

**Question for written answer E-014931/2015
to the Commission**
Rule 130
Marco Zanni (EFDD) and Marco Valli (EFDD)

Subject: Possible breach of competition rules with the entry into force of Directive 2014/59/EU

On 1 January 2016, Directive 2014/59/EU, otherwise known as the Bank Recovery and Resolution Directive (BRRD), will come into force, establishing a harmonised regime for the management of banking crises and introducing 'bail-ins'. As from next year, therefore, if a bank goes through a financial crisis and the capital of the bank is not sufficient to resolve the crisis, supervisory authorities, through the bail-in mechanism, will be able to involve shareholders and bondholders and subsequently use deposits beyond the EUR 100 000 threshold which is already protected by the current legal system, in order to bear the losses.

Although the aim of the directive is to avoid disorderly liquidations with governments having to bear the costs, by providing the resolution authority with tools that enable early and effective intervention, there is a risk of distorting competition to the benefit of the larger banks. Indeed, in the light of the new legislation, customers will feel safer with larger banks, meaning that smaller banks will have increased funding costs and debt.

In the Commission's view, does this legislation comply with competition rules in the EU single market?

Will the Commission carry out an ex post evaluation of the situation regarding the cost of raising deposits and bonds?