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[Press release](#) | 18.03.2013

Cyprus bail-out

Attack on ordinary depositors undermines spirit of EU legislation

Commenting on the proposed conditionality to the financial assistance for Cyprus by which depositors are being forced to contribute via a levy, Greens/EFA co-president **Dany Cohn-Bendit** stated:

"The attack on ordinary depositors in the context of Cyprus' bail-out is outrageous and must be urgently corrected.

"Small depositors should be last in the line of fire in any bank restructuring. This is the guiding logic behind EU legislation providing for national deposit guarantee schemes, as well as draft legislation currently under consideration on an EU deposit guarantee scheme (1). While the proposed depositors' levy may be legally consistent with the existing legislation, it is a cynical ploy, which totally defies the spirit of the rules and their raison d'être."

Greens/EFA co-president **Rebecca Harms** added:

"Instead of hitting out at soft targets, like pensioners and ordinary citizens, who bear little or no responsibility for the situation, cowardly EU finance ministers should be targeting those in the private sector who have a legitimate contribution to make. Any fair burden sharing would naturally include all bondholders. However, there is clearly a special case with regards to dubious large depositors in Cyprus.

"Clearly, there is a need for measures to ensure this source of instability in the Cypriot banking system contributes to the cost of its rescue but there are viable alternatives for realising this goal without pilfering the savings of ordinary depositors. Other proposals, including imposing a higher levy for deposits beyond the €100,000 guarantee, should be immediately considered and agreed without delay. This course would necessarily entail risks for capital flight to other tax havens, and should therefore be accompanied by measures to address this risk."

(1) The draft legislation would create a European-wide deposit guarantee scheme with deposits of up to €100,000 guaranteed.

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Rebecca Harms

Member

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