

Single Rulebook Q&A

Question ID:	2014_1626
Legal act :	Directive 2013/36/EU (CRD)
Topic :	Other topics
Article:	9
Paragraph:	1
Subparagraph:	
Article/Paragraph :	Not applicable
COM Delegated or Implementing Acts/EBA RTS/EBA ITS/EBA GLs:	Not applicable
Subject matter :	Scope of deposit monopoly
Question:	<p>According to Article 9(1) of Directive 2013/36/EU (CRD), only credit institutions can carry on the business of taking deposits or other repayable funds from the "public". Will the operation of a group account arrangement within an industrial group - which, inter alia, requires a subsidiary to deposit funds with its parent company - breach the deposit monopoly in Article 9(1) of the CRD? The purpose of such a deposit requirement is generally to optimise the liquidity management within the group. The arrangement only applies to subsidiaries within the group.</p> <p>Industrial groups operating group account arrangements in several EU/EEA countries may experience divergent regulatory practices relating to the concept of "the public". Deposits with a parent company (which is not regulated as a bank/credit institution) may be contrary to the deposit monopoly as laid down in Article 9(1) of the CRD, as deposits from wholly-owned subsidiaries may be deemed to be deposits from the "public".</p>
Background on the question:	
Date of submission:	18/11/2014
Published as Final Q&A:	13/03/2015
EBA answer:	<p>The prohibition referred to in Article 9(1) of Directive 2013/36/EU (CRD) relates to the carrying out the business of taking deposits or other repayable funds from the public. Any taking of deposits or other repayable funds is relevant only if it is carried out as a business of the person or undertaking and if it is taken from the public.</p> <p>To the extent that taking deposits or other repayable funds does not form part of an undertaking's business and does not concern the public, the prohibition of Article 9(1) of the CRD should not be deemed as capturing cases, in particular when the relevant objective pursued is distinct, as in the case at hand, where deposits</p>

are made between a subsidiary and its parent company and exclusively with a view to optimise the liquidity management of the group.

Status:

Final Q&A

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