

of Auditors shall be consulted before such requirements are issued.

Chapter 5

Cooperation with other deposit guarantee schemes

Section 56

Branches of domestic CRR credit institutions in another state of the European Economic Area

(1) A deposit guarantee scheme shall protect the deposits of a branch of a member CRR credit institution in another state of the European Economic Area. To enable investors to be compensated by the deposit guarantee scheme of the host member state on behalf of and in accordance with the instructions of the domestic deposit guarantee scheme, the domestic deposit guarantee scheme shall provide the necessary funding for compensating depositors to the deposit guarantee scheme of the host member state prior to payout and shall compensate the latter for the costs incurred for the compensation procedure.

(2) The domestic deposit guarantee scheme shall provide the deposit guarantee scheme of the host member state with the information needed to make preparations for compensating depositors and for performing stress tests. The domestic deposit guarantee scheme shall use appropriate procedures to safeguard the effective exchange of information with other deposit guarantee schemes, their member CRR credit institutions, supervisory authorities and with other agencies on a cross-border basis, where appropriate.

(3) In order to facilitate effective cooperation between deposit guarantee schemes in accordance with subsections (1) and (2) above, the domestic deposit guarantee schemes shall enter into a cooperation agreement with the deposit guarantee scheme of the host member state. The domestic deposit guarantee schemes shall notify BaFin of the existence and content of the agreements. BaFin shall notify them to the European Banking Authority.

Section 57

Branches of CRR credit institutions which have their registered office in another state of the European Economic Area

(1) A domestic deposit guarantee scheme under this Act is responsible for repaying deposits of branches of a CRR credit institution which has its registered office in another state of the European Economic Area on behalf of and in accordance with the instructions of the deposit guarantee scheme of the home member state, to the extent that the domestic deposit guarantee scheme has received from the deposit guarantee scheme of the home member state the necessary funding to compensate depositors prior to payout, as well as the costs incurred for the compensation procedure. Repayment can be deferred in accordance with section 15 (2). The deposit guarantee scheme shall not bear any liability with regard to acts done in accordance with the instructions of the deposit guarantee scheme of the home member state.

(2) The deposit guarantee scheme is entitled to receive correspondence from the depositors on behalf of the deposit guarantee scheme of the home member state and shall provide information to the depositors concerned on behalf of that deposit guarantee scheme.

(3) BaFin shall request the branch to nominate the deposit guarantee scheme in the home member state that is responsible for it and shall designate the domestic deposit guarantee scheme that is responsible for this branch for the purposes of subsection (1) above. The domestic deposit guarantee scheme designated by BaFin shall seek to ensure that a cooperation agreement within the meaning of section 56 (3) is entered into with the deposit guarantee scheme of the home member state without undue delay. Section 56 (3) sentences 2 and 3 shall apply *mutatis mutandis*.

Section 58

Payment of contributions if activities of a CRR credit institution are transferred

If some of the activities of a CRR credit institution are transferred to another CRR credit institution in another state of the European Economic Area and thus become subject to another deposit guarantee