23 July 2026

EBA/CP/2026/12

Consultation Paper

Draft Guidelines

on investment of available financial means under Directive 2014/49/EU on deposit guarantee schemes

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1. Responding to this consultation

The EBA invites comments on all proposals put forward in this paper and in particular on the specific questions summarised in 5.2.

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternative regulatory choices the EBA should consider.

Submission of responses

To submit your comments, click on the 'send your comments' button on the consultation page by 23.10.2026. Please note that comments submitted after this deadline, or submitted via other means may not be processed.

Publication of responses

Please clearly indicate in the consultation form if you wish your comments to be disclosed or to be treated as confidential. A confidential response may be requested from us in accordance with the EBA's rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA's Board of Appeal and the European Ombudsman.

Data protection

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EU) 1725/2018 of the European Parliament and of the Council of 23 October 2018. Further information on data protection can be found under the Legal notice section of the EBA website.

2. Executive Summary

Directive 2014/49/EU on deposit guarantee schemes as amended by Directive 2026/804/EU (DGSD3), establishes in recital 26 that “the available financial means of a DGS should be immediately usable to face sudden events of payout or other interventions”. This includes the primary function of repaying depositors where the Directive requires funds to be made available to depositors within 7 working days, as well as financing resolution actions and supporting preventive or alternative measures where DGS funds may be needed within hours rather than days.

Article 10(13) DGSD3 confers a mandate to the EBA to “develop Guidelines to assist DGSs with the diversification of their available financial means and on how DGSs can invest in low-risk assets applicable to the available financial means of DGSs.”

Building on this objective, these Guidelines specify how DGSs should set and implement investment strategies that support the timely availability of funds for payouts or other DGS interventions, while preserving sufficient flexibility to accommodate different existing practices and market conditions.

To strike the right balance between this flexibility, on the one hand, and the need to ensure that the available financial means remain available when needed and to mitigate any negative impact on the ability of any DGS to fulfil its mandate, on the other, these Guidelines specify the following:

- The criteria that DGSs should take into account to ensure sufficient diversification of DGS funds, allowing flexibility to align the DGSs’ investment strategy under the new GLs with existing DGSs’ practices.
- The standards that DGSs should follow when investing in low-risk assets, while maintaining the broad and inclusive range of eligible instruments.
- The requirements concerning mechanisms for liquidity management to ensure the timely availability of funds, taking into account all potential uses of DGS funds.
- The requirements on the governance aspects related to implementing the investment strategy in cases when the DGS is not responsible for performing this task.

The EBA has developed these Guidelines building on existing practices among EU DGSs and applying a proportionate approach, thereby avoiding unnecessary new burdens on DGSs and the industry.

Next steps

The EBA is consulting on the draft guidelines for a period of 3 months. Feedback from the public consultation will be taken into account when finalizing the guidelines. The EBA will finalise the guidelines once the consultation responses have been assessed.

3. Background and rationale

3.1. Background

1. Directive 2026/804/EU of the European Parliament and of the Council of 30 March 2026, amending Directive 2014/49/EU on deposit guarantee schemes (DGSD3) was adopted and published in the Official Journal of the European Union on 20 April 2026 and aims to improve depositor protection, enhance the functioning of DGSs, while harmonising rules for DGSs' interventions other than payout proceedings (e.g. preventive or resolution scenarios), and strengthen the effectiveness and cross-border convergence of DGSs.
2. In the context of financial means, Article 10(7) of DGSD3 states that "Member State shall ensure that DGSs, designated authorities, or competent authorities set the investment strategy for the available financial means of DGSs, and that that investment strategy complies with the principle of diversification and investments in low-risk assets."
3. Relevant reasoning for this provision is provided in recital 26 of DGSD3, which states that "the available financial means of a DGS should be immediately usable to face sudden events of payout or other interventions. In view of various practices across the Union, it is appropriate to lay down requirements for DGSs' funds investment strategy to mitigate any negative impact on the ability of a DGS to fulfil its mandate. Where a DGS is not competent to set the investment strategy, the authority, body or entity in the Member State that is responsible for setting the investment strategy should, when setting that investment strategy, also respect the principles regarding diversification and investments in low-risk assets."
4. More specifically, Article 10(13) of the DGSD3 mandates the EBA to "develop Guidelines to assist DGSs with the diversification of their available financial means and on how DGSs could invest in low-risk assets applicable to the available financial means of DGSs".
5. The EBA has assessed the mandate and related provisions to arrive at the view that the Guidelines are to achieve the following objectives:

- identify the criteria that DGSs should take into account to ensure sufficient diversification of DGS funds, allowing flexibility to align the DGSs' investment strategy under the new GLs with existing practices,

- identify standards that DGSs should follow when investing in low-risk assets, while maintaining a broad and inclusive range of eligible instruments,

- outline requirements concerning mechanisms for liquidity management to ensure the timely availability of funds, taking into account all potential uses of DGS funds,

- outline requirements on the governance aspects related to implementing the investment strategy in cases when the DGS is not responsible for performing this task.

6. The rationale section below presents how the EBA proposes to achieve these objectives and fulfil the mandate.

3.2. Rationale

7. In order to translate the aforementioned objectives into requirements, the EBA has identified and assessed different policy approaches to assist DGSs to ensure sufficient diversification in the investment strategy and to outline how DGSs should invest in low-risk assets while allowing flexibility in terms of the different institutional arrangements and market conditions.
8. Thus, the rationale section is structured around the following components: setting the investment strategy and diversification of the DGS investments, investing funds in low-risk assets, liquidity management and stress testing, and the governance of the investment strategy. The rationale for the inclusion of each of these components is provided in the remainder of this Consultation Paper.

3.2.1. Setting the investment strategy and diversification of the DGS investments

9. The first objective of the guidelines is ensuring sufficient diversification of DGS funds. Article 10(7) of the DGSD3 states that "Member States shall ensure (…) that investment strategy complies with the principles of diversification and investments in low-risk assets". Furthermore, Article 10(7a) of the DGSD3 states that "Where DGSs are allowed to place all or part of their available financial means with their national central bank or national treasury, Member States shall ensure that those available financial means are separated from other funds for accounting purposes and that they are readily available for use by the DGS in accordance with Articles 11, 12 and 14(3).".
10. In light of the provisions above, as a first step the EBA assessed whether placing available financial means with their national central bank or national treasury, as permitted under DGSD3, should be considered for the purposes of meeting these diversification requirements. Particularly, the EBA assessed whether such deposits should be part of the investment strategy and thus subject to the requirements or not.
11. To arrive at an answer, the EBA took into account the objectives of diversification under the DGSD3: (i) to mitigate the risk of the available financial means not being immediately usable to face sudden events of payout or other interventions, as established in the recital 26 of the DGSD3[1], and (ii) to ensure that funds are available when needed in a crisis, irrespective of the situation in the market for a particular type of instrument.
12. The EBA has arrived at the view that, on the one hand, that the guidelines should not constrain the possibility to place DGS funds with central bank or treasury as DGSD3 does not limit such

[1] Recital 26 DGSD3: "The available financial means of a DGS should be immediately usable to face sudden events of payout or other interventions. In view of various practices across the Union, it is appropriate to lay down requirements for DGSs' funds investment strategy to mitigate any negative impact on the ability of a DGS to fulfil its mandate".

possibility and recognises that placing all funds with the central bank or treasury may be allowed in some Member States. On the other hand, implementing the guidelines when having placed DGS funds with a central bank or treasury would make it difficult, and in some cases impossible, to meet the diversification requirements of the guidelines.

13. To solve this issue, this CP proposes that the guidelines require that diversification requirements apply only to the part of the portfolio that is not placed as cash with a central bank or national treasury.

Question 1:

Do you have any comments on the proposal in that cash deposited with their national central bank or the national treasury is not subject to the diversification requirements and cannot count towards meeting such requirements for the remainder of the portfolio?

Setting the investment strategy

14. The EBA identified that the initial step towards achieving the first objective of the guidelines is that the DGSs develop a formal, clear and approved investment strategy for the investment of their available financial means.
15. Based on this, the EBA assessed that the minimum elements that the DGSs should set out when setting the investment strategy are, defining the objectives, risk appetite, and limits (i.e. diversification criteria, liquidity targets, liquidity stress test frequency and performance and risk metrics, and similar).
16. On this basis, the EBA assessed, how the DGSs or the designated or the competent authority should set the investment strategy. The EBA identified the relevance of developing an approach that promotes clarity while avoiding undue prescription, strengthens governance and accountability, facilitates effective oversight through defined monitoring and reporting arrangements, enables periodic reviews, reflecting the results of the liquidity stress tests of the portfolio where necessary, and supports timely availability of funds by ensuring operationally robust investment strategies. Thus, the EBA concluded that the guidelines should establish the minimum standards to be applied proportionately to each DGS's portfolio size, complexity and risk profile, including the content of the strategy, monitoring and reporting, roles and responsibilities, regular reviews, and their application where the implementation of the strategy is outsourced. The proposed approach is reflected in the CP in Guideline 4.1.

Question 2:

Do you have any comments on the proposal in Guideline 4.1 to set minimum standards to be followed by DGSs, designated authorities or competent authorities when setting the investment strategy?

Diversification of the DGS investments

17. As a second step, the EBA assessed the identification of the criteria that DGSs would need to take into account to ensure sufficient diversification of DGS funds, while avoiding the strict prescription of portfolio composition, providing a flexible framework for the DGSs. To that effect, the EBA assessed whether the guidelines should provide a non-exhaustive or an exhaustive list of criteria to be taken into account to ensure sufficient diversification.
18. The benefits of the option of a non-exhaustive list are that it provides flexibility, proportionality, and room for innovation, enabling DGSs to adapt to different market conditions, portfolio structures, and national specificities, while also allowing the strategy to evolve over time without requiring changes to the Guidelines. The benefits of an exhaustive list, by contrast, are that it could encourage more consistent diversification practices across Member States, although it reduces flexibility to adapt to market developments and differences in financial systems, economic structures and regulatory frameworks.
19. The EBA arrived at the view that, on balance, a non-exhaustive list strikes the right balance between the competing aims of harmonisation and leaving sufficient room for future developments.
20. The EBA also assessed what the criteria should be and has arrived at the view that the list of criteria should relate to the issuer, geography, maturity, duration, asset class and ESG. Thus, the CP proposes in Guideline 4.2 a non-exhaustive list of criteria while also allowing DGSs to consider additional criteria not explicitly specified.
21. Furthermore, the EBA has arrived at the view that defining the diversification criteria to be applied by DGSs is not sufficient on its own, but it is essential to ensure their effective and consistent implementation in practice, so that diversification can meaningfully contribute to achieving the main objectives of the investment strategy.
22. Based on the above, the EBA assessed how to ensure that the diversification criteria are implemented in a coherent and effective manner. To this end, the EBA assessed three options for the guidelines: (i) impose a minimum set of criteria to be included in the investment strategy to comply with the diversification requirements, (ii) ensure the effective application of diversification based on the portfolio risk management or (iii) a combination of those two options developing a "comply or explain" model, based on the application of a minimum set of diversification criteria, while allowing deviations if DGSs can demonstrate that applying a single diversification criteria is appropriate in their specific case based on portfolio risk management assessment.
23. The EBA concluded that to impose a rigid set of criteria would not be appropriate in all circumstances and may not be implementable for every DGS. On the other hand, the EBA considered that requiring effective application of diversification based only on portfolio risk management could allow excessive discretion, thereby undermining the clarity and effectiveness of oversight.
24. Eventually, the EBA arrived at the view that a combination of the two options discussed above strikes the right balance, providing a minimum level of standardisation with a risk-based

approach based on the DGS's portfolio risk management framework, taking into account portfolio composition, without making the framework overly prescriptive. Furthermore, the combined approach strengthens governance and accountability, supports consistent oversight, and facilitates regulatory convergence, while preserving proportional flexibility for market-specific and national circumstances. The EBA's proposed approach is reflected in the CP in guideline 4.2.

Question 3:

Do you have any comments on the proposal in Guideline 4.2 to provide a non-exhaustive list of criteria that DGSs should apply when investing their available financial means?

Question 4:

Do you have any comments on the proposal in Guideline 4.2 to require DGSs, designated authorities or competent authorities to apply a minimum set of diversification criteria while allowing them to justify the use of alternative criteria based on their portfolio risk management?

3.2.2. Investing funds in low-risk assets, liquidity management and stress testing

25. Article 10(7) DGSD3 states that "Member State shall ensure (…) that investment strategy complies with the principles of diversification and investments in low-risk assets". Furthermore, recital 26 of the DGSD3 includes a reference to the investment in low-risk assets "… when setting that investment strategy, also respect the principles of diversification and investment in low-risk assets". Based on these provisions, the EBA arrived at the view that these Guidelines should guide DGSs in investing in low-risk assets (LRAs) that best support the objectives of the DGS mandate, while being aligned with the investment strategy and the diversification approach defined therein.
26. The DGSD3 also addresses in recital 26 the relevance of having access to mechanisms that ensure timely availability of liquidity: "The available financial means of a DGS should be immediately usable to face sudden events of payout or other interventions. In view of various practices across the Union, it is appropriate to lay down requirements for DGSs' funds investment strategies in order to mitigate any negative impact on the ability of any DGS to fulfil its mandate."
27. Building on the above-mentioned provisions, the EBA identified that the timely access to the available financial means is relevant not only to fulfil the primary function of repaying depositors in an event of payout, but also to be able to contribute to resolution or other interventions, where funds may be needed even sooner than in a payout. To this end, the EBA assessed the requirements concerning the mechanisms for liquidity management aimed at

ensuring timely access to liquidity, taking into account all the potential uses of DGS funds, as discussed further in this Consultation Paper.

Criteria to be applied by DGSs when investing in Low-Risk Assets (LRA)

28. The above provisions support the second objective of the guidelines to identify the standards that DGSs should follow when investing in low-risk assets. As a first step, the EBA evaluated the criteria that DGSs should apply when making investment decisions regarding instruments that fall within the definition of low-risk assets established in Article 2(1) (14) of the DGSD3, while considering relevant risk factors such as liquidity and depth of market, as well as the constraints faced by DGSs with more limited investment options, for example due to not being in the Eurozone.
29. To this end, the EBA evaluated two options for the guidelines (i) require DGSs to assess their investment strategy, prioritising portfolio liquidity to identify the LRA that best fit their strategy, or (ii) require DGSs to assess their investment strategy and in addition to this assessment, to invest primarily in assets identified by the guidelines based on best practices of the industry.
30. The EBA arrived at the view that requiring DGSs to evaluate their investment strategy and diversification approach when selecting LRA would allow DGSs to determine the LRAs that best align with their liquidity objectives, market conditions, legal framework and practical experience, while maintaining liquidity as the primary criterion. It would also allow diversification to be assessed at portfolio level. At the same time the EBA acknowledged that it may offer limited harmonisation, as the broad discretion left to DGSs and authorities may lead to divergent interpretations and practices.
31. As an alternative, the EBA assessed if providing DGSs with a list of asset types in which they should primarily invest their funds, could help promote more consistent practices across DGSs while still permitting DGSs a certain level of flexibility to adapt the selection of LRAs to their specific conditions. The EBA considered that this option risks being interpreted as too prescriptive, not provide sufficient flexibility, and not take into account evolution of markets and new innovative products.
32. Eventually, the EBA arrived at the view that the approach focused on assessing the investment strategy strikes the right balance prioritizing liquidity as the core objective to ensure the timely availability of funds, while allowing DGSs to tailor their investment choices to their specific conditions, and portfolio characteristics. Furthermore, this proposal builds on well-established liquidity stress-testing requirements prescribed for testing DGSs operational and funding capabilities in EBA Guidelines on DGS stress tests, ensuring consistency with existing supervisory tools and practices, while preserving proportional flexibility and accommodating market heterogeneity.
33. Thus, the CP proposes in Guideline 4.3 that DGSs evaluate their investment strategy and diversification approach when selecting low-risk assets.

Question 5:

Do you have any comments on the proposal in Guideline 4.3 to require DGSs to assess their investment strategy, with liquidity as the main driver, to select the LRAs that best align with that strategy from among the range of assets included in the DGSD definition?

Mechanisms designed to ensure the timely availability of liquidity

34. The third objective of the guidelines is to outline requirements concerning mechanisms for liquidity management to ensure the timely availability of funds, taking into account all potential uses of DGS available financial means.
35. To this end, the EBA assessed how to ensure that DGSs have the necessary tools and mechanisms in place to secure timely access to liquidity. This should include procedures in place to periodically assess the investment strategy of DGSs and the liquidity profile of the portfolio, including the expected timeframe for converting assets into cash to avoid procedural delays and administrative obstacles. The EBA concluded that carrying out an evaluation of the capacity of their portfolios to be converted into liquidity, including the internal decision-making procedures to allow the DGSs to access funds and the expected timeframe for doing so, would ensure that funds can be made available in a timely manner.
36. In light of the above, the EBA evaluated whether the guidelines should 1) require DGSs to assess portfolio liquidity and the timeframe required to convert assets in order to fulfil their obligations only or, 2) in addition to this liquidity assessment, also require DGSs to have mechanisms in place to ensure they have timely access to liquidity from a non-exhaustive set of mechanisms provided in the guidelines.
37. The EBA arrived at the view that a regular assessment of the portfolio liquidity, at least when material changes are made to the investment strategy, based on the existing requirements in EBA Guidelines on DGS stress testing , and the metrics prescribed for testing DGSs operational and funding capabilities, would reinforce the DGSs responsibility for assessing their own liquidity readiness, allowing the evaluation to be tailored to their specific organisational structures, resources and investment strategies, although some basic guidance may therefore be valuable to ensure a minimum level of consistency. Furthermore, the EBA concluded that should the assessment of the portfolio liquidity indicate that given the portfolio's composition, the DGS would not be able to liquidate sufficient volume of assets for any type of DGS intervention, the DGS should then be required to put in place at least one mechanism to strengthen operational readiness, particularly in stressed market conditions.
38. Additionally, by outlining a non-exhaustive set of mechanisms—such as repos, collateralised funding arrangements, or other non-outright-sale transactions—the guidelines would provide flexibility for DGSs to adapt the choice and design of mechanisms to their specific circumstances, without prescribing rigid solutions.
39. Therefore, the EBA proposes that the guidelines set out requirements for DGSs to evaluate their capacity and timeframe for converting portfolio assets into liquidity. The guidelines should also outline a non-exhaustive set of mechanisms at least one of which should be in place, where the

assessment indicates that the portfolio composition would not enable the amounts required for each type of intervention (repayment, preventive or resolution scenarios) to be converted into cash within the applicable deadline. The EBA's proposed approach is reflected in the CP in Guideline 4.3.

Question 6:

Do you have any comments on the proposal in Guideline 4.3 to require DGSs to evaluate their capacity and timeframe for converting portfolio assets into liquidity, and outlining a non-exhaustive set of mechanisms—such as repos, collateralised funding arrangements, or other non-outright-sale transactions to have at least one in place, based on the outcome of the assessment?

3.2.3. Governance of the investment strategy

40. The fourth objective of the guidelines is to outline requirements on the governance aspects related to cases when implementing the investment strategy is delegated to a third party. For the purpose of these guidelines, implementation of the investment strategy refers to managing the DGS's available financial means in line with the approved strategy, including selecting the low risk assets for the portfolio composition.
41. Where an asset manager merely executes precise instructions issued by the DGS, the designated authority, the competent authority, or any other entity responsible for the implementation of the investment strategy, without being entrusted with the performance of the implementation of that strategy, such activity does not constitute implementation of the investment strategy and therefore does not qualify as delegation of such implementation for the purposes of Guideline 4.4. Accordingly, such activity falls outside the scope of Guideline 4.4.
42. Article 10(7) of the DGSD3 states that "Member States shall ensure that DGSs, designated authorities, or competent authorities set the investment strategy for the available financial means of DGSs, and that that investment strategy complies with the principles of diversification and investment in low-risk assets. DGSs shall use derivatives only for risk management purposes, including managing market risk and liquidity risk.". The DGSD is silent on the implementation of the strategy.
43. In this context, the EBA assessed the advantages of including provisions on governance practices specifically relating to the implementation of investment strategies. The EBA evaluated whether and how the guidelines should ensure that this task is performed in a way that achieves the objectives of the DGSD, while preserving DGS autonomy and responsibility over their investment strategies. In developing this assessment, the EBA also studied relevant provisions included in previous EBA guidelines on outsourcing arrangements and on internal

governance and the notion of delegation in the Directive (EU) 2024/927 of the European Parliament and of the Council[2].

44. The EBA arrived at the view that, where a DGS, the designate authority or the competent authority implements their investment strategy, there is no need to provide further guidance to ensure that the strategy is in line with the objectives of the DGSD. However, the EBA also concluded that where a DGS, the designated authority or the competent authority is not implementing the investment strategy, there is a need to ensure that the investment strategy is implemented in line with the objectives of the DGSD and any further national legal specifications that are part of the transposition of the DGSD into national law, and not subject to other objectives or additional restrictions.
45. For this purpose, the EBA is of the view that including provisions on governance practices in the guidelines ensures that investment decisions consistently align with the core aims of the DGSD, namely safeguarding depositors and promoting financial stability, reduces the risk of competing priorities, strengthens the DGS's operational capacity, and preserves accountability, without prescribing a uniform governance model. Furthermore, the EBA also arrived at the view that basing the proposals in these guidelines on the existing Directive 2011/61/EU supports best practices in internal governance and risk management, including oversight of delegated activities, reporting, and responsibilities. The EBA's proposed approach is reflected in the CP in guideline 4.4.

Question 7:

Do you have any comments on the proposal in Guideline 4.4 to require DGSs, designated authorities or competent authorities to implement governance practices when they do not implement their own investment strategy?

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[2] Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and Directive (EU) 2024/927 of the European Parliament and of the Council of 13 March 2024 amending Directives 2011/61/EU and 2009/65/EC as regards delegation arrangements, liquidity risk management, supervisory reporting, the provision of depositary and custody services and loan origination by alternative investment funds

4. Draft guidelines

EBA/GL-REC/20XX/XX

DD Month YYYY

Draft guidelines

on investment of available financial means under Directive 2014/49/EU on deposit guarantee schemes

1. Compliance and reporting obligations

Status of these guidelines

1. This document contains guidelines issued pursuant to Article 16 of Regulation (EU) No 1093/2010[3]. 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. Guidelines set the EBA view of appropriate supervisory practices within the European System of Financial Supervision or of how Union law should be applied in a particular area. Competent authorities as defined in Article 4(2) of Regulation (EU) No 1093/2010 to whom 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 as to whether they comply or intend to comply with these guidelines, or otherwise with reasons for non-compliance, by [dd.mm.yyyy]. 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 with the reference 'EBA/GL/202x/xx'. 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 EBA.

4. Notifications will be published on the EBA website, in line with Article 16(3).

[3] 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

Subject matter

5. These guidelines specify the mandate given to the EBA in accordance with Article 10(13) of Directive 2014/49/EU (DGSD), to develop Guidelines to assist Deposit Guarantee Schemes'(DGS) with the diversification of their available financial means and on how DGSs could invest in low-risk assets applicable to the available financial means of DGSs.

Scope of application

6. These guidelines apply to DGSs in relation to the development of the investment strategy for their available financial means and apply to the part of the DGS available financial means not placed with their national central bank or national treasury.

7. Where the competent authorities, as defined in the Article 2 of the DGSD, in cooperation with the designated authorities are responsible for developing the investment strategy, they should apply the provisions of these Guidelines.

8. Competent authorities in cooperation with designated authorities should ensure that these Guidelines are applied by DGSs when developing the investment strategy for their available financial means. When a DGS is administered by a private entity, designated authorities should ensure that these guidelines are applied by such DGSs.

Addressees

9. These guidelines are addressed to competent authorities as defined in Article 4(2)(i) and (iv) of Regulation (EU) 1093/2010.

Definitions

10. Unless otherwise specified, terms used and defined in Directive 2014/49/EU (DGSD3), have the same meaning in the guidelines.

3. Implementation

Date of application

11. These guidelines apply from 11 May 2028.

4. Investing of DGSs’ available financial means

4.1. Setting the investment strategy

12. The DGS, the designated authority or the competent authority that is responsible for setting the investment strategy should comply with the principles listed in the following paragraphs when developing or approving the investment strategy of a DGSs.

13. The investment strategy of a DGS should be outlined in a formal document by the DGS and approved by the governing body of the DGS. Where a DGS is not responsible for setting its investment strategy, the authority, body or entity in the Member State that is responsible for setting the investment strategy should outline the strategy in a formal document approved by the governing body of the relevant authority.

14. The investment strategy should be clear and set out investment objectives in line with the timely availability of funds to meet liquidity needs to face sudden events of payout or other interventions. It should set out, at a minimum, the investment objectives, risk appetite, and investment limits (i.e. diversification criteria, liquidity criteria, liquidity stress test frequency and performance and risk metrics, and similar) for investing the DGS’s available financial means, and the related procedures for monitoring and compliance with those criteria.

15. The investment strategy should define the monitoring and reporting of the compliance with the investment strategy in a manner proportionate to the size, complexity and risk profile of the portfolio. This should include the use of relevant risk metrics, key risk indicators or key performance indicators, where appropriate.

16. The investment strategy should define the entity that is responsible for the implementation of the strategy if it is different from the entity setting the investment strategy.

17. The investment strategy should be regularly reviewed and verified by the DGS or the authority responsible for setting the investment strategy. The investment strategy should take into account the results of the liquidity stress tests as per guideline 4.3.

18. The DGS or another authority, body or entity in the Member State that is responsible for setting the investment strategy should regularly monitor the investment strategy, including the ongoing effectiveness of the diversification criteria, in light of market developments, risk assessments and operational needs, including by regular meetings with the entity responsible for implementing the strategy.

19. Where necessary, adjustments should be made to the investment strategy to ensure continued compliance with these Guidelines and to safeguard the DGS’s ability to carry out its depositor protection mandate.

4.2. Diversification of the DGS investments

20. The investment strategy should outline at least two diversification criteria to be applied in the implementation of the strategy, except in the situation described under paragraph 22. Those criteria may be selected either from the list set out in these guidelines or consist of other criteria that are more relevant to the DGS's risk profile, provided that they contribute to the effective diversification of the portfolio and sound risk management.

21. In order to select diversification criteria to be used in the investment strategy, the DGS or the authority responsible for setting the strategy should take into account at least the following diversification criteria:

- Issuer-based criteria: Are based on the identity of the issuer and the relative single issuances, to ensure that the portfolio's risk is not excessively dependent on the creditworthiness or default risk of one issuer.
- Maturity-based criteria: Are based on the different contractual maturity of financial instruments, considering the timing of the repayment of the instruments.
- Duration-based criteria: Are based on the different interest rate sensitivities of financial instruments, to manage the portfolio's exposure to movements in the yield curve.
- Geography-based criteria: Are based on spreading investments across countries or regions to take into account imperfect correlations in economic cycles, political environments, regulatory systems, and market conditions.
- Asset class-based criteria: Are based on the allocation of investments across different categories of financial instruments to mitigate market and idiosyncratic risks tied to any one class.
- ESG-based criteria: Are based on the allocation of investments across different financial instruments to avoid concentration in similar levels of environmental, social, and governance risks.

22. Where the assessment of the DGS or another authority responsible for setting the investment strategy concludes that the application of a single criterion is appropriate in light of the DGS's investment strategy, portfolio composition, risk profile, size and complexity, the DGS or another authority responsible for setting the investment strategy, can derogate from the requirement to apply at least two of the criteria set out in paragraphs 20 and 21.

23. Where the investment strategy envisages the application of only one diversification criterion, the DGS should document its decision and explain it in the investment strategy. In doing so, the DGS, should provide a risk-based justification for the selected criterion and demonstrate that the approach remains consistent with the preservation of the capacity of available financial

means to carry out the mandate of depositors' protection and any crisis intervention measures permitted under the applicable legal framework.

24. The justification referred to in paragraph 23 should include at least the following elements:

- an explanation of the operational, market-related or structural specificities that justify the application of a single diversification criterion;
- an assessment on the DGS's risk profile and on the DGS's ability to meet its obligations, including immediate payout needs and, where relevant, preventive or alternative intervention measures;
- a description of the compensatory risk-mitigation measures.

4.3. Investing funds in low-risk assets, liquidity management and stress testing

25. When making investment decisions regarding instruments that fall within the definition of low-risk assets established in Article 2(1) (14) of the DGSD3, the entity responsible for implementing the strategy should assess whether those assets are consistent with the investment strategy. That assessment should take into account, particularly the diversification criteria included in the investment strategy, the liquidity and risk profile of the portfolio and the need to ensure the timely availability of funds for the DGS to carry out its depositor protection mandate.

26. DGSs should conduct liquidity stress tests on the investment portfolio to assess the timely convertibility of the portfolio's low risk assets to perform the different functions which are part of DGS's depositor protection mandate. When performing the stress tests, DGSs should assess whether the investment strategy, including the approach to ensure diversification, and the implementation of the strategy including the choice of the low-risk assets in which the available financial means are invested, allow the DGS to access funds in a timely manner to fulfil DGSs obligations related to the use of funds pursuant to Article 11 of Directive 2014/49/EU, within the legally required deadlines applicable to each type of intervention (repayment, preventive or resolution scenarios).

27. DGSs should perform the assessment referred to in paragraph 26 regularly, at least when there are material changes to the investment strategy. Where that assessment coincides with the broader stress-testing exercise carried out by the DGS under the Revised EBA Guidelines on DGS stress tests EBA/GL/2021/10, the DGS can perform the assessment referred to in paragraph 26 as part of the wider DGS stress testing exercise.

28. DGSs should define the aforementioned stress test in a manner proportionate to the size, complexity and risk profile of the portfolio and should include, at a minimum, tests enabling the DGS to assess both the amount of available financial means that would need to be converted into cash and the timeframe within which those funds could be made available.

29. For this purpose, the DGSs should include in the stress test the quantitative and qualitative requirements set out in the Revised EBA Guidelines on DGS stress tests EBA/GL/2021/10. More specifically, the DGSs should include in the stress test the following test areas and indicators:

- indicators to assess the adequacy of the ex-ante funds that would be needed, within the applicable deadline, for a repayment, contribution to resolution or any other intervention within the applicable timeframe;
- indicators to assess the DGS's ability to access funds by liquidating assets for a repayment, contribution to resolution or any other intervention within the applicable timeframe;
- indicator to assess the adequacy of the DGS's governance framework and decision-making process for obtaining the funding required for a timely DGS intervention.

30. In addition to the indicators referred to in paragraph 29, DGSs may use any other indicators that they view as relevant for assessing their capacity to liquidate assets in a timely manner in light of their specific mandate, funding structure, portfolio composition and operational arrangements.

31. Where the results of the stress tests indicate that sufficient liquidity could not be generated within the required timeframe for any of the interventions referred to in paragraph 26, the DGS should put in place at least one liquidity mechanism to ensure timely access to liquidity. The liquidity mechanisms can include, among others:

- Repo operations, including repo operations with central bank, whenever applicable.
- Collateralized loans.
- Asset-backed credit lines.
- Securities-based lending arrangements; and
- Where legally and operationally feasible, swap arrangements or other equivalent non-outright-sale transactions.

32. The liquidity mechanism referred to in paragraph 31 should be appropriate to the DGS's depositor protection mandate, funding structure, portfolio composition, legal framework, and operational capabilities. DGSs should ensure that such liquidity mechanisms are legally enforceable, operationally feasible, and, where possible, pre-arranged and tested in advance.

33. The results of the liquidity stress tests should be documented, and the outcomes should be reflected in the investment strategy as part of the regular review of the strategy.

4.4. Governance of the delegation to third parties of the investment strategy implementation

34. Where a DGS, a designated authority or a competent authority delegate to third parties the task of implementing its investment strategy, that DGS or authority should put a delegation policy in place. In this context, the implementation of the investment strategy includes the management of the available financial means in accordance with the approved investment strategy, including selecting the low risk assets for the composition of the portfolio.

35. The delegation policy should make it clear that delegation does not relieve the DGS the designated authority or the competent authority of its obligations to ensure that the investment strategy is not influenced by unrelated objectives or additional constraints, which could undermine the DGS's ability to carry out its depositor protection mandate.

36. The delegation policy should outline the impact of delegating the implementation of the investment strategy to third parties and the risks it entails (such as operational risks, including legal and IT risks, reputational risks, market and concentration risks).

37. When the delegate is not the central bank or the national treasury, the delegation policy should require that the delegate is qualified and capable of undertaking the implementation tasks and providing the services in question, that it was selected with all due care and that the DGS, a designated authority or a competent authority is in a position to monitor effectively at any time the delegated activity, to give at any time further instructions to the delegate and to withdraw the delegation with immediate effect where to do so is in the interest of the depositor protection mandate. Thus, the delegation policy should define the reporting and monitoring arrangements and their frequency to be implemented by the parties through the delegation agreement. Requirements applicable to such agreement should be set in a manner proportionate to the size, complexity and relevance of the activities to be delegated.

38. The DGS, the designated authority or the competent authority that enters into a delegation agreement in relation to the implementation of the investment strategy, remains fully responsible for all the delegated services and activities.

39. The policy should state that a delegation agreement should not hinder ongoing supervision of the DGS by the designated authority in accordance with Article 4.7 DGSD3.

40. The DGS, the designated authority or the competent authority that delegates to third parties the implementation of the investment strategy, should regularly review and update the delegation policy and the delegation agreement.

5. Accompanying documents

5.1. Draft cost-benefit analysis / impact assessment

As per Article 16(2) of Regulation (EU) No 1093/2010 (EBA Regulation), any guidelines and recommendations developed by the EBA shall be accompanied by an Impact Assessment (IA), which analyses 'the potential related costs and benefits'.

This analysis presents the IA of the main policy options included in this Consultation Paper on the draft Guidelines on investments of available financial means under Directive 2014/49/EU on deposit guarantee schemes ('the draft guidelines'). The analysis provides an overview of the identified problem, the proposed options to address this problem as well as the potential impact of these options. The IA is high level and qualitative in nature.

5.1.1. Problem identification and background

Directive (EU) 2026/804, amending Directive 2014/49/EU (DGSD 3) was adopted and published in the Official Journal of the European Union on 20 April 2026 and aims to improve depositor protection, enhance the functioning of DGSs, while harmonising rules for DGSs' interventions other than payout proceedings (e.g. preventive or resolution scenarios), and strengthen the effectiveness and cross-border convergence of DGSs. In order to fulfil their duties, DGSs collect contributions from their members. As a result, DGSs held those contributions (called, in the DGSD language: the available financial means ("AFM")) and their existence naturally raise the question of their management and use. In this context, Article 10(7) of DGSD3, states that "Member State shall ensure that DGSs, designated authorities, or competent authorities set the investment strategy for the available financial means of DGSs, and that that investment strategy complies with the principle of diversification and investments in low-risk assets.". A relevant reasoning for this provision is provided in recital 26 DGSD3, which states that "the available financial means of a DGS should be immediately usable to face sudden events of payout or other interventions. In view of various practices across the Union, it is appropriate to lay down requirements for DGSs' funds investment strategy to mitigate any negative impact on the ability of a DGS to fulfil its mandate. Where a DGS is not competent to set the investment strategy, the authority, body or entity in the Member State that is responsible for setting the investment strategy should, when setting that investment strategy, also respect the principles regarding diversification and investments in low-risk assets.".

However, the article and recital are of a general nature. Therefore, DGSD3 mandates the EBA (Article 10(13)) to "develop Guidelines to assist DGSs with the diversification of their available financial means and on how DGSs could invest in low-risk assets applicable to the available financial means of DGSs".

5.1.2. Policy objectives

The draft Guidelines on investments of available financial means under Directive 2014/49/EU on deposit guarantee schemes aims at assisting DGSs in their management of the available financial means.

5.1.3. Options considered, assessment of the options and preferred options

Treatment of cash deposited with National Central Bank or National Treasury

Under the DGSD3, DGSs must ensure their funds are both sufficiently diversified and immediately accessible for interventions. A key question arises as to whether cash held with a national central bank or treasury should be included when assessing compliance with diversification rules. The EBA evaluated two potential approaches:

Option 1a: Counting cash deposited with central bank or national treasury for diversification requirements

Option 1b: Not counting cash deposited with central bank or national treasury for diversification requirements

Including central bank or treasury deposits in diversification calculations (Option 1a) could offer a pragmatic solution by treating all available financial means uniformly. This approach might simplify compliance monitoring, as it would subject the entire portfolio to the same rules. Some may argue this aligns with a holistic view of portfolio management, where all assets contribute to the overall risk-return profile.

However, excluding such deposits from diversification requirements (Option 1b) better serves objectives of the DGSD3: ensuring immediate liquidity and genuine risk mitigation, the possibility to place DGS funds with central bank or treasury as DGSD3 does not limit such possibility and recognises that placing all funds with the central bank or treasury may be allowed in some Member States. Furthermore, implementing the Guidelines when placing deposits with a central bank or treasury would make it difficult, and in some cases impossible, to meet the Guidelines' diversification requirements.

Based on the above, **option 1b has been chosen as the preferred option**, and the draft guidelines will not consider cash deposited with a central bank or national treasury counting for diversification requirements.

Mechanism to Ensure Diversification of DGS Funds

To ensure that diversification criteria are applied effectively and consistently, the EBA assessed how best to structure the guidelines - balancing standardization with flexibility while avoiding overly prescriptive rules. Three options were considered:

Option 2a: Imposing a minimum set of diversification criteria in the investment strategy

Option 2b: Relying on a robust portfolio risk management framework without fixed criteria

Option 2c: Combining a baseline of standardized criteria while allowing risk-based justifications for deviations

Adopting Option 2a - mandating a minimum set of criteria - would align with current best practices, as most DGSs already apply at least two diversification metrics, such as issuer and maturity. This approach offers simplicity, ensuring a uniform baseline across Member States while minimizing disruption for schemes already meeting these standards.

Option 2b, by contrast, would prioritize flexibility by embedding diversification within a broader portfolio risk management framework. This would allow DGSs to tailor their strategies to specific circumstances, such as national banking structures or unique risk profiles, while encouraging stronger governance through stress testing and liquidity monitoring. However, the absence of standardized criteria risks excessive discretion and could be more burdensome than applying a limited set of fixed rules or criteria, particularly for smaller DGSs or those with simpler portfolios.

While both options offer distinct advantages, Option 2c strikes the optimal balance by combining standardization with proportional flexibility. Requiring a baseline of criteria (e.g., issuer and maturity) ensures a minimum level of harmonization, while allowing risk-based deviations - if rigorously justified - accommodates schemes facing unique challenges, such as concentrated markets or limited investment options. This "comply or explain" model strengthens accountability through formal governance processes, ensuring that any deviation is supported by evidence without imposing rigid constraints.

Based on the above, **Option 2c has been chosen as the preferred option**, and the draft guidelines will combine a baseline of standardized criteria with risk-based justifications for deviations.

Mechanisms Designed to Ensure the Timely Availability of Liquidity

To fulfil their duty, deposit guarantee schemes (DGSs) must ensure funds are accessible without delay, particularly in stressed scenarios. This requires not only assessing the liquidity profile of their portfolios but also establishing mechanisms to bridge potential gaps when market conditions hinder timely asset conversion. The EBA evaluated two approaches to address this challenge:

Option 3a: Requiring DGSs to evaluate their portfolio's liquidity capacity and the expected timeframe for converting assets into cash

Option 3b: Requiring DGSs, in addition to the liquidity assessment, to implement at least one mechanism (e.g., repos, collateralised funding) to ensure timely liquidity access where needed

Option 3a would reinforce DGSs' responsibility for self-assessing liquidity readiness, tailoring evaluations to their organisational structures, resources, and investment strategies. By focusing on the capacity to liquidate assets - including internal decision-making procedures - it ensures DGSs proactively identify potential delays in accessing funds.

On the other hand, Option 3b addresses a critical gap by ensuring DGSs not only assess liquidity risks but also mitigate them. While Option 3a provides a diagnostic tool, Option 3b guarantees operational readiness by requiring DGSs to pre-emptively establish mechanisms (e.g., repos, collateralised funding) if their assessment reveals insufficient liquidity under stressed conditions. This approach maintains proportionality - only mandating action where needed - while offering flexibility through a non-exhaustive list of tools. Unlike outright asset sales, these mechanisms can function even in illiquid markets, thereby enhancing resilience. Though some may argue this introduces additional requirements, the ability to tailor solutions to specific circumstances (or justify alternatives) preserves adaptability.

Based on the above, **Option 3b has been chosen as the preferred option**, and the draft guidelines will require DGSs, based on the outcome of their liquidity assessment, to have at least one mechanism in place that enables them to access liquidity in a timely manner.

Governance practices when DGSs do not implement their investment strategy

In some Member States, the DGSs responsibility for implementing the investment strategies lies with external bodies. The EBA assessed whether governance requirements should apply in such cases to safeguard the strategy's alignment with DGSD3 principles. Two options were considered:

Option 4a: Requiring DGSs to implement governance practices when they rely on external bodies for the investment strategy

Option 4b: Not requiring DGSs to implement governance practices when they rely on external bodies for the investment strategy

Option 4b would avoid imposing additional obligations on DGS, the designated authority or the competent authority, preserving flexibility in national arrangements where responsibilities are already clearly defined. This approach minimises administrative burdens and respects the diversity of institutional frameworks across Member States, particularly where existing governance structures effectively ensure alignment with depositor protection objectives. For DGSs already operating under robust oversight, this option would maintain proportionality without introducing unnecessary formalisation.

On the other hand, Option 4a addresses a critical risk: where investment strategies are implemented by entities outside the DGS, the designated authority or the competent authority, competing priorities or unrelated objectives could undermine the scheme's mandate. By requiring governance safeguards - such as mandating that external bodies adhere to DGSD3 principles (e.g., diversification, low-risk assets, and liquidity targets) - this option ensures consistency with the core aims of depositor protection. While some may view this as an additional layer of regulation, the proportionality of the requirements mitigates burdens while closing gaps that could otherwise expose, in fine, depositors to unnecessary risk.

Based on the above, **Option 4a has been chosen as the preferred option**, and the draft guidelines will require DGS, the designated authority or the competent authority to implement governance practices when they rely on external bodies for the implementation of the investment strategy.

5.1.4. Conclusion

The development of the draft Guidelines on investments of available financial means under Directive 2014/49/EU on deposit guarantee schemes will assist DGSs in their management of the available financial means. The benefits - mostly the assistance to DGSs - are deemed to exceed the costs associated with these draft Guidelines which are not supposed to be material and are mostly driven by underlying requirements of the DGSD3. As such these draft Guidelines hence should achieve, with acceptable costs, their objectives.

5.2. Overview of questions for consultation

Question 1: Do you have any comments on the proposal that cash deposited with their national central bank or their national treasury is not subject to the diversification requirements and cannot count towards meeting such requirements for the remainder of the portfolio?

Question 2: Do you have any comments on the proposal in Guideline 4.1 to set minimum standards to be followed by DGSs, designated authorities or competent authorities when setting the investment strategy?

Question 3: Do you have any comments on the proposal in Guideline 4.2 to provide a non-exhaustive list of criteria that DGSs should apply when investing their available financial means??

Question 4: Do you have any comments on the proposal in Guideline 4.2 to require DGSs, designated authorities or competent authorities to apply a minimum set of diversification criteria while allowing them to justify the use of alternative criteria based on their portfolio risk management?

Question 5: Do you have any comments on the proposal in Guideline 4.3 to require DGSs to assess their investment strategy, with liquidity as the main driver, to select the LRAs that best align with that strategy from among the range of assets included in the DGSD definition?

Question 6: Do you have any comments on the proposal in Guideline 4.3 to require DGSs to evaluate their capacity and timeframe for converting portfolio assets into liquidity, and outlining a non-exhaustive set of mechanisms—such as repos, collateralised funding arrangements, or other non-outright-sale transactions to have at least one in place, based on the outcome of the assessment?

Question 7: Do you have any comments on the proposal in Guideline 4.4 to require DGSs, designated authorities or competent authorities to implement governance practices when they do not implement their own investment strategy?