

compensation scheme becomes aware of circumstances that give rise to or increase the risk that a compensation event might occur at a CRR credit institution, it shall notify BaFin without undue delay.

## **Part 4**

### **Exclusion from the statutory compensation scheme and administrative procedures**

#### **Section 41**

##### **Exclusion from the statutory compensation scheme; legal consequences**

(1) If a CRR credit institution does not comply with its obligations to pay contributions, make payments, or cooperate in accordance with section 7 (8), sections 26, 27, 35, 36, 38 and 39, or does not comply with them correctly, in full or in good time, the statutory compensation scheme to which the CRR credit institution is assigned shall notify BaFin and the Deutsche Bundesbank.

(2) BaFin shall request the CRR credit institution to comply with its obligations to the statutory compensation scheme within one month of being requested by BaFin to do so. If the CRR credit institution does not comply with its obligations within the period specified in sentence 1 above, the compensation scheme may notify the CRR credit institution that it will be excluded from the compensation scheme, giving a notice period of a further month. If the CRR credit institution has not complied with its obligations after the expiry of the notice period for exclusion under sentence 2 above, the compensation scheme concerned shall exclude the CRR credit institution, with the approval of BaFin.

(3) The statutory compensation scheme shall continue to fully cover deposits that have been received up to the date of the exclusion of the CRR credit institution under subsection (2) sentence 3 above, as provided for under this Act.

(4) The excluded CRR credit institution shall notify its depositors without undue delay about its exclusion from the statutory compensation scheme and the legal consequences of exclusion.

#### **Section 42**

##### **Sanctions**

(1) Compliance with the administrative acts that the statutory compensation scheme imposes within its statutory powers shall be enforced by means of sanctions in accordance with the provisions of the Act on Administrative Enforcement.

(2) In the case of measures in accordance with section 26 (1) sentence 1, section 34 sentences 1 and 2, section 35 (2), section 36 (3) sentence 1 and subsection (4) sentences 1 and 2, a coercive fine of up to €50,000 can be imposed, and in the case of measures in accordance with section 35 (1) sentence 1, a coercive fine of up to €100,000 can be imposed.

## **Chapter 3**

### **Institutional protection schemes recognised as deposit guarantee schemes**

#### **Part 1**

##### **Recognition of institutional protection schemes and ongoing obligations**

#### **Section 43**

##### **Conditions for recognising institutional protection schemes**

(1) An institutional protection scheme can on application be recognised by BaFin as a deposit guarantee scheme if the institutional protection scheme

- 1 assumes responsibility for compensating depositors of the CRR credit institutions that are members of the scheme as provided for in sections 5 to 16,
- 2 complies with the requirements of Article 113(7) of Regulation (EU) No 575/2013 and
- 3 offers reasonable assurance that it can properly perform its functions under this Act.

(2) An institutional protection scheme shall offer reasonable assurance that it can properly perform