



EUROPEAN CENTRAL BANK
EUROSYSTEM

COURTESY TRANSLATION

Mario DRAGHI

President

Mr Nuno Melo
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 15 July 2013

L/MD/13/444

Re: Your letter

Dear Mr Melo,

Thank you for your letter, which was passed on to me by Ms Sharon Bowles, Chairwoman of the Committee on Economic and Monetary Affairs, and accompanied by a cover letter dated 28 May 2013.

Regarding the protection of deposits below EUR 100,000 generally, as Commissioner Michel Barnier noted in his reply to your previous written question to the Commission on this subject, deposits below EUR 100,000 will continue to be fully guaranteed under Directive 94/19/EC on deposit guarantee schemes. They are explicitly excluded from the bail-in tool enshrined in the Commission's proposal for a directive establishing a framework for the recovery and resolution of credit institutions and investment firms. In its opinion on the Commission's proposal, the ECB suggested that claims of depositors with deposits that are guaranteed in accordance with Directive 94/19/EC should be granted a preferential claim so as to have a higher priority ranking over the claims of ordinary unsecured, non-preferred creditors in the event of the credit institution's insolvency.¹ Such a depositor preference rule would reinforce the protection of deposits below EUR 100,000.

¹ See Opinion of the European Central Bank of 29 November 2012 on a proposal for a directive establishing a framework for recovery and resolution of credit institutions and investment firms (CON/2012/99), paragraph 8.2 and Amendment 11.

The more specific questions concerning the protection of deposits below EUR 100,000 relate to the details of the operation of deposit guarantee schemes established in accordance with the provisions of Directive 94/19/EC. The ECB has been consulted on the amendments to this Directive, but it is not the responsible legislator. I would therefore refer you to the competent EU institutions.

Yours sincerely,

[signed]

Mario Draghi