

(1) The statutory compensation schemes shall have the functions and powers under this Act, and in particular they shall collect the contributions of the CRR credit institutions that have been assigned to them, they shall invest the funds as provided for under this Act and, if a compensation event occurs, they shall compensate the creditors of a CRR credit institution that has been assigned to them for deposits that have not been repaid.

(2) Statutory compensation schemes are

- 1 legal persons under private law to which the functions and powers of a statutory compensation scheme under this Act have been allocated by way of a statutory order issued under section 23 (1) (entrusted compensation schemes),
- 2 compensation schemes established at Kreditanstalt für Wiederaufbau (KfW) by way of a statutory order under section 23 (2).

(3) BaFin shall decide on objections to administrative decisions by the statutory compensation schemes.

(4) In discharging its obligations under section 5, the statutory compensation scheme shall only be liable up to the amount of the assets available to it on the basis of the contributions paid, net of costs. An entrusted compensation scheme shall hold and administer these assets separately from its other assets.

Section 23 Authority to issue orders

(1) The Federal Ministry of Finance is authorised to assign, by way of a statutory order that does not require the approval of the Bundesrat, to a legal person under private law the functions and powers of a statutory compensation scheme if that legal person is prepared to assume the functions of the compensation scheme and offers reasonable assurance that the claims of persons eligible for compensation will be settled. A legal person offers reasonable assurance if

- 1 the persons who manage and represent the legal person under the law or the articles of association are fit and proper and
- 2 it has the resources and organisation needed to perform its functions, in particular in relation to collecting contributions, managing the funds and making compensation payments, and has own funds equivalent to at least €1 million for this purpose.

By way of the statutory order under sentence 1 above, the Federal Ministry of Finance may reserve the right to approve the articles of association of the legal person and any amendments to them, and to issue more detailed requirements governing the liquidation and winding-up of the compensation scheme.

(2) The Federal Ministry of Finance is authorised, by way of a statutory order that does not require the approval of the Bundesrat, to establish statutory compensation schemes at KfW and to issue more detailed requirements governing the administration of statutory compensation schemes and the appropriate remuneration of their management, if statutory compensation schemes in accordance with section 22 (2) number 1 are not available, and in particular if such a compensation scheme is liquidated or wound up.

Section 24 Assignment of CRR credit institutions to a statutory compensation scheme

(1) One of the following groups of institutions shall be assigned to each of the statutory compensation schemes:

- 1 the group of CRR credit institutions established under private law or
- 2 the group of CRR credit institutions established under public law.

(2) BaFin may, on request, assign a CRR credit institution to another statutory compensation scheme if

- 1 the CRR credit institution is able to demonstrate a justified interest in the requested assignment,
- 2 this will not endanger performance of the function of the statutory compensation scheme to which the CRR credit institution belongs and