

(1) A compensation event within the meaning of this Act occurs if BaFin determines that

1. a CRR credit institution is unable for the time being, for reasons that are directly related to its financial circumstances, to repay deposits that are due and
2. the CRR credit institution has no current prospect of being able to do so.

(2) BaFin shall determine that a compensation event has occurred without undue delay, but in any event no later than five working days after becoming aware that a CRR credit institution is unable to repay deposits that are due. It shall also determine that a compensation event has occurred if it has ordered measures under section 46 (1) sentence 2 numbers 4 to 6 of the Banking Act in respect of the CRR credit institution and these measures last for more than six weeks.

(3) Objections to and appeals against the determination of the compensation event do not have suspensory effect.

Section 11

Announcement that the compensation event has been determined; notification of the deposit guarantee scheme

(1) BaFin shall without undue delay announce in the Federal Gazette that the compensation event has been determined.

(2) BaFin shall without undue delay notify the deposit guarantee scheme of which the CRR credit institution is a member that the compensation event has been determined.

Chapter 3

Compensation procedure

Section 12

Notification of the depositors that the compensation event has been determined

The deposit guarantee scheme shall notify the depositors of the CRR credit institution without undue delay about the occurrence of the compensation event and shall inform them that claims under section 5 in conjunction with section 8 (2) must be substantiated in accordance with section 8 (5). Depositors may be notified at the time compensation is paid.

Section 13

Languages to be used in the compensation procedure

(1) Any correspondence between the deposit guarantee scheme and the depositor shall be drawn up in one of the following languages:

- 1 in the official language of the Union institutions that is used by the CRR credit institution holding the covered deposit when writing to the depositor or
- 2 in the official language or languages of the member state in which the covered deposit is located.

(2) If a CRR credit institution operates directly in another member state without having established branches, the language that was chosen by the depositor when the account was opened shall be used.

Section 14

Examination and settlement of claims for compensation

(1) The deposit guarantee scheme shall verify claims for compensation by depositors without undue delay and shall institute suitable measures to ensure that depositors are compensated within the time limit specified in subsection (3) below.