

## Progress on Banking Union

*Moncloa Palace, Madrid, Friday 6 November 2015*

The CoM approved a Royal Decree implementing the Law on the Recovery and Resolution of Credit Institutions and Investment Service Companies (Ley 11/2015, de 18 de junio, de recuperación y resolución de entidades de crédito y empresas de servicios de inversión).

“The government regulated the measures for the resolution and recovery of credit institutions and investment service firms. The Government Spokesperson underlined that the regulation is a step forward in the framework of building the European Banking Union.

The costs for the resolution of an institution will be taken on by shareholders, creditors and, in the last resort, by the National Resolution Fund, and hence the use of public resources will be limited in this regard. The new regulation, according to Soraya Sáenz de Santamaría, "seeks to guarantee maximum protection for depositors". Hence, deposits of up to 100,000 euros (covered by the Deposit Guarantee Fund) will not be subject to absorption of losses. And in the event of insolvency proceedings, both the deposits that are covered and those that are not will have priority over other creditors.

The regulation also develops the role of the Orderly Bank Restructuring Fund (Spanish acronym: FROB), as the National Resolution Authority, as well as the contributions of institutions to the National Resolution Fund and the Deposit Guarantee Fund.”

<http://www.boe.es/boe/dias/2015/11/07/pdfs/BOE-A-2015-12056.pdf>