OVERVIEW OF SOME RECENT EU AND NATIONAL LEGISLATIVE DEVELOPMENTS

BANKING LAW AND RESCUE PLANS

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On-going EU banking law initiatives

- Proposal for a directive amending the 1994 Directive on Deposit-guarantee schemes as regards the coverage level and the payout delay, 15.10.2008
- Consultation on credit rating agencies [proposal end 2008]
- Amendments to the decisions establishing the Lamfalussy Committees [end 2008]
- High Level Group chaired by J. de Larosière on prudential supervision
- Commission’s White Paper on early intervention tools for dealing with ailing banks [Mid-2009]
Financial crisis: main recent developments

- **ECOFIN of 7 October 2008**
  - Definition of EU common principles

- **Declaration on a concerted European action plan of the euro area countries of 12 October 2008**
  - More precise guidelines on coordination of actions, conditions for funding and recapitalisation measures

- **European Council of 15-16 October 2008**

- **Commission’s guidance on the application of State aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis/Assessment by the Commission of the national schemes**
Implementation of the concerted European action plan

- Consultation of the ECB with respect to several draft national emergency laws

- Various types of measures: State guarantees towards bank obligations related, in particular, to bank deposits (Ireland); asset swap operations (Spain); capital injections (UK); bank resolution procedures (also part of UK measures)

- Measures linked to prudential safeguards imposed on the supported institutions

- Rescue measures sometimes conducted by special-purpose structures, operated either as public entities (e.g. Germany, Spain, Sweden) or in co-operation with the banking sector (Austria, France, Denmark)

- ECB opinions define principles applicable to state guarantees over deposits, funding and recapitalisation measures and potential interaction with central bank actions