



EBA/GL/2016/02

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08/06/2016

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## Guidelines

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on cooperation agreements between  
deposit guarantee schemes under  
Directive 2014/49/EU

# 1. Compliance and reporting obligations

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## Status of these guidelines

1. This document contains guidelines issued pursuant to Article 16 of Regulation (EU) No 1093/2010<sup>1</sup>. In accordance with Article 16(3) of Regulation (EU) No 1093/2010, competent authorities and financial institutions must make every effort to comply with the guidelines.
2. The guidelines set out the EBA view of appropriate supervisory practices within the European System of Financial Supervision or of how EU law should be applied in a particular area. Competent authorities as defined in Article 4(2) of Regulation (EU) No 1093/2010 to whom the guidelines apply should comply by incorporating them into their practices as appropriate (e.g. by amending their legal framework or their supervisory processes), including where guidelines are directed primarily at institutions.

## Reporting requirements

3. According to Article 16(3) of Regulation (EU) No 1093/2010, competent authorities must notify the EBA of whether they comply or intend to comply with these guidelines, or otherwise must provide reasons for non-compliance, by 08/08/2016. In the absence of any notification by this deadline, competent authorities will be considered by the EBA to be non-compliant. Notifications should be sent by submitting the form available on the EBA website to [compliance@eba.europa.eu](mailto:compliance@eba.europa.eu) with the reference 'EBA/GL/2016/02'. Notifications should be submitted by persons with appropriate authority to report compliance on behalf of their competent authorities. Any change in the status of compliance must also be reported to the EBA.
4. Notifications will be published on the EBA website, in accordance with Article 16(3).

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<sup>1</sup> Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC, (OJ L 331, 15.12.2010, p. 12).

## 2. Subject matter, scope and definitions

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### Subject matter

5. These guidelines specify the objectives and minimum content of cooperation agreements between DGSs or, where appropriate, designated authorities, required to have such cooperation agreements in place in accordance with Article 14(5) of Directive 2014/49/EU<sup>2</sup>.
6. These guidelines aim to ensure a common and consistent approach to such cooperation agreements across Member States, contributing to strengthening the European system of national DGSs in accordance with Article 26 of Regulation (EU) No 1093/2010.

### Scope of application

7. These guidelines apply in relation to the cooperation agreements that DGSs or, where appropriate, designated authorities, must have in place in accordance with Article 14(5) of Directive 2014/49/EU.
8. Where DGSs are administered by a private entity, designated authorities should ensure that these guidelines are applied by such DGSs.
9. Within each of the three key areas to be included in the cooperation agreements and enumerated in paragraph 17, these guidelines specify minimum core elements. Where options are available, the guidelines suggest the preferred approach. In all three key areas mentioned in the abovementioned paragraph, the guidelines also allow DGSs, or, where relevant, the designated authorities, to include additional terms provided that the relevant parties agree bilaterally or multilaterally.

### Addressees

10. These guidelines are addressed to competent authorities as defined in point (iii) of Article 4(2) of Regulation (EU) No 1093/2010<sup>3</sup>.

### Definitions

11. Unless otherwise specified, terms used and defined in Directive 2014/49/EU have the same meaning in these guidelines. In addition, for the purposes of these guidelines, the following definitions apply:

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<sup>2</sup> Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (OJ L 173, 12.6.2014, p. 149).

<sup>3</sup> Designated authorities as defined in Article 2(1)(18) of Directive 2014/49/EU.



'Home DGS'	the DGS established in the Member State in which a member credit institution has been authorised pursuant to Article 8 of Directive 2013/36/EU.
'Host DGS'	the DGS established in the Member State in which territory a member credit institution, authorised in another Member State pursuant to Article 8 of Directive 2013/36/EU, has established a branch.
'Member credit institution'	a credit institution affiliated to a DGS.
'Relevant DGSs'	the DGSs in connection with which any of the following situations occur: <ul style="list-style-type: none"><li data-bbox="708 913 1410 1021">(i) a branch of a home DGS's member credit institution has been established in the territory of the Member State of the host DGS;</li><li data-bbox="708 1077 1410 1184">(ii) a member credit institution affiliated to a DGS ceases to be a member of such DGS in order to join another DGS; or</li><li data-bbox="708 1240 1410 1395">(iii) the national legislation transposing the DGS Directive in the jurisdiction of a DGS lending the funds to another DGS allows for such a possibility.</li></ul>
'Single customer view (SCV)'	the file containing the individual depositor information necessary to prepare a repayment to depositors, including the aggregate amount of eligible deposits of every depositor.



## 3. Implementation

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### Date of application

12. Competent authorities should implement these guidelines by 08/12/2016.

## 4. Objectives and general approach when establishing cooperation agreements between deposit guarantee schemes

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### 4.1 Objectives of the cooperation agreements

13. In accordance with Article 14(5) of Directive 2014/49/EU, the objectives of the cooperation agreements should be to:

- facilitate an effective cooperation between the DGSs, or, where appropriate, the designated authorities; and
- specify *ex ante* various aspects of depositor payouts, transfers of DGS contributions and lending between DGSs which otherwise would have to be agreed upon very quickly at a time of stress, which would divert the DGS's attention and resources away from other difficult decisions.

### 4.2 General approach to be followed when establishing cooperation agreements

14. DGSs or, where appropriate, designated authorities, should adhere to the multilateral framework cooperation agreement (MFCA) between deposit guarantee schemes in the European Union or conclude bilateral or multilateral cooperation agreements with all other relevant DGSs and, where appropriate, designated authorities in the EU by 8/12/2016.

15. The terms and conditions of the MFCA are those set out in Annex 1 to these guidelines. Where DGSs or, where appropriate, the designated authorities, need to further specify certain elements not covered by the terms and conditions of the MFCA, they may supplement such agreement with bilateral or multilateral agreements, provided that the terms of those agreements do not contradict the terms and conditions specified in the MFCA.

16. DGSs or, where appropriate, designated authorities, should conclude bilateral or multilateral cooperation agreements only where they intend that these cooperation agreements contain terms which go beyond the level of detail required by these guidelines. Such agreements should be based on relevant terms set out in Annex 1, so far as possible.

## 5. Minimum core elements of the cooperation agreements

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17. Pursuant to Article 14(5) of Directive 2014/49/EU, cooperation agreements should, at least, cover the following three key areas:
- i. modalities for repaying depositors by the host DGS at branches of credit institutions authorised in other Member States pursuant to Article 14(2) of Directive 2014/49/EU;
  - ii. modalities for the transfer of contributions from one DGS to another in case a credit institution ceases to be a member of a DGS and joins another DGS, including cross-border and domestic transfers, pursuant to Article 14(3) of Directive 2014/49/EU;
  - iii. modalities for mutual lending between DGSs pursuant to Article 12 of Directive 2014/49/EU.
18. For each of these three outlined areas, this section includes a list of minimum core elements of the cooperation agreements.

### 5.1 Modalities for repaying depositors at branches

19. Cooperation agreements between DGSs, or where appropriate, designated authorities, should specify the following modalities for repaying depositors at branches of member credit institutions authorised in other Member States by the host DGS on behalf of the home DGS, pursuant to Article 14(2) of Directive 2014/49/EU:
- a. **Notification of unavailability of deposits**
20. Cooperation agreements should specify the content and the process of sending the notification of unavailability of deposits. The agreements should include relevant contact details, including email addresses and phone numbers.
21. The home DGS should notify the host DGS, and the designated authority of the host Member State in which the DGS is not the designated authority, that a situation of unavailability of deposits, as defined in Article 2(1)(8) of Directive 2014/49/EU, has occurred. The notification should also include general information about the institution where the unavailability of deposits has occurred, including an estimate of the magnitude of the expected payout, the amount of covered deposits and number of eligible depositors in the branch, the currency of repayment and any other general information that the home DGS considers useful for the host DGS in preparation for the payout.



22. The notification should be transmitted by the home DGS to the host DGS immediately upon determination of unavailability of deposits. The host DGS should receive the notification, ahead of receiving all the necessary information and funds, in order to start preparing for a payout as soon as the notification is received.

**b. Exchange of information, including instructions for payment**

23. While Article 4(9) of Directive 2014/49/EU requires DGSs to ensure the confidentiality and the protection of the data pertaining to depositors' accounts and the processing of such data in accordance with Directive 95/46/EC<sup>4</sup>, it should not preclude cooperation agreements from setting more stringent standards, provided this is agreed to in the cooperation agreement.

24. Cooperation agreements should provide a deadline by which the home DGS should send all the necessary information for the preparation of a repayment of depositors to the host DGS. The deadline should be no later than two working days of the Member State of the home DGS prior to the deadline for making the repayable amount available to domestic depositors, including where the home DGS's repayment deadline is longer than seven working days, following the determination of unavailability of deposits in the institution. The home DGS should make every reasonable effort to comply with the deadline. However, the home DGS may defer the transfer of information in instances in which, in spite of all reasonable efforts, the home DGS is not able to comply with the deadline, due to the need to obtain additional information on deposits and depositors, or because its internal processes make it impossible to obtain the information within the deadline or to process the host depositors' information within the deadline without significantly delaying the process for domestic payout. In such instances, the home DGS should inform the host DGS of the delay as soon as possible and agree on a new estimated deadline which should not be later than the deadline for transferring the funds pursuant to paragraph 33.

25. The home DGS should obtain the SCV in line with domestic deadlines for receiving this information from the credit institution. It should then process the SCV in order to provide the host DGS with only the relevant instructions for payment in a format agreed between the DGSs and specifying the amounts to be paid out in the currency agreed in the cooperation agreements. The information to be transmitted from the home DGS to the host DGS should include:

- the amount to be paid out to each depositor;
- all the information needed depending on the payout method (for example, addresses of depositors or bank account numbers for electronic transfers).

26. In the event that the home DGS does not have all the information needed, depending on the method of payout of the host DGS, the home DGS should ask the host DGS to collect the

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<sup>4</sup> Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281, 23.11.1995, p. 31).





necessary additional information. In order for the host DGS to be able to collect additional information necessary for the payout, the home DGS should assist the host DGS by transmitting any necessary information (for example, depositors' contact details or national identification numbers).

27. The DGSs should inform one another promptly of any updates to the data.
28. The host DGS should strive to ensure that the repayable amount is available to depositors as soon as possible, within three working days of the Member State of the host DGS after receiving all the necessary information, instructions and funds from the home DGS, without a request to the home or the host DGS being necessary.
29. Following the initial payout, the host DGS should inform the home DGS in a documented manner of the results of the payout, including the distribution and making of payments to depositors, a report on any issues encountered with payouts and an assessment of areas of the process and of the cooperation agreement to improve in the future. The host DGS should inform the home DGS regularly about progress in relation to further repayments made after the expiration of the deadline set out in paragraph 28.

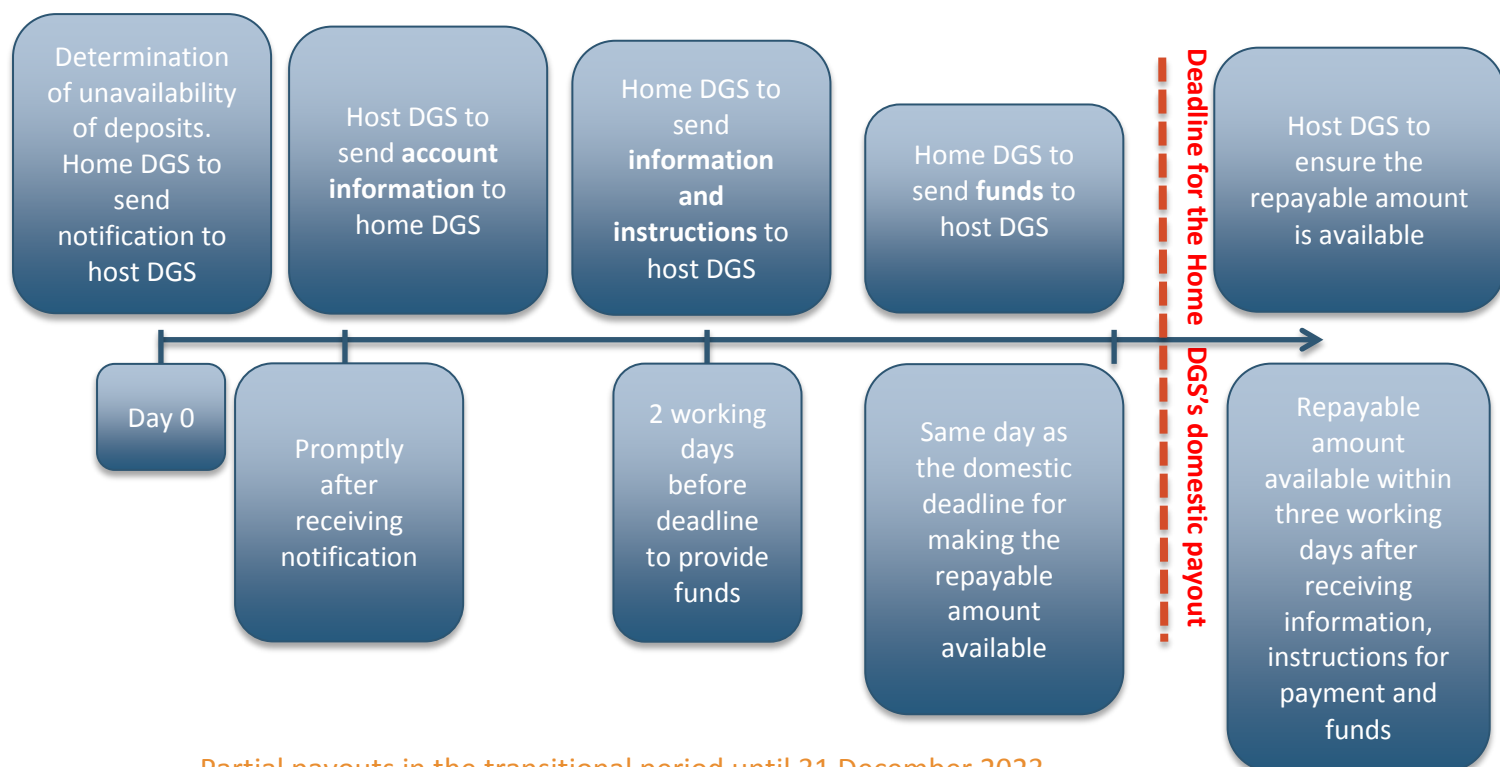
**c. Modalities for advancing the funds**

30. Cooperation agreements should provide that, after receiving notification of unavailability of deposits from the home DGS, the host DGS will promptly provide the home DGS with all the necessary information about the accounts to be used for the transfer of funds from the home DGS to the host DGS.
31. The accounts and transfer method chosen should ensure utmost security of the funds and timeliness of the transfer.

**d. Timeline for advancing the funds**

32. Cooperation agreements should specify the deadline for providing the necessary funding.
33. The home DGS should provide the host DGS with the necessary funds no later than the day on which the repayable amount should be made available to domestic depositors after the determination of unavailability of deposits in the institution, including where the home DGS's deadline for making the repayable amount available is longer than seven working days, as allowed under Article 8(2) of Directive 2014/49/EU.
34. Any funds advanced in excess to the host DGS should be refunded to the home DGS by no later than three working days of the Member State of the host DGS after the finalisation of the payout.

**Figure 1. Timeline for payout in branches**



**Partial payouts in the transitional period until 31 December 2023**

35. Where the home DGS's deadline for making the payout amount repayable is longer than seven working days, the host DGS should inform the depositors, either directly or by advertising in the media, about the possibility of a payout of costs of living upon request.
36. The host DGS should, within one working day, notify the home DGS of a depositor request for a cost of living payout. This notification should include all relevant information, including:
- the clear and complete identification of the depositor, including the relevant account details;
  - the date of receiving the request by the host DGS;
  - the amount claimed (if applicable).
37. When a depositor requests a payout of a cost of living amount, either directly to the home DGS or to the host DGS, the home DGS should strive to provide the host DGS with all the necessary information and funds within five working days of the Member State of the home DGS after receiving the request or being notified by the host DGS, for the host DGS to be able to ensure that depositors have access to an appropriate amount of their covered deposits to cover their costs of living while waiting for full payout.
38. Where the full payout is imminent, or where a partial payout would significantly delay the full payout process, the DGSs may agree to forgo partial payout in the interest of ensuring prompt full payout.



#### e. Treatment of temporary high balances

39. Cooperation agreements should outline the process for repaying temporary high balances by the host DGS, which should happen in the following sequence:

- a. Depositors submit claims, either to host or home DGS.
- b. Where the claims are addressed to the host DGS, that DGS should forward the claim to the home DGS.
- c. Where the claims are addressed to the home DGS, or the home DGS receives them from the host DGS, the home DGS should verify the claims. The host DGS should lend assistance where necessary, for example in dealing with the language or legal issues stemming from the law applicable in the host DGS's jurisdiction.
- d. Upon verifying the claims, the home DGS should send the necessary information on deposits, depositors and funds to the host DGS, either as a package with other claims if done in a reasonable timeframe, or individually.
- e. The host DGS should repay the depositors.

40. Supplementary bilateral or multilateral cooperation agreements should also specify the following aspects:

- a. the home DGS's deadline, if applicable, for accepting repayment claims from depositors, which the host DGS should communicate to the relevant depositors;
- b. information on the home DGS's temporary high balances repayment deadline and coverage level.

#### f. Currencies used

41. Cooperation agreements should specify that the currency of the repayment shall be the currency determined under the law of the home DGS and should be communicated by the home DGS to the host DGS.

42. Where the law of the home DGS allows for a choice between several currencies and where that choice includes the option to use the currency of the host DGS's Member State, that option should be used primarily. Where practical, and legally allowed, upon agreement between DGSs, the repayable amount may be available in multiple currencies.

**Example 1.** If the Polish DGS guarantees repayments in Polish zloty (PLN), irrespective of the currency of the account, following a failure of a branch of a Polish bank in the UK, the depositor in the UK will get the money back in PLN. If the Polish DGS guarantees repayments in PLN, British pounds (GBP) or Swiss francs (CHF), following a failure of a branch of a Polish bank in the UK, the majority of UK depositors will get the money back



in GBP. However, where the host DGS has the capability to make payouts in several currencies, and where contracts with depositors or the information provided to them in accordance with Directive 2014/49/EU allowed payouts in CHF, depositors who had accounts in Swiss francs could be repaid in francs.

43. Where there is a need for a currency exchange, the rate to be applied should be the spot rate published by the central bank of the home DGS's Member State on the day of the determination of unavailability of deposits in a given institution.
44. The necessary funding referred to in paragraphs 32–34 should be provided in the currency of repayment determined under the law of the home DGS pursuant to paragraphs 41 and 42. The home DGS should handle the necessary currency exchange and bear the necessary currency exchange costs.

**g. Handling of correspondence and language used**

45. Cooperation agreements should specify that the host DGS will handle communication with depositors on behalf of the home DGS, including informing depositors about the determination of unavailability of deposits and the payout by the host DGS on behalf of the home DGS.
46. In addition, where the home DGS has the capability to effectively handle communication with depositors in the Member State in which the branch is located, including the capability to communicate in the official language or languages of the host DGS's Member State, the agreement may provide that depositors will be offered an explicit, additional option to communicate directly with the home DGS. In practice, this means, for example, that the letter informing depositors about the member credit institution's failure may include two phone numbers – one for the host DGS and another for the home DGS.
47. Cooperation agreements should specify that the language to be used by DGSs in communicating with the depositors in the context of a repayment is the official language or languages of the host DGS's Member State. However, both home and host DGSs should not be precluded from answering correspondence addressed to them by depositors in the official language or languages of the home DGS's Member State or another language where they have the capability to do so, or communicating in those languages with depositors who have accepted to receive information in a given language.
48. The home and the host DGSs or, where relevant, the designated authorities, should use English to communicate with one another, unless they agree bilaterally to use another language in their communication.
49. Communication channels established to communicate with the depositors, and between the home and the host DGSs, should guarantee sufficient levels of confidentiality and security.



#### h. Reimbursement of costs of repayment

50. Cooperation agreements should specify the types of costs that the home DGS will reimburse the host DGS for, including, but not limited to, costs incurred in performing the following tasks attributable to the payout:
- a. communication with depositors, including setting up the necessary infrastructure, hiring staff and media publications;
  - b. communication with the home DGS, including providing feedback information about claims paid;
  - c. collection of additional information needed for the payout, including setting up the necessary infrastructure and hiring staff;
  - d. translation of documents;
  - e. acquisition of information;
  - f. transaction costs of payouts;
  - g. relevant legal costs.
51. Eligible costs incurred by the host DGS should meet the following criteria:
- a. be necessary for carrying out the payout;
  - b. be actual, reasonable, justified and comply with the principle of sound financial management;
  - c. be identifiable, in particular, being recorded in the accounting records of the host DGS and backed by effective supporting evidence.
52. Cooperation agreements may provide that:
- a. the home DGS shall provide a lump sum amount, based on estimates, ahead of the host DGS incurring costs followed by reconciliation of accounts; or
  - b. the host DGS shall be reimbursed for costs agreed upon in the cooperation agreement following the payout.
53. Where the host DGS is reimbursed following the payout, reimbursement details, such as time to reimburse the costs or the applicable interest rate, should be agreed upon no later than seven days after the initial payout of covered deposits.



#### i. Right to audit

54. To further reinforce trust in DGSs' ability to perform their function in the case of a payout in a branch, prospective parties to the agreement may agree on a mutual right of audit of their partner DGS's activities related to the payout before entering into the cooperation agreement, and at any point after the agreement is reached.
55. Such an audit, subject to the DGSs' or, where relevant, the designated authorities' agreement, may take the form of, for example, oversight, post-payout review, audit of costs and seconding staff during payout, and may be performed either on-site or remotely. Parties to the agreement may agree to allow the home DGS to conduct an audit of the host DGS's activities related to the payout paid for by the home DGS.

#### j. Treatment of delays

56. Any costs arising from delays in the home DGS providing the host DGS with the instructions for payment, the necessary information and the funds, should be borne by the home DGS, including where the delays impose operational costs on the host DGS.
57. Where the delay is attributable to the host DGS's actions, the host DGS should bear the costs arising from this delay.

#### k. Liability

58. In accordance with Article 14(2) of the Directive 2014/49/EU, the host DGS shall not bear any liability for any acts undertaken in accordance with the instructions given by the home DGS.

#### l. Review of the arrangements to operationalise payouts

59. The home and the host DGS may bilaterally agree that, on a case-by-case basis and no earlier than three months from the notification of unavailability of deposits, they will review the functioning and scope of the practical arrangements and infrastructure needed for proportionate, continued operationalisation of payouts by the host DGS in accordance with this section 5.1, making the necessary adjustments to it.

## 5.2 Modalities for the transfer of DGS contributions and information between DGSs

60. Cooperation agreements between DGSs, or where appropriate, the designated authorities, should specify the following modalities for the transfer of contributions and information from one DGS to another in the event that a credit institution ceases to be a member of one DGS and joins another DGS, including cross-border and domestic transfers, pursuant to Article 14(3) of Directive 2014/49/EU:



### m. Exchange of information

61. Article 14(6) in connection with Article 4(9) of Directive 2014/49/EU requires effective exchange of information between DGSs, in accordance with confidentiality and the protection of data pertaining to depositors' accounts. It also requires processing of data to be done in accordance with Directive 95/46/EC.
62. While the abovementioned provision ensures a common minimum set of standards of confidentiality and data protection, it does not preclude cooperation agreements from setting more stringent standards, provided that this is agreed to in the cooperation agreements.
63. The provision of accurate data is a key step in ensuring an effective transfer of information from one DGS to another. Cooperation agreements should specify the deadline for the DGS which the member credit institution is leaving (transferring DGS) to notify the DGS the member credit institution in question wants to join (receiving DGS) about the intention of the member credit institution to join the receiving DGS or, where a member credit institution communicates to the receiving DGS its intention to become a member credit institution of such DGS, to notify the transferring DGS of such circumstance. The deadline referred to above should begin from the date on which:
  - the member credit institution notifies the transferring DGS of its desire to join another DGS, where the transferring DGS knows which DGS the institution intends to join; or
  - the member credit institution notifies the receiving DGS of its desire to join.
64. The deadline should be set before the institution formally leaves the transferring DGS and joins the receiving one.
65. The information to be transmitted should include anything that the transferring DGS and the receiving DGS jointly consider as relevant, including and where available:
  - a. aggregate information on all the regular contributions (and related deposits) being transferred from one DGS to the other DGS, including, where relevant, aggregate information on deposit flows in the member credit institution for a period agreed to by both DGSs;
  - b. any audits, assessments and tests previously done on the capability of the institution to produce SCV files and other information previously requested by the transferring DGS, particularly on the quality of data provided by the member credit institution;
  - c. any other relevant information, including information on near misses related to that member credit institution.



66. The transferring DGS should not be required to obtain new information for the purpose of transferring it to the receiving DGS. The receiving DGS will have the power to request the most up-to-date information directly from the institution upon accepting it as a member.

67. The transferring DGS should be able to refuse to share information which, due to its sensitive nature, may not be shared under national or EU law.

n. **Modalities for transferring the regular contributions paid during the 12 months preceding the end of the membership and currency of payment**

68. Any costs of raising the funds by the transferring DGS, where, for example, the transferring DGS has recently made a payout and needs to collect additional funds for the transfer to the receiving DGS, should be borne by the transferring DGS.

69. The receiving DGS should provide the transferring DGS with the account details and any other relevant information to allow the transfer of contributions. The chosen accounts and funds transfer method should ensure the utmost security of the funds and the timeliness of the transfer.

70. Cooperation agreements should acknowledge that the transferring DGS will provide funds in the currency in which the contributions have originally been provided. The receiving DGS should bear the costs of any operations related to currency exchange.

o. **Treatment of payment commitments, including potential transfer of commitments made in the last 12 months**

71. According to paragraph 13(d) of the EBA guidelines on payment commitments to deposit guarantee schemes<sup>5</sup>, where a credit institution ceases to be a member of one DGS and joins another DGS, the transferring DGS should ensure that the financial means corresponding to the 12 months preceding the end of the membership are transferred to the receiving DGS, either by:

- enforcing the commitments and transferring the proceeds to the receiving DGS; or
- reassigning the payment commitments arrangement to the receiving DGS in agreement with the latter and the credit institution.

72. Cooperation agreements should specify the deadline by which the transferring DGS, where relevant in agreement with the credit institution, shall decide which of the two options to pursue. The agreements should not specify the option in advance, as the decision will be case-specific.

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<sup>5</sup> EBA/GL/2015/09.





73. Where the transferring DGS decides to enforce the commitment and transfer the proceeds to the receiving DGS, the provisions laid down in the above section on modalities for advancing the regular contributions paid during the last 12 months preceding the end of membership should apply.
74. Where the transferring DGS decides not to enforce the payment commitments, it should engage with the receiving DGS to establish whether the receiving DGS is willing to accept the reassignment of those payment commitments. The reassignment may happen only when both DGSs agree. Where the receiving DGS refuses reassignment, the transferring DGS should enforce the payment commitments and transfer the proceeds to the receiving DGS.

**p. Timeline for transferring the contributions**

75. A membership of a DGS is a necessary condition for a credit institution being allowed to take deposits. In addition, the receiving DGS must be able to meet its obligations towards the depositors of the member credit institution from the first day. Therefore, a credit institution's transfer of membership should happen seamlessly. This implies that the transfer of contributions from one DGS to another should happen on the same day on which the member credit institution leaving one DGS joins the other DGS. Arranging the transfer on the same day also removes the risk of the transferring DGS using the funds contributed by this institution in a payout or resolution after the member credit institution has left the transferring DGS.
76. Where the receiving DGS is willing to take the risk of accepting the new member credit institution without receiving the transfer on the same day, it should agree the deadline for the transfer with the transferring DGS.

**q. Language used**

77. The DGSs should communicate in English when transmitting information from one DGS to the other DGS, unless they agree bilaterally that another language will be used.

**r. Costs associated with the transfer of contributions**

78. Cooperation agreements should specify that the receiving DGS is responsible for any costs associated with transferring the contributions (whether funds or payment commitments) from the transferring DGS, and any other costs associated with the transfer, including translations of requested information. However, where necessary, the costs of raising funds should be borne by the transferring DGS.

**s. Treatment of delays**

79. Cooperation agreements should include a clause specifying that where delays in the provision of information or funds occur, any costs arising from the consequences of such delays should be borne by the DGS responsible for the delays.



### 5.3 Modalities for mutual lending between DGSs

80. The cooperation agreement should outline whether, in accordance with the law in their respective jurisdictions, the relevant DGSs agree, in principle, to lend to one another on a voluntary basis.
81. Where the DGSs do not agree to lend to one another, either because their national law does not allow them to lend to other DGSs, or because of the DGSs' or the designated authorities' decision, the agreement should not include any more detail. However, where the DGSs are allowed to lend under their national law but decided against lending, the decision not to lend to one another should not preclude the DGSs from lending to one another at the point of crisis.
82. Where the DGSs intend to lend to one another, the cooperation agreement should specify in how many working days the DGS receiving a loan request has to reach a decision and what information the DGS asking for a loan should provide. The agreement may include more detail about the repayment deadline and interest rate charged, under the conditions set out in Article 12(2) of Directive 2014/49/EU.

### 5.4 Effective dispute resolution

83. Cooperation agreements should include a clause stating that any party may refer any dispute about the interpretation of the agreement to the EBA in accordance with Article 19 of Regulation (EU) No 1093/2010.