

(English version)

**Question for written answer E-001605/24
to the Commission**

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(3 September 2024)

Subject: Urgent adoption of the European Deposit Insurance Scheme (EDIS)

The Commission submitted a proposal for a regulation establishing a European Deposit Insurance Scheme (EDIS) ⁽¹⁾ in November 2015. While establishing the Single Supervisory Mechanism and the Single Resolution Mechanism was fundamental to ensuring a robust banking sector, the banking union will only be complete once its third pillar, the EDIS, is adopted. Despite legislative progress on regulation for the sector in recent years, no significant steps have been taken in this particular legislative process, which has been dragging on for almost a decade.

Considering the ongoing legislative process on EU bank crisis management and deposit insurance (CMDI) ⁽²⁾ and the need to ensure the legislation is systematically consistent with the future EDIS, along with the delays in the EDIS legislative process, adopting the system must be made a priority.

In light of the above:

1. How does the Commission justify the almost ten-year delay in adopting the EDIS?
2. Can the Commission confirm that its proposal, which has since been examined by the European Parliament's Committee on Economic and Monetary Affairs, still stands?
3. How does the Commission intend to ensure the future EDIS and CMDI are systematically consistent with one another?

Submitted: 3.9.2024

Answer given by Ms McGuinness on behalf of the European Commission

(17 October 2024)

1. The Commission put forward a legislative proposal to establish a European Deposit Insurance Scheme (EDIS) in 2015 ⁽¹⁾. Since then, the Commission has frequently and consistently stressed the importance of EDIS and called upon co-legislators to complete the Banking Union ⁽²⁾. The Commission believes that EDIS remains a crucial element for the resilience and financial stability of the Banking Union as confirmed in the Commissioner-designate for Financial Services and the Savings and Investments Union mission letter ⁽³⁾. It can also pave the way for increased market integration, thereby enabling a more competitive banking sector.

2. The Commission confirms that its 2015 proposal still stands. As discussions on EDIS were in stalemate for almost a decade, the Commission supports efforts to move forward the political discussion. Therefore, the Commission welcomes the fact that the European Parliament showed willingness to move forward with the EDIS proposal. The Commission notes that the report on EDIS adopted by the Committee on Economic and Monetary Affairs in April 2024 is in line with alternative options for implementing EDIS that the Commission outlined in the past ⁽⁴⁾.

3. There is no inconsistency between the Crisis Management and Deposit Insurance (CMDI) reform and EDIS. The proposed CMDI reform framework would be even more effective if combined with EDIS ⁽⁵⁾. The creation of a common safety net for the protection of deposits would support national Deposit Guarantee Schemes in need, enhance the funding sources available to pay out depositors and handle failing banks (next to the bank's internal loss absorption capacity and the resolution funds), enable reducing the contributions by banks into industry-funded safety nets due to pooling effects and further reduce the use of taxpayers money.

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1721744393991&uri=CELEX%3A52015PC0586>

² https://finance.ec.europa.eu/publications/reform-bank-crisis-management-and-deposit-insurance-framework_en

⁽¹⁾ COM (2015) 586.

⁽²⁾ For example the 2017 Communication on completing the Banking Union (COM(2017)/592 final), the 2023 Communication on the review of the CMDI framework contributing to the Banking Union (COM (2023)/225 final).

⁽³⁾ https://commission.europa.eu/document/download/ac06a896-2645-4857-9958-467d2ce6f221_en?filename=Mission%20letter%20-%20ALBUQUERQUE.pdf

⁽⁴⁾ The 2017 Communication on completing the Banking Union (COM(2017)/592 final) contains the idea of starting with starting with liquidity sharing before introducing loss mutualisation, Annex 10 of the impact assessment on CMDI (SWD(2023)/225 final) describes a potential hybrid-EDIS model.

⁽⁵⁾ Communication on crisis management and deposit insurance framework contributing to the completion of the Banking Union (COM 2023/225 final).