

**Remarks by Eurogroup President Jeroen Dijsselbloem
at the Ecofin press conference of 18 February 2014 on the Special
ministerial meeting on the IGA on the Single Resolution Fund**

I would like to shortly debrief you on the outcome of yesterday's meeting which was a special ministerial meeting on the Intergovernmental Agreement for the Single Resolution Fund. As you know, the aim of the meeting was to review the main open issues regarding the IGA issues that have arisen since negotiations on the IGA started in January. Members of European Parliament participated in the meeting and filled us in on their views. I can say that it was a constructive meeting in which we came closer to an agreement. We discussed the main outstanding issues which were related to at least 5 themes:

1. **The financing of resolution costs:** this is about the combination and the sequencing of financing options, whether there should be flexibility in the financing options for the resolution board and the scope of the Resolution Board's discretion on this;
2. **The lending between national compartments** and particularly the related decision-making, on whose discretion is it whether lending between compartments will take place;
3. **The consequence of late entry into the SSM/SRM**, especially in terms of financial flows so if countries were to enter later phase or later stage, what kind of contribution would they have to put in and how much time would be given etc.? Part of that discussion was also, in my mind - highly theoretical, the countries leaving the SRF and how that would work;
4. **The reference to rules on the bail-in tool:** there was a strong and joint commitment to applying bail-in rules, but the question has to be answered yet how to put the bail-in as a precondition in the wording of the agreement and that is a partly political and partly a legal debate;
5. **The burden sharing within banking groups in case of cross-border resolution:** the issue there is how to take into account for each entity the relative share of the losses which gave rise to the resolution. Of course it is only valid for banking groups in cross-border situations;

These were the main issues. I think we made a quite some progress despite the complexity of the issues. We were able to narrow down the list and I think there was some convergence already there in the meeting.

More technical work will have to be done because as you may have noticed some of these issues are quite technical so we will come back to the IGA in the context of the special ministerial meeting in March, which will probably be on the 10th of March and hopefully we can then come to the conclusions.

Most importantly, as also Ioannis Stournaras and Michel Barnier have pointed out, all participants were determined to reach an agreement by the end of March on the total package which of course is also inter-connected SRM and IGA in time before the end of the current Parliamentary term. Now that is not just a practical reason, there is also a reason of economic urgency. We need to put the banks right, we need to give clarity on the banking union so the financial markets in Europe can function again and support the economic growth and that is a very strong driver for all of us to reach an agreement within some weeks.
