



STATUTORY INSTRUMENTS.

S.I. No. 470 of 2010

CREDIT INSTITUTIONS (ELIGIBLE LIABILITIES GUARANTEE)
(AMENDMENT) SCHEME 2010

(Prn. A10/1433)

CREDIT INSTITUTIONS (ELIGIBLE LIABILITIES GUARANTEE)
(AMENDMENT) SCHEME 2010

I, BRIAN LENIHAN, Minister for Finance, in exercise of the powers conferred on me by section 6(4) of the Credit Institutions (Financial Support) Act 2008 (No. 18 of 2008), hereby make the following scheme, a draft of which has been laid before each House of the Oireachtas pursuant to section 6(5) of that Act, and a resolution approving of the draft has been passed by each such House:

Citation.

1. This Scheme may be cited as the Credit Institutions (Eligible Liabilities Guarantee) (Amendment) Scheme 2010.

Amendments.

2. The Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (S.I. No. 490 of 2009) is amended as set out in the Schedule.

Article 2.

Schedule

AMENDMENTS TO THE CREDIT INSTITUTIONS (ELIGIBLE LIABILITIES GUARANTEE)
SCHEME 2009

Item	Provision amended	Amendment
1	Article 3, definition of "commencement date"	Delete.
2	Article 3, definition of "eligibility criteria"	Delete.
3	Article 3, definition of "guaranteed liability"	Substitute: " 'guaranteed liability' means— (a) subject to paragraph 13 of the Schedule, an eligible liability in the form of a deposit; and (b) any other eligible liability in respect of which the scheme operator has issued an eligible liability guarantee certificate or which is issued under a guaranteed programme;".
4	Article 3, definition of "issuance period"	Delete.
5	Article 3, definition of "Scheme"	Delete.
6	Article 4	Delete "the commencement date of this Scheme", substitute "9 December 2009".

*Notice of the making of this Statutory Instrument was published in
"Iris Oifigiúil" of 1st October, 2010.*

Item	Provision amended	Amendment
7	Schedule, subparagraphs (a) and (b) of paragraph 3.1	Substitute: “(a) if it is a covered institution, within 60 days after 9 December 2009, or (b) if it is not a covered institution, on or before 31 December 2010;”.
8	Schedule, paragraph 5	Delete “the commencement date”, substitute “9 December 2009”.
9	Schedule, paragraphs 11 and 12	Substitute: “11.1 A liability is an eligible liability if it meets the following criteria: (a) it is in the form of— (i) subject to paragraph 11.2, a deposit, (ii) a senior unsecured certificate of deposit, (iii) senior unsecured commercial paper, (iv) other senior unsecured bonds and notes, or (v) subject to paragraph 11.3, any other form of senior unsecured debt approved by the Minister; (b) it has a maturity of 5 years or less; (c) it was incurred after the relevant participating institution became a participating institution under this Scheme and on or before 31 December 2010; (d) if it is not a deposit— (i) it does not contain an event of default (however described or constituted) constituted by cross-default or cross-acceleration, and (ii) it is denominated— (I) in the case of an eligible liability issued under a programme, in a currency permitted by the programme documentation, or

Item	Provision amended	Amendment
		<p>(II) in any other case, in euro, pounds sterling or US dollars or another currency approved by the Minister.</p> <p>11.2 A deposit is not an eligible liability to any extent to which it is covered by a deposit guarantee scheme constituted under the law of the State or of another country.</p> <p>11.3 The Minister shall approve a form of senior unsecured debt for the purposes of paragraph 11.1(a)(v) if and only if—</p> <p>(a) doing so is consistent with European State aid rules and the European Commission’s Communication “The application of State aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis” (2008/C 270/02)¹, and</p> <p>(b) he or she has consulted with the European Commission.”.</p>
10	Schedule, paragraph 14	Delete “issued during the issuance period”.
11	Schedule, paragraph 18	Substitute: “18. The eligible liability guarantee shall terminate at midnight on 31 December 2015.”.
12	Schedule, paragraph 20	Delete.
13	Schedule, paragraph 25.1	Delete “paragraphs 19 and 20”, substitute “paragraph 19”.
14	Schedule, paragraph 30	Delete “the commencement date” (twice occurring), substitute for each such occurrence “9 December 2009”.



GIVEN under my Official Seal,
29 September 2010.

BRIAN LENIHAN,
Minister for Finance.

¹O.J. C270, 25.10.2008, p.8.

EXPLANATORY NOTE

(This note is not part of the Instrument and does not purport to be a legal interpretation.)

This scheme is made pursuant to section 6(4) of the Credit Institutions (Financial Support) Act 2008 (the Act). This scheme provides for amendments to the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (S.I. No. 490 of 2009).

The substantive amendment is the extension of the end of the period within which guaranteed liabilities can be incurred from 29 September to 31 December 2010. The remaining amendments rationalise and update the drafting.

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