

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (Text with EEA relevance)

TITLE IV

RESOLUTION

CHAPTER VII

Safeguards

Article 78

Protection for security arrangements

- 1 Member States shall ensure that there is appropriate protection for liabilities secured under a security arrangement so as to prevent one of the following:
 - a the transfer of assets against which the liability is secured unless that liability and benefit of the security are also transferred;
 - b the transfer of a secured liability unless the benefit of the security are also transferred;
 - c the transfer of the benefit of the security unless the secured liability is also transferred; or
 - d the modification or termination of a security arrangement through the use of ancillary powers, if the effect of that modification or termination is that the liability ceases to be secured.
- 2 Notwithstanding paragraph 1, where necessary in order to ensure availability of the covered deposits the resolution authority may:
 - a transfer covered deposits which are part of any of the arrangements mentioned in paragraph 1 without transferring other assets, rights or liabilities that are part of the same arrangement; and
 - b transfer, modify or terminate those assets, rights or liabilities without transferring the covered deposits