



*Royal Ministry of Finance*

*The Minister of Finance*

Minister of Finance Rimantas Šadžius  
Ministry of Finance  
Lukiškių 2,  
1512 Vilnius,  
Lithuania

Your ref

Our ref  
09/3079 - JCW

Date  
13.12.2013

### **Finalisation of the new Deposit Guarantee Scheme Directive**

The Council and the Parliament are presently discussing the Commission proposal for the new Deposit Guarantee Scheme directive. I understand that an agreement may be imminent. The text adopted by the European Parliament on 16 February 2012 includes an article – Article 5.3a – which will allow Norway to maintain our present coverage level, and at the same time ensure that there would be no distortion of competition in the banking market.

I understand that you in the ongoing trilogue discuss an alternative transitional arrangement that would (1) necessitate a split of existing deposits in “historic” deposits and “later” deposits, and (2) provide for a transitional period of 5 years for the “historic” deposits. Please allow me to underline that a distinction between “historic” deposits and “later” deposits would be impossible to implement in practice. The relevant statistical information is not available in the banks’ data systems.

With regard to the length of a transition period, I would like to point out that the Council has proposed transitional rules until 2027 on financing (see Article 19 (1) of the Council General Approach from 11 June 2011). National guarantee schemes in the EU will not be fully harmonised before the end of the mentioned transitional period. It would be potentially market disruptive and politically very difficult for Norway to reduce our coverage level with 60 per cent to a 100 000 euro coverage level before all other important aspects of the national guarantee schemes are fully harmonised. This is all the more important since the coverage level of eligible deposits would be 45 pct in Norway vs 72 pct in the EU. I therefore strongly hope that you may assist us in avoiding financial instability by supporting a period for this transition with the same length as the longest transitional period presently provided for in the text.

This letter has been sent to all ECOFIN members.

Yours sincerely,

  
Siv Jensen