

## Amendments to Regulation (EU) 806/2014 and Directive (EU) 2014/59/EU as regards certain aspects of MREL: Directive (EU) 2024/1174

On 11 April 2024, the European Parliament and the Council adopted the Directive (EU) 2024/1174 (the so-called “**Daisy Chain Act**”)<sup>1</sup> amending Regulation (EU) 806/2014 (the “**SRMR**”)<sup>2</sup> and Directive (EU) 2014/59/EU (the “**BRRD**”)<sup>3</sup> as regards certain aspects of MREL. On 22 April 2024, the Daisy Chain Act was published in the Official Journal.

Pursuant to Article 12d(2a) SRMR, as introduced by Article 2 of the Daisy Chain Act,

- i.* The SRB shall not determine the MREL for liquidation entities<sup>4</sup> unless it considers justified to determine the said requirement in an amount exceeding the amount sufficient to absorb losses;
- ii.* Article 77(2) and Article 78a of Regulation (EU) 575/2013<sup>5</sup> shall not apply to liquidation entities for which the Board has not determined the MREL.

Consequently, pursuant to Article 45i BRRD, as amended by Article 1 of the Daisy Chain Act, the reporting and disclosure obligations do not apply to the liquidation entities for which the SRB does not determine the MREL.

In accordance with Article 4 of Directive (EU) 2024/1174 the amendments to Article 12d SRMR shall apply from 14 November 2024.

Accordingly, and in line with the principles of good administration and legal certainty, in the course of the 2024 resolution planning cycle, the previously adopted decisions setting the MREL at the level equal to the loss absorption amount will be repealed with effect as of 14 November 2024.

Furthermore, the prior permissions granted to the same liquidation entities pursuant to Article 78a CRR and the process set forth in the Commission Delegated Regulation (EU) 241/2014<sup>6</sup> with validity beyond 14 November 2024 are repealed accordingly as of the same date. Consequently, following the repeal of the previously adopted MREL decisions, with effect as of 14 November 2024, the concerned liquidation entities are not anymore limited by the prior permissions previously granted by the SRB and they will be in the position to reduce eligible liabilities instruments without the SRB’s prior permission.

---

<sup>1</sup> Directive (EU) 2024/1174 of the European Parliament and of the Council of 11 April 2024 amending Directive 2014/59/EU and Regulation (EU) No 806/2014 as regards certain aspects of the minimum requirement for own funds and eligible liabilities.

<sup>2</sup> Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010.

<sup>3</sup> Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council.

<sup>4</sup> Pursuant to Article 3(1)(24aa) SRMR, as amended by the Daisy Chain Act, “liquidation entity” means “a legal person established in a participating Member State in respect of which the group resolution plan or, for entities that are not part of a group, the resolution plan, provides that the entity is to be wound up under normal insolvency proceedings, or an entity, within a resolution group other than a resolution entity, in respect of which the group resolution plan does not provide for the exercise of write-down and conversion powers”.

<sup>5</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

<sup>6</sup> Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions.

---

**Disclaimer:** This publication is not intended to create any legally binding effect and does not in any way substitute the legal requirements laid down in the relevant applicable European Union and national laws. It may not be relied upon for any legal purposes, does not establish any binding interpretation of EU or national laws and does not serve as, or substitute for, legal advice. This document may be subject to further revisions, including due to changes in the applicable EU legislation. The SRB reserves the right to amend this publication without notice whenever it deems appropriate, and it shall not be considered as predetermining the position that the SRB may take in specific cases, where the circumstances of each case will also be considered.