

# Deposit Guarantee Schemes (DGS)

There are three deposit guarantee schemes which may apply to Irish depositors:

- 1 **Irish Deposit Guarantee Scheme (DGS)**, which is operated by Central Bank of Ireland and guarantees total deposits of up to €100,000 per depositor in a bank or credit union. The DGS is open-ended and has no time limit.
- 2 **Irish Government Eligible Liabilities Guarantee (ELG)** scheme which guarantees, for a limited period, deposits held with certain Irish banks.
- 3 **Deposit Guarantee Schemes** operated by other EU Member States which cover deposits held by Irish depositors in such banks operating here.

## **The Irish Deposit Guarantee Scheme (DGS)**

The Irish DGS guarantees all funds, denominated in any currency, up to €100,000 per depositor held with Irish established banks, building societies and credit unions, in the following types of accounts:

- current accounts;
- demand deposit accounts;
- term deposit accounts;
- notice deposit accounts;
- share accounts with building societies; and
- credit unions.

The scheme covers all deposits held by private individuals, sole traders, partnership and small companies.

If a bank or credit union is covered by the DGS and is unable to repay its deposits, the Central Bank of Ireland will compensate a depositor within seven days, subject to a maximum compensation payment of €100,000 per depositor in respect of all deposits held by that individual with that institution.

In the case of joint deposit accounts, each deposit holder is treated for the purposes of this €100,000 limit as having a deposit of their share of the account, e.g. typically 50%.

However, all of the Irish banks and building societies covered by the DGS are also covered by the Irish Government Eligible Liabilities Guarantee (ELG) scheme, which covers all deposits for the excess, if any, over the €100,000 covered by the DGS.

A depositor with more than €100,000 to invest (or €200,000 for joint accounts) can split their deposits over a number of different banks or credit unions to benefit from the €100,000 limit with each institution. The DGS does not have a termination date. It is open ended.

### **The Irish government Eligible Liabilities Guarantee (ELG) scheme**

The Irish government ELG scheme introduced on 9 December 2009, guarantees certain deposits held with banks covered by the scheme (called the ‘covered institutions’) as follows:

- the excess, if any, over €100,000 of deposits which are covered by the Irish DGS; and
- the full deposit amount, without limit, for all other deposits not covered by the DGS and which are covered by the ELG scheme.

The banks currently covered by the ELG scheme, and the date they joined the scheme, are:

<b>Bank</b>	<b>Covered by Irish Government Eligible Liabilities Guarantee (ELG) Scheme</b>
AIB plc	All current, demand and notice accounts. Fixed term accounts opened on or after 21 January 2010
Anglo Irish Bank	All current, demand and notice accounts. Fixed term accounts opened on or after 28 January 2010
Bank of Ireland	All current, demand and notice accounts. Fixed term accounts opened on or after 11 January 2010
EBS Building Society	All current, demand and notice accounts. Fixed term accounts opened on or after 1 February 2010
ICS Building Society	All current, demand and notice accounts. Fixed term accounts opened on or after 11 January 2010
Irish Nationwide Building Society	All current, demand and notice accounts. Fixed term accounts opened on or after 11 January 2010
Permanent TSB	All current, demand and notice accounts. Fixed term accounts opened on or after 4 January 2010

**Note that Anglo Irish Bank deposits have been transferred to AIB, while Irish Nationwide deposits have been transferred to Permanent TSB.**

The ELG scheme only covers certain deposits and then only for a specified period, which varies according to the nature of the account involved and when it was opened:

- **demand and current accounts:** with effect from the date the bank joined the ELG scheme demand and current accounts are covered up to 30 June 2011 regardless of when the account was originally opened with the bank or credit union in question.
- **notice accounts:** with effect from the date the bank joined the ELG scheme notice accounts are covered up to 30 June 2011 regardless of when the account was originally opened with the bank or credit union in question. However when notice of withdrawal is provided the deposit continues to be covered by the ELG scheme during the notice period, even if this extends beyond 30 June 2011.

- **fixed term up to five years:** accounts first opened with the bank or credit union after the bank or credit union joined the ELG scheme, but before 30 June 2011, are covered by the ELG scheme up to the maturity of the deposit, but not beyond 30 June 2016.

Note that fixed term deposits opened with a bank before a bank joined the ELG scheme are **not** covered by the ELG scheme but may be covered by the DGS up to €100,000. Such deposits were covered by a previous scheme, the Credit Institutions Financial Support (CIFS) scheme but this scheme ended on 20 September 2010.

The operation of the ELG scheme is subject to ongoing approval by the European Commission, in accordance with EU State aid rules. The next review is on 30 June 2011 and the Commission could extend it at that date to 31 December 2011.

### **State savings**

All deposits with An Post, savings certificates, savings bonds and national instalment savings are fully guaranteed by the Irish Government, regardless of amount. Such savings are therefore not covered by the Deposit Guarantee Scheme or the ELG scheme, as they are separately fully guaranteed by the State.

### **Foreign banks operating in ROI**

Foreign owned banks may be accepting deposits in the Republic of Ireland either through ownership of a separate bank established and authorised here (e.g. KBC Bank Ireland plc, which is 100% owned by KBC Bank) or through a branch established here (e.g. Rabobank operates here as a branch of its Dutch bank) or operating on a cross border basis (e.g. Investec Bank plc operating from the UK).

Foreign banks which operate as separate banks established here and regulated by the Irish Central Bank, are covered by the Irish Deposit Guarantee scheme, up to €100,000 per depositor. None of these foreign owned banks are part of the Irish Government ELG scheme.

Foreign banks which operate here through branches or on a cross border basis are not covered by the Irish DGS, but are covered by a similar DGS operated by the EU State in which that bank is established. All foreign DGS's have, since 1 January 2011, a similar €100,000 per depositor guarantee limit to the Irish DGS.

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