

Question ID	2016_3041
Status	Final Q&A
Legal act	Directive 2014/59/EU (BRRD)
Topic	Resolution tools and powers
Article	44
Paragraph	2
Subparagraph	g(iii)
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	n.a.
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Disclose name of institution / entity	No
Type of submitter	Competent authority
Subject matter	Exception to the scope of the bail-in tool (Article 44(2)(g)(iii))
Question	Is the exception to the scope of the bail-in tool provided for in Article 44(2)(g)(iii) of Directive 2014/59/EU (BRRD) restricted to social security contributions, or does it also extend to deposits and reserves of a social security authority?
Background on the question	Article 44(2)(g)(iii) of the BRRD excludes from the scope of bail-in a liability to "tax and social security authorities, provided that those liabilities are preferred under the applicable law".
Final answer	<p>Pursuant to Article 44(2)(g)(iii) BRRD, liabilities to tax and social security authorities that are preferred under the applicable law are to be excluded from bail-in. The provision in question does not set any further requirements for a liability to fall in scope of the exclusion. Hence, as long as a liability meets those two conditions, irrespective of its nature or type, it may be excluded pursuant to Article 44(2)(g)(iii) BRRD.</p> <p>Disclaimer:</p>

	<p>The answers clarify provisions already contained in the applicable legislation. They do not extend in any way the rights and obligations deriving from such legislation nor do they introduce any additional requirements for the concerned operators and competent authorities. The answers are merely intended to assist natural or legal persons, including competent authorities and Union institutions and bodies in clarifying the application or implementation of the relevant legal provisions. Only the Court of Justice of the European Union is competent to authoritatively interpret Union law. The views expressed in the internal Commission Decision cannot prejudge the position that the European Commission might take before the Union and national courts.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2016_3041

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