

**COMMENTS AND RECOMMENDATIONS OF THE  
14TH STANDING COMMITTEE (European Union Policies)**

In pursuance of Senate Rule 144(1)

(Rapporteur: FONTANA)

Rome, 23 September 2010

Comments on EU Document:

**Proposal for a Regulation of the European Parliament and of the Council on Deposit Guarantee Schemes [recast] (COM (2010) 368 final)**

The 14th standing committee, following consideration of document COM (2010) 368 final,

[...]

expresses, insofar as its remit is concerned, a positive opinion with the following qualifications:

the Commission seems to have made a material error in citing Article 53 of the Treaty on the Functioning of the European Union as the legal basis of the proposal in the recast. Directive 94/19/EC had effectively been proposed under Article 57 TEC – now Article 64 TFEU – on the provision of financial services, which appears to be the appropriate legal basis for the proposal under consideration;

the proposal appears to comply with the subsidiarity principle, since its goals may not be satisfactorily achieved by Member States acting individually; more specifically, only a measure by the European Union may ensure that credit institutions operating in several Member States comply with the same deposit guarantee requirements. Furthermore, action by the Union ensures greater financial stability than could be achieved by individual States;

the proposal appears to comply with the proportionality principle, in that its provisions do not exceed what is necessary in order to attain the goals pursued;

on the substance of the proposal, it must be noted that a reduction of the payout deadline from twenty to seven days is difficult to implement, also in view of the fact that such deadline was reduced from three months to twenty days little over a year ago by directive 2009/14/EC, parts of which are still being implemented. The committee does not agree with the view of the Commission that a twenty-day deadline is insufficient to strengthen depositor confidence. Such confidence might be strengthened less by a shorter and not wholly realistic deadline than by measures to increase certainty of adequate payout levels. One such measure could be a Europe-wide harmonised increase of the coverage level above €100 000 – which was established by directive 2009/14/EC and that the present proposal leaves unchanged –, to be made applicable to more than a few specific cases.