

MICHEL BARNIER

*Membre de la Commission européenne*

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BD/cq D(2010) 944139

Dear Minister Johnsen,

*Min Sigbjørn*

First, I would like to take the opportunity to thank you again for the fruitful meeting in Brussels on 10 November. As I pointed out in the meeting, my Services and I remain available to work constructively to find a solution which takes care of your concerns.

As you know, the Commission presented its proposal in July. It is now being negotiated by the EU co-legislators, the Council and the European Parliament.

The proposal has to be seen in the context of the conclusions of the Council of Ministers of autumn 2008, when the financial crisis aggravated. The Council concluded that coverage should be increased in the medium term to € 100 000. In its subsequent proposal of 7 October 2008, the Commission only proposed a minimum coverage of this amount. However, the majority of Member States were in favour of a maximum harmonisation and also the European Parliament agreed to this.

As to your suggestion to allow for a coverage level in Norway which would be 150% higher than in the EU but accompanied by an export ban for branches of Norwegian banks and a topping up for branches of banks from EU Member States in Norway, I would like to recall that such measures existed under the original Directive 94/19/EC. The general export ban was abandoned after 5 years and topping up was considered burdensome and impractical by many respondents to the public consultation preceding the recent proposal. I hope you will appreciate that it would be quite difficult to reintroduce such features.

Even though the average size of deposits in Norway is much lower than the proposed coverage level, you stated that many depositors hold several deposits at the same bank or at different banks. Spreading deposits over several banks is indeed a good safeguard for depositors holding more than € 100 000 in cash. Besides, the proposal allows unlimited coverage for deposits related to special life events and to real estate transactions for one year. I believe that this already covers a substantial part of Norwegian deposits.

Any adaptations to the proposal would now have to be made either in the ongoing negotiations by the Council and European Parliament or in the course of their implementation into the EEA agreement, for example in the form of a grandfathering clause.

Yours sincerely,

*Michel Barnier*

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Minister Sigbjørn Johnsen  
Minister of Finance  
Norway