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Third round of amendments to the Policy Rules for the Deposit Guarantee Scheme

Consultation document September 2022

DeNederlandscheBank

EUROSYSTEEM

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Summary

- 4 De Nederlandsche Bank N.V. (DNB) administers the Dutch Deposit Guarantee Scheme (DGS). In that capacity, DNB published two policy rules and a round of amendments to the Regulation on Statements of Financial Undertakings under the Financial Supervision Act 2011 (Statements Regulation) in July 2017. This set of rules introduced among other things the single customer view (SCV), which enables deposit balances to be paid out within seven working days. It also clarified certain aspects of the rules that have a bearing on the scope and execution of the DGS.
- The two policy rules were amended in 2019 and 2021. This document contains the consultation of the third round of amendments to the DGS Policy Rules. The amendments and additions have been made in response to questions raised by banks and DNB's wish to provide further clarification of a number of specific situations involving the DGS. Stakeholders are requested to submit their response to the consultation by email at consultatie-dgs@dnb.nl no later than 30 September 2022.

1 Introduction

In July 2017, DNB published the Single Customer View Policy Rule, the Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme and the amendment to the Statements Regulation. This was in compliance with the obligations under Directive 2014/49/EU on deposit guarantee schemes (“DGSD”). The policy rules were updated in February 2019 (first round of amendments) and October 2021 (second round of amendments). This consultation document describes the proposed changes in the third round of amendments (expected in November 2022) to the Single Customer View Policy Rule and the Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme. The Statements Regulations will not be amended this time. The proposed amendments are in response to banks’ questions on the composition and submission of SCV files and DNB’s wish to clarify a number of specific situations involving the DGS.

Single Customer View Policy Rule

The Single Customer View Policy Rule lays down the requirements with regard to the single customer view (SCV). The SCV’s introduction allows covered deposit balances to be paid out within seven working days. The proposed amendments put out to consultation in the round of amendments concern clarification of (i) the way in which banks must protect foreign personal data in reports, (ii) the deposit base that DNB uses under various circumstances to determine the levies that banks are required to pay for the DGS, (iii) the removal of

the marking relating to convictions for money laundering, (iv) the guarantee that banks will report dormant accounts in the SCV files and mark these accounts accordingly.

With regard to the protection of personal data, the amendment makes explicit that banks must take account of applicable data protection legislation (including privacy legislation) when reporting national identification numbers (other than citizen service numbers issued in the Netherlands) in the SCV files. This will prevent banks from using national identification numbers for the deposit guarantee scheme in the event that this conflicts with applicable legislation in the issuing country. This is particularly relevant to banks operating outside the Netherlands. In connection with this, some adjustments are made to the other personal data in the SCV file.

Another change concerns the introduction of the possibility for DNB to provide a more accurate estimate of the amount of covered deposits. Banks submit a quarterly report that forms the basis for determining a bank’s deposit base (i.e. the total amount of covered deposits). If our assessment of the quality of the submitted SCV files gives cause to do so, DNB calculates the amount of covered deposits according to an estimate based on the number of accounts and their balances. The proposed amendment adds a provision that the deposit base used in this calculation method will not exceed the number of customers of the bank multiplied by EUR 100,000.

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Another part of this round of amendments concerns the marking for convictions for money laundering. The proposal is to remove this marking from the SCV standard and hence from the data model. Research has shown that banks do not systematically have this information. The marking is therefore unreliable.

Finally, two adjustments are proposed for dormant accounts. First, it is proposed to add a guarantee that banks will always include dormant accounts for each depositor in the SCV files. Second, it is proposed to add a marking for these dormant accounts. This marking relates to the possibility of deferring the repayment of dormant accounts in line with Article 8(5)(c) of the DGSD and Section 29.05(5) of the Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees under the Financial Supervision Act (*Besluit bijzondere prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft– Bbpm*).

Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme

The Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme sets rules on aspects (i) for which the national rules gives DNB discretionary room or (ii) that warrant further clarification. The proposed amendments (i) adds an identification option for depositors of escrow accounts, (ii) elaborates on the treatment of deposits from deceased depositors (iii) further specify the definition of a “working day”.

In the case of escrow accounts, the deposit guarantee applies to beneficiaries, provided that the identity of the beneficiary can be established before the DGS is activated. The Policy Rule specifies a number of ways in which identity can be established, including through the professional records of a liquidator, for example. Given that an administrator can also be appointed to manage the third party’s income, DNB also qualifies the administrator’s professional records as data from which the identity of a third party can be established. The deposit guarantee of a person (third party) under administration is thus sufficiently guaranteed.

In addition, the handling of deposits from deceased account holders will be clarified in this amendment round. DNB determines on the basis of inheritance law and relevant case law to whom the compensation under the deposit guarantee scheme should be awarded and how this compensation will be paid. This amendment round also adds how DNB grants compensation if a deposit is made in the name of a deceased depositor.

Finally, a new section elaborates further on the definition of a “working day”. The payout period is currently 10 working days. From 2024, a payout period of seven working days will apply. This round of amendments specifies that a working day includes all days from Monday to Friday on which DNB works, not being public holidays in accordance with its own collective labour agreement. This more precise definition of a working day provides clarity for depositors about which days fall within the specified payout period.

Contents of consultation document

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Part 2 of this consultation document includes a number of consultation questions. Part 3 presents the proposed amendments to the Single Customer View Policy Rule for consultation. Part 4 presents the proposed amendments to the Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme.

Next steps

After the consultation period has closed, DNB will incorporate the responses received into the final rules. DNB plans to publish the final amendments to the policy rules in November 2022. Following publication, DNB will also update the DGS Data Delivery Manual and the Data Delivery Agreement, where applicable, to ensure alignment with the amended rules.

Response to consultation document

A substantiated response to the rules and especially to the consultation questions in Part 2 of this document may be submitted up to 30 September by sending us an email at consultatie-dgs@dnb.nl with the subject line "Response to consultation on third round of amendments to DGS rules".

The most valuable responses will be those that:

- Make clear what rules and section the comments refer to;
- Are properly substantiated, preferably by examples or evidence;
- Provide answers to the questions asked in Part 2 of this consultation document;
- Describe alternative policy choices for DNB to take into consideration; and
- Are substantiated from various perspectives.

This consultation paper is intended for bank employees responsible for DGS matters, but also for staff involved in resolution and legal affairs. DNB also welcomes responses from other stakeholders.

2 Consultation questions

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As part of this consultation process, DNB would like to consult you on the following questions regarding the proposed amendments:

1 Single Customer View Policy Rule

- 1.1. What are your thoughts on the proposed amendments overall? Please refer to the relevant amending regulation's section number and letter if you have questions or comments relating to a specific amendment.
- 1.2. To what extent do the proposed amendments respond to questions and comments identified at your bank for the composition and submission of SCV files?
- 1.3. How would you describe the impact which the proposed amendments have on the way in which your bank has implemented or will implement the SCV requirements?
- 1.4. What is your opinion on the effective date and transition period for amendments?
- 1.5. Does the addition concerning the handling of personal data protection give you sufficient clarity for reporting purposes? If not, where do you see room for improvement?
- 1.6. Do you need further guidance on accounts where, despite repeated attempts, no contact could be established with the account holder or no financial movements have been initiated by the account holder for more than 24 months, but where the balance is eligible for the DGS?
- 1.7. Is it desirable to make a distinction between current and savings accounts in the case of dormant accounts, whereby savings accounts and fixed-term deposits will never qualify as dormant due to the nature of these accounts?

2 Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme

- 2.1. What are your thoughts on the proposed amendments overall? Please refer to the relevant amending regulation's section number and letter if you have questions or comments relating to a specific amendment.
- 2.2. To what extent do the proposed amendments provide sufficient clarity, for example, with regard to the operationalisation of the term "working day"?
- 2.3. To what extent do they impact your bank's systems and processes?

3 Amendments to the Single Customer View Policy Rule

Regulation amending the Single Customer View Policy Rule in connection with the execution of the deposit guarantee scheme.

De Nederlandsche Bank N.V.'s Policy Rule dated 10 July 2017 containing rules on the composition of single customer view files by banks for the purpose of the deposit guarantee scheme and resolution (Single Customer View Policy Rule).

De Nederlandsche Bank N.V.;

Having regard to Section 3:17(2), opening words and (d), of the Financial Supervision Act (*Wet op het financieel toezicht – Wft*) and Section 26a of the Decree on Prudential Rules for Financial Undertakings (*Besluit prudentiële regels Wft – Bpr*);

Having regard to Section 3:261 of the *Wft* and Section 29.05(3) to (5), Section 29.06(1), Section 29.07(4) and Section 29.16(1) of the Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees under the Financial Supervision Act (*Besluit bijzondere prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft – Bbpm*);

Having regard to Section 212ra of the Bankruptcy Act (*Faillissementswet*);

Having consulted the representative organisations involved and the general public;

Decides as follows:

Section I

The Single Customer View Policy Rule will be amended to read as follows:

A. Protection of foreign personal data in reporting

1. In Article 2(2)(e)(1), the following: 'The initials or first names as registered in the identity document, the birth name and the date of birth' is replaced by 'The initials and first names as registered in the identity document, the surname as registered in the identity document and date of birth'.
2. In Section 2(2)(e)(3): "The national identification number or the tax identification number and country of issue, if natural persons have such a number" is replaced by "The national identification number or the tax identification number and country of issue, if natural persons have such a number and it is permitted to use this number for the purposes of the Dutch Deposit Guarantee Scheme."
3. In Section 2(3)(b): "The initials, birth name" is replaced by "The initials and first names as registered in the identity document, the surname as registered in the identity document and the date of birth".
4. In Section 2, subsection 3(c) is deleted.
5. In Section 2, subsection 3(d) is relettered to c.
6. In Section 2, subsection 3(e) is changed to d and: 'The national identification number or tax identification number and country of issue, if available to representatives' is replaced by 'The national identification number or tax identification number and country of issue,

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if representatives have one and it is permitted under the laws and regulations of the issuing Member State to use this number for the Dutch deposit guarantee scheme’.

7. In Section 2, subsection 3, part f is lettered to e

B. Determination of the deposit base

1. A new subsection c is added to Section 4, reading:

“c. Where subsection b applies, subject to the condition that the assessment of the quality of reporting of the number of customers in the SCV file does not prevent this, DNB applies a ceiling on the calculation method in subsection b, whereby the deposit base is capped at the number of customers multiplied by EUR 100,000.”

C. Criminal conviction for money laundering

1. In Section 6(1), the following subsection is deleted, with the relettering of subsections c to l: “b. Deposits arising from transactions associated with a criminal conviction for money laundering as referred to in Section 29.01(2) of the Bbpm;”.
2. In Section 2(4)(h) the words “Markings as referred to in Section 6, (1)(b) to (g);” are replaced by “Markings as referred to in Section 6(1)(b) to (l);”

D. Dormant accounts

1. A subsection is added to Section 3, with the full stop at the end of the fifth paragraph being replaced by a semicolon, reading as follows: “6. A bank shall ensure that all dormant accounts as referred to in Section 6(1)(l) are included in the SCV file for each depositor.”

2. A subsection is added to Section 6(1), with the full stop at the end of subsection l (after the relettering referred to above under C.: subsection k) being replaced by a semicolon, reading as follows:

“l. Deposits where no transaction by or on behalf of the depositor has taken place in the preceding 24 months in relation to the deposit (the account is dormant).”

Section II

These Regulations enter into force on the day after their publication in the Government Gazette, with the exception of Article I, part A, part C, second article, and subsection D, second article, which come into effect on 1 April 2023.

This Regulation and the accompanying explanatory notes will be published in the Government Gazette.

Amsterdam, [date PM]

De Nederlandsche Bank N.V.

mr. drs. N.C. Stolk-Luyten, Executive Board Member

EXPLANATORY NOTES

General

DNB has issued the Single Customer View Policy Rule to specify in further detail the requirement that banks must be capable of providing us, at our request, with the information DNB requires to administer the deposit guarantee scheme (DGS), in a manner and within a period specified by DNB (Section 26a of the Bpr). With effect from 1 January 2019 banks are required to submit this information in the form of the SCV file composed in accordance with their own procedures and measures (the SCV system). This will allow the DGS payout deadline to be shortened to seven working days, which is a requirement in the recast European Directive on deposit guarantee schemes (2014/49/EU, DGSD).

Recently it has become necessary to make a number of clarifications and additions to this Policy Rule. The proposed amendments concern clarification of (i) the way in which banks must protect foreign personal data in reports, (ii) the deposit base that DNB uses under various circumstances to determine the levies that banks are required to pay for the DGS, (iii) the removal of the marking relating to convictions for money laundering, (iv) the guarantee that banks will report dormant accounts in the SCV files and mark these accounts accordingly.

Notes on individual sections

Section I

A. Protection of foreign personal data in reporting

The addition to Section 2(2) and (3) makes explicit that banks must submit national and tax identification numbers to the extent that they are permitted to do so for the purposes of the Dutch deposit guarantee scheme. Banks are responsible for establishing the procedures and measures to ensure that the submitted SCV data are accurate and complete. To achieve this, it is important that the identity of depositors is properly established and verified. In order to determine the person entitled to a payment under the DGS and the amount of the relevant payment in a timely and correct manner, the Policy Rule requires, among other things, that the SCV file contains the national or tax identification number. The legal ground for banks to use the Dutch citizen service number of a depositor and, if applicable, their legal representative, or in the case of a legal entity its legal representative, can be found in Section 3:17(6) of the Financial Supervision Act. This legal ground is required on the basis of the General Data Protection Regulation (GDPR) and its implementation in the Dutch GDPR Implementing Act. The Netherlands has made use of the Member State option in Article 87 of the GDPR and has imposed specific conditions on the processing of numbers that are required by law to identify a person. Section 46(1) of the GDPR Implementing Act states that, when processing personal data, these numbers may only be used for the implementation of the relevant law or for purposes specified by law.

Similar conditions may apply to foreign national and/or tax identification numbers. Banks are responsible for assessing whether they are permitted to use these foreign national and/or tax identification numbers for the purposes of the Dutch deposit guarantee scheme. In cases where they are permitted to do so, these numbers should be submitted in the SCV file.

In connection with this amendment, the requirements for other personal data, including first names and surnames, are being tightened. This is necessary to ensure adequate reliability in identifying depositors and representatives, including verification of their identity.

If banks do not provide national and tax identification numbers, this may have consequences for compliance with the requirements of the SCV Policy Rule. Compliance with the policy rule is monitored by means of the Assessment framework for supervision of compliance with the requirements of the SCV Policy Rule. The DGS Data Delivery Manual, the Data Delivery Agreement (GLO) with the Logical Data Model (LDM) and the Assessment framework for supervision of compliance with the requirements of the SCV Policy Rule will be amended so that it is clear to banks how the requirements of the SCV Policy Rule can be met.

B. Determination of the deposit base

The addition to Section 4 clarifies our procedure when determining the bank deposit base used to calculate the levies that banks are required to pay for the fund. Where our assessment of the quality of the submitted SCV files and/or the control of the SCV system so requires, subsection b makes clear that DNB can rely on the calculation based on the numbers of deposits and balances. In most cases this method leads to an overestimation, for example because it does not take into account depositors holding multiple accounts. As a result, a maximum covered amount per depositor of EUR 100,000 is not taken into account. Relying on a calculation based on numbers of deposits and balances prevents a bank taking improper advantage of the aforementioned quality of the SCV report in the form of lower levies. However, this method can also lead to an overestimation of the amount of covered deposits, namely if a bank has many customers with more accounts with high balances (over EUR 100,000).

The mechanism behind this can be better understood by means of an example. In this example, ABC bank has 10 customers who each hold 10 deposits of EUR 1 million per deposit. In addition, the quality of the submitted SCV files is inadequate, except in the case of the data submitted on the number of customers, so the traditional calculation method described in Section 4(4)(b) is used. The amount of covered deposits in the current calculation method is EUR 10 million¹. However, the actual amount of covered deposits is only EUR 1 million².

¹ EUR 100,000 multiplied by the total number of deposit accounts.

² EUR 100,000 multiplied by the total number of customers.

In order to mitigate the impact of overestimating the amount of covered deposits, this round of amendments introduces a ceiling on the amount of covered deposits equal to the number of depositors multiplied by EUR 100,000. The application of this ceiling is conditional on the quality of the reporting of the number of customers in the SCV file being sufficient. The quality is determined on the basis of the assessment framework DNB has published for supervision of compliance with the requirements of the Single Customer View Policy Rule.

C. Criminal conviction for money laundering

The reason for the amendment to Section 6(1)(b) is that banks do not systematically hold information on criminal convictions for money laundering. Nor is banks' systematic access to this information regulated by law. This means the marking is at this moment not sufficiently reliable and it is therefore removed from the SCV standard.

D. Dormant accounts

The addition referred to in the proposal for Section 3 of the SCV policy rule deals with the recording of the data in the SCV files. Specifically, the proposal introduces a guarantee that a bank will include depositors' dormant deposits on a per-customer basis when composing the SCV file. In this way, the amount of covered deposits in the SCV file will better match the total balance for which depositors are protected under the deposit guarantee scheme. In addition, this proposal ensures a more efficient payout to customers with dormant accounts.

The associated marking as proposed for paragraph 1(l) is intended to identify dormant accounts. The text is in line with the description of dormant accounts provided in Article 8(5)(c) and (g) of the DGSD. In formal terms, these are deposits on which no transaction has been effected by or on behalf of the depositor in the preceding 24 months. In the case of a dormant account, the granting of compensation may be deferred in accordance with the provision in Article 8(5)(c) of the DGSD and Section 29.05(5) of the *Bbpm*.

Section II

The following should be noted with regard to the date on which the Regulation comes into force. Section II states that the Regulation will come into force on the day after publication in the Government Gazette, with the exception of Section I, part A, with regards to the use of foreign national and/or tax identification numbers for the purposes of the Dutch deposit guarantee scheme, Section I, part C, second article, with regards to the removal of the marking for the criminal conviction for money laundering, Section I, part D, second article, with regards to the marking of dormant accounts. A transitional period up to the said date applies to these amendments, as they may impact the banks' SCV systems.

Amsterdam, [date PM]

De Nederlandsche Bank N.V.
mr. drs. N.C. Stolk-Luyten, Executive Board Member

4 Amendments to the Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme

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Regulation amending the Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme in connection with the administration of the deposit guarantee scheme.

De Nederlandsche Bank N.V.'s Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme (*Beleidsregel Reikwijdte en Uitvoering Depositogarantiestelsel*) as referred to in Section 3:259(2) of the Financial Supervision Act (*Wet op het financieel toezicht – Wft*)

De Nederlandsche Bank N.V.;

Having consulted representative organisations;

Having regard to Sections 29.02 and 29.06 of the Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees under the Financial Supervision Act (*Besluit bijzondere prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft – Bbpm*) and Section 26a of the Decree on Prudential Measures under the Financial Supervision Act (*Besluit prudentiële maatregelen Wft – Bpr*);

Having consulted the representative organisations involved and the general public;

Decides as follows:

Section I

A. Qualification of escrow account under administration

In Article 1.1, fourth paragraph, part d is removed and this part is replaced by a new part d, which reads as follows:

“d. an administrator as referred to in Article 287 of the Bankruptcy Act; or”

B. Deceased account holders

The following section is added to Chapter 2, Scope, after Section 2.2, renumbering the following Sections in that chapter:

“Section 2.3

1. In the event that a deposit holder has died and the bank's records do not yet reflect any change in the name in which the deposit is held or if there is an “heirs' account”, DNB will assess the heirs' entitlement to compensation on the basis of documentation to be determined by DNB.
2. If the deceased deposit holder has died before the date of the judgement or ruling that led to the activation of the deposit guarantee scheme and the estate of the deposit holder has been divided or there is a sole heir, (each of) the heir(s) to whom the deceased deposit holder's deposit was allocated or the sole heir, as the case may be, will individually be regarded as a deposit holder of the relevant (part of the) deposit.
3. If the deceased deposit holder has died after the date of the judgement or ruling that led to the activation of the deposit guarantee scheme and if the estate of the deposit holder has been

divided or there is a sole heir, the heir(s) or sole heir, as the case may be, will succeed the deceased deposit holder in respect of the entitlement to compensation under the deposit guarantee scheme. If there are several heirs who have each been allocated a share of the deceased deposit holder's deposits, a pro rata share of the compensation will be allocated to the heirs. This compensation is separate from and will have no effect on the amount of any compensation to which the relevant heir is/heirs are entitled in connection with one or more other deposits held by the relevant heir(s) with the bank.

4. If and as long as the estate of the deceased depositor has not yet been divided, the heirs are the joint legal successors of the deceased depositor as regards entitlement to compensation under the deposit guarantee scheme. The compensation will be granted to the heirs jointly and will be paid into one bank account to be specified by or on behalf of the joint heirs. The level of compensation under the deposit guarantee scheme granted to joint heirs is determined by reference to the compensation that would have been granted to the deceased depositor had they been alive. This compensation is separate from and will have no effect on the amount of any compensation to which the relevant heir is/heirs are entitled in connection with one or more other deposits held by the relevant heir(s) with the bank."

C. Definition of working day

The following section is added to Chapter 3, Execution, after Section 3.7:

Section 3.8

In determining the payout period, DNB classifies as working day all days from Monday to Friday that are not considered public holidays according to DNB's collective labour agreement.

Section II

The following can be noted at the time of entry into force. Article II provides that the regulation enters into force the day after publication in the Government Gazette, with the exception of Article 1, part A, with regards of the qualification of an escrow account under administration. Since this change may have an impact on the IKB system of banks, a transition period applies until April 1, 2023.

Amsterdam, [date PM]

De Nederlandsche Bank N.V.

mr. drs. N.C. Stolk-Luyten, Executive Board Member

EXPLANATORY NOTES

General

With the proposed amendment to the Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme, DNB provides further clarity for banks and depositors about the scope of protection offered by the deposit guarantee scheme and how to deal with a number of situations that may arise during a DGS payout. The main amendments include the introduction of (i) the possibility to use the administrator's records to identify third parties, (ii) a provision on the treatment of accounts of deceased account holders and (iii) a specification on the definition of a working day.

Notes on individual sections

Section I

A. Qualification of an escrow account under administration

Section 29.02(3) of the *Bbpm* states that, if a depositor holds a deposit in their own name but does so for the benefit of a third-party beneficiary by virtue of a contract or legal requirement, the deposit guarantee in this case applies to the beneficiary. However, this guarantee only applies if the identity can be established prior to the decision to activate the deposit guarantee scheme. Section 2.1(b) of the Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme builds on this by allowing professional records kept by the account

holder to be used to establish the identity of the beneficiary. In the Policy Rule on the Scope and Execution of the Deposit Guarantee Scheme, the records of a liquidator³, among others, qualify as professional records. The reference to the trustee in bankruptcy as referred to in Section 1:383 of the Dutch Civil Code will lapse, because it has become apparent that this trustee in bankruptcy does not maintain a trust account. In addition, it has become apparent that both the bankruptcy trustee as referred to in Article 68 of the Bankruptcy Act and an administrator as referred to in Article 287 of the Bankruptcy Act can open an estate account and that these types of accounts are linked to the bankruptcy trustee or the administrator, but are not used for their own benefit. The basic principle here is that the accounts concern third-party accounts and the third party bankrupt, or person under administration, remains protected under the DGS. DNB therefore also qualifies the administrator's administration as referred to in Section 287 of the Bankruptcy Act as professional administration on the basis of which the identity of the third party can be established.

B. Deceased account holders

Section 2.3 sets out how the deposits of deceased depositors are dealt with as regards the granting of compensation under the deposit guarantee scheme. It is essential for the implementation of the deposit guarantee scheme that banks keep proper records that reflect as quickly and accurately as possible any changes in the name in which an account is held in

³ As referred to in Section 1:383 of the Dutch Civil Code or Section 68 of the Bankruptcy Act

connection with the death of a depositor. To the extent that the SCV file contains one or more deposits in the name of a deceased person or heirs' accounts, DNB will, on the basis of inheritance law and relevant case law, determine to whom compensation under the deposit guarantee scheme should be granted in that case and how this compensation will be paid. DNB will require information for this purpose. The documentation needed may vary from case to case. Section 2.3 therefore states that it is up to DNB to determine the required documentation on a case-by-case basis.

Subsections 2 and 3 concern the situation where an estate has already been divided or where there is a sole heir. With regard to the granting of compensation under the deposit guarantee scheme, a distinction should be made between the case where the depositor concerned died before the date of the bank's failure and the case where the depositor concerned died after the date of the bank's failure. In the first case, it is relevant for the granting of compensation that the deceased deposit holder's claim on the bank is passed on to the heir(s), whereas in the second case, it is relevant for the granting of compensation that the claim under the deposit guarantee scheme is passed on to the heir(s). This distinction is reflected in the amount of compensation awarded to the heirs concerned. If the depositor died before the bank failed and the estate has already been divided, the deposits concerned must be taken into account when determining the amount of compensation to which the heir is entitled. In that case, the heir's maximum compensation is EUR 100,000 for all deposits held at the bank, including those still in the name of the

deceased depositor and allocated to the heir. If the depositor died after the bank failed, the deceased depositor's entitlement to compensation under the deposit guarantee scheme is passed on to the heir, to the extent that the deceased depositor had not already received it at the time of death. This compensation is therefore independent of any compensation to which the heirs themselves may be entitled in connection with other deposits held with the failed bank.

As regards Subsections 2 and 3, it is worth mentioning that the term 'divided' should also be understood to mean situations where there is a legal division of an estate or a division by will. Where reference is made to the sole heir, this means the situation in which the sole heir actually inherits and there is no question of the estate being rejected, for example.

Subsection 4 concerns the situation where an estate has not yet been divided and there are several heirs. For the implementation of the deposit guarantee scheme, it does not matter in such a case whether the death occurred before or after the bank failure.

C. Definition of working day

The addition of Section 3.8 clarifies that a "working day" is defined as all days from Monday to Friday that are not considered a public holiday according to the collective labour agreement of DNB. This more precise definition of a working day provides clarity for depositors about which days fall within the specified payout period.

Section II

The following can be noted at the time of entry into force. Article II provides that the regulation enters into force on the day after its publication in the Government Gazette, with the exception of the amendment of Article I, part A, with regard to the qualification of an escrow account under administration. Since this change may have an impact on the IKB system of banks, a transition period until 1 April 2023 applies.

Amsterdam, [date PM]

De Nederlandsche Bank N.V.

mr. drs. N.C. Stolk-Luyten, Executive Board Member

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