

Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (recast) (Text with EEA relevance)

Article 2 **U.K.**

Definitions

- 1 For the purposes of this Directive the following definitions apply:
- (1) ‘deposit guarantee schemes’ or ‘DGSs’ means schemes referred to in point (a), (b) or (c) of Article 1(2);
 - (2) ‘institutional protection schemes’ or ‘IPS’ means institutional protection schemes as referred to in Article 113(7) of Regulation (EU) No 575/2013;
 - (3) ‘deposit’ means a credit balance which results from funds left in an account or from temporary situations deriving from normal banking transactions and which a credit institution is required to repay under the legal and contractual conditions applicable, including a fixed-term deposit and a savings deposit, but excluding a credit balance where:
 - (a) its existence can only be proven by a financial instrument as defined in Article 4(17) of Directive 2004/39/EC of the European Parliament and of the Council⁽¹⁾, unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which exists in a Member State on 2 July 2014;
 - (b) its principal is not repayable at par;
 - (c) its principal is only repayable at par under a particular guarantee or agreement provided by the credit institution or a third party;
 - (4) ‘eligible deposits’ means deposits that are not excluded from protection pursuant to Article 5;
 - (5) ‘covered deposits’ means the part of eligible deposits that does not exceed the coverage level laid down in Article 6;
 - (6) ‘depositor’ means the holder or, in the case of a joint account, each of the holders, of a deposit;
 - (7) ‘joint account’ means an account opened in the name of two or more persons or over which two or more persons have rights that are exercised by means of the signature of one or more of those persons;
 - (8) ‘unavailable deposit’ means a deposit that is due and payable but that has not been paid by a credit institution under the legal or contractual conditions applicable thereto, where either:
 - (a) the relevant administrative authorities have determined that in their view the credit institution concerned appears to be unable for the time being, for reasons which are directly related to its financial circumstances, to repay the deposit and the institution has no current prospect of being able to do so; or

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- (b) a judicial authority has made a ruling for reasons which are directly related to the credit institution's financial circumstances and which has the effect of suspending the rights of depositors to make claims against it;
- (9) 'credit institution' means a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013;
- (10) 'branch' means a place of business in a Member State which forms a legally dependent part of a credit institution and which carries out directly all or some of the transactions inherent in the business of credit institutions;
- (11) 'target level' means the amount of available financial means which the DGS is required to reach in accordance with Article 10(2), expressed as a percentage of covered deposits of its members;
- (12) 'available financial means' means cash, deposits and low-risk assets which can be liquidated within a period not exceeding that referred to in Article 8(1) and payment commitments up to the limit set out in Article 10(3);
- (13) 'payment commitments' means payment commitments of a credit institution towards a DGS which are fully collateralised providing that the collateral:
 - (a) consists of low risk assets;
 - (b) is unencumbered by any third-party rights and is at the disposal of the DGS;
- (14) 'low-risk assets' means items falling into the first or second category referred to in Table 1 of Article 336 of Regulation (EU) No 575/2013 or any assets which are considered to be similarly safe and liquid by the competent or designated authority;
- (15) 'home Member State' means a home Member State as defined in point (43) of Article 4(1) of Regulation (EU) No 575/2013;
- (16) 'host Member State' means a host Member State as defined in point (44) of Article 4(1) of Regulation (EU) No 575/2013;
- (17) 'competent authority' means a national competent authority as defined in point (40) of Article 4(1) of Regulation (EU) No 575/2013;
- (18) 'designated authority' means a body which administers a DGS pursuant to this Directive, or, where the operation of the DGS is administered by a private entity, a public authority designated by the Member State concerned for supervising that scheme pursuant to this Directive.

2 Where this Directive refers to Regulation (EU) No 1093/2010, a body which administers a DGS or, where the operation of the DGS is administered by a private entity, the public authority supervising that scheme, shall, for the purpose of that Regulation, be considered to be a competent authority as defined in Article 4(2) of that Regulation.

3 Shares in Irish or United Kingdom building societies apart from those of a capital nature covered in point (b) of Article 5(1) shall be treated as deposits.

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- (1) Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC (OJ L 145, 30.4.2004, p. 1).