



DRAFT – SUBJECT TO FINAL APPROVAL BY THE ESM

**SG/BoG/2022/01/03**

## **EUROPEAN STABILITY MECHANISM**

### **BOARD OF GOVERNORS**

**Meeting of dd Month 2022**

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### **RESOLUTION No. 3**

*Annulment of the instrument for the direct recapitalisation of institutions*

THE BOARD OF GOVERNORS,

Having regard to Article 19 of the Treaty, pursuant to which the Board of Governors may review the list of financial assistance instruments provided for in Articles 14 to 18 of the Treaty and decide to make changes to it,

Having regard to the Term sheet on the ESM reform and the Terms of Reference of the common backstop to the Single Resolution Fund, endorsed at the Euro Summit of 14 December 2018, which both mention that the ESM will provide the common backstop on behalf of the euro area in the form of a revolving credit line to the Single Resolution Fund, and that the instrument for the direct recapitalisation of institutions of the ESM will be replaced by the common backstop at the time it is introduced,

Having regard to the Eurogroup statement of 30 November 2020, according to which the entry into force of the common backstop to the Single Resolution Fund should be advanced to the beginning of 2022,

Having regard to the Board of Governors' Resolution No. 2 on [●]/[●]/2022 (SG/BoG/2022/01/02) granting the backstop facility,

RESOLVES, pursuant to Article 19 of the Treaty, to annul the instrument for the direct recapitalisation of institutions, as defined in Article 2(3) to (5) Council Regulation (EU) No 1024/2013, as a financial assistance instrument by revoking:



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- Resolution No. 4 of 8 December 2014 establishing the instrument for the direct recapitalisation of institutions (SG/BoG/2014/05/04);
- Resolution No. 5 of 8 December 2014 establishing a subsidiary body and amending the By-Laws (SG/BoG/2014/05/05); and
- Resolution No. 6 of 8 December 2014 establishing a limit for the amount of financial assistance available for the instrument for the direct recapitalisation of institutions (SG/BoG/2014/05/06).

### **Distribution**

Governors

Alternate Governors