario be conducted with a focus on cost effectiveness and transparency. That approach is essential to avoid distorting the level playing field and to ensure that no unfair advantages are conferred on specific market participants.

Preventative measures

To ensure that preventive measures achieve their objective, credit institutions should be required to present to the competent authority a note outlining the measures that they commit to undertake. The note should detail the credit institution’s initial capital shortfall, the capital-raising measures implemented and the safeguards put in place to prevent the outflow of funds. For the same reason, during the implementation of the measures envisaged in the note, credit institutions should also **strengthen their liquidity positions** and refrain from aggressive commercial practices, and from the distribution of dividends or variable remuneration or repurchasing of own shares or call hybrid capital instruments.

Within a reasonable timeframe, the credit institution should provide the competent authority with a **business reorganisation plan** to secure long-term viability. Preventive measures granted to a credit institution should be **suspended** where the competent authority is not satisfied that the business reorganisation plan is credible and feasible to secure long-term viability.

To mitigate moral hazard, where appropriate, the credit institution receiving support from DGSs in the form of preventive measures, its shareholders, its creditors or the business group to which it belongs should contribute to the restructuring from their own resources and provide adequate remuneration for the preventive measure granted by the DGS.

To give them sufficient time to adapt to the new provisions, in particular the safeguards for the application of preventive measures, a three-year transitional period should be granted to institutional protection systems.

Deposit protection, use of deposit guarantee schemes funds, cross-border cooperation, and transparency

2023/0115(COD) - 18/04/2023 - Legislative proposal

PURPOSE: to ensure uniform protection of depositors in the Union.

PROPOSED ACT: Directive 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 the Council.

BACKGROUND: deposit guarantee schemes (DGS) reimburse a limited amount to compensate depositors whose bank has failed. A fundamental principle underlying DGS is that they are funded entirely by banks, and that no taxpayer funds are used.

Under existing EU rules, deposit guarantee schemes protect depositors' savings by guaranteeing deposits of up to EUR 100 000 and help prevent the mass withdrawal of deposits in the case of bank failure, which can create financial instability.

In accordance with Directive 2014/49/EU of the European Parliament and of the Council on deposit guarantee schemes, the Commission has reviewed the application and the scope of that Directive and concluded that the objective of protection of depositors in the Union through the establishment of deposit guarantee schemes has mostly been met. However, the Commission also concluded that there is a need to address the remaining **gaps in depositor protection** and to enhance the functioning of DGSs, while harmonising rules for DGSs interventions other than payout proceedings.

The proposed amendments to Directive 2014/49/EU (the Deposit Guarantee Schemes Directive or DGSD) are part of the crisis management and deposit insurance (CMDI) legislative package that includes also amendments to Directive 2014/59/EU (the Bank Recovery and Resolution Directive or BRRD) and Regulation (EU) No 806/2014 (the Single Resolution Mechanism Regulation or SRMR).

CONTENT: the aim of the proposed amendments is to build on and clarify the mandate of DGSs to better protect deposits in the context of the reimbursement of depositors.

More specifically, the proposal:

- clarifies the scope so that along with the establishment and functioning of the DGS, the **coverage and repayment of deposits, and the use of DGS funds** for measures to maintain the access of depositors to their deposits also fall within the scope of this Directive;

- harmonises the level of coverage of EUR 100 000 per depositor and bank, as set out in the Deposit Guarantee Scheme Directive and extends depositor protection to public entities (i.e. hospitals, schools, municipalities), as well as client money deposited in certain types of client funds (i.e. by investment companies, payment institutions, e-money institutions);

- includes measures to harmonise the protection of temporary high balances on bank accounts in excess of EUR 100 000 linked to specific life events (such as inheritance or insurance indemnities);

- consolidates the provisions on the **exchange of information** between credit institutions and DGS and reporting by authorities;

- harmonises the rules for the calculation of the repayable amount;

- allows the DGS to apply a longer period of up to **20 working days** in the case of repayment of beneficiary accounts, client funds, and temporary high balances;

- aims to ensure that depositors, above a **threshold of EUR 10 000**, are reimbursed via credit transfers in line with the AML/CFT objectives;

- seeks to harmonise to **five years** the period during which depositors can make a claim against the DGS;

- establishes a set of **safeguards** for preventive measures and allocate the responsibilities among authorities for assessing how preventive measures are applied. This aims at ensuring that the use of these measures is timely, cost-effective and applied consistently across Member States, as improvements to the current situation;

- establishes **requirements for the credit institutions which did not comply with their commitments or fail to repay financial support** granted with preventive measures. The EBA is mandated to develop guidelines on the content of the note with measures needed for the efficient implementation of a preventive measure and of the remediation plan;

- clarifies that the protection by DGSs also covers depositors located in Member States where their member credit institutions exercise the freedom to provide services;

- requires that branches of credit institutions established in **third countries** join a DGS in a Member State if they want to provide banking services and take eligible deposits in the EU. This enhances the protection of depositors as it eliminates the risk of having deposits in the EU whose protection by a non-EU DGS would not be up to the EU standards;

- seeks to **harmonise information** which banks have to provide to their clients annually on the protection of their deposits. It also enhances the information requirements for depositors in case of mergers or other major reorganisations of credit institutions, changes of DGS affiliation and unavailability of deposits due to the critical financial situation of banks;

- clarifies **rules on reporting and improving the exchange of information** from the credit institution to the DGSs and from the DGSs and the designated authorities to the EBA. It is also important that the EBA is appropriately informed of situations that occur and for which the DGS may intervene, to support the EBA in its tasks of overseeing the financial integrity, stability, and security of the European banking system.