

# The Deposit Insurance

*The Swedish Deposit Insurance is a consumer protection scheme covering deposits in accounts. According to this scheme, the State guarantees deposits in banks, credit institutions and securities companies which have permission from the Swedish Financial Supervisory Authority to accept customers' deposits in accounts. This means that you as a customer may receive compensation from the State if a financial institution is declared bankrupt or if the Swedish Financial Supervisory Authority decides that the Deposit Insurance is to cover the loss.*

*The Deposit Insurance applies to all kinds of deposit in accounts, irrespective of whether the deposit is tied up or may be freely withdrawn. Account balances falling within the framework of individual pension schemes are not covered by the Deposit Insurance. The financial institutions are under an obligation to disclose which accounts are covered by the Scheme.*

*The Deposit Insurance was introduced in Sweden in 1996 and is based on an EC Directive. Similar deposit insurance schemes exist in the other EU countries, and in several countries outside the EU.*

*The Deposit Insurance is funded by way of contributions from the participating financial institutions. The Swedish National Debt Office is responsible for paying out the compensation, for calculating and charging fees and for providing general information about the Deposit Insurance.*

## **Size of the compensation**

- The Deposit Insurance covers deposits and interest up to an amount of SEK 950,000.
- Depositors holding accounts with a Swedish financial institution's branch in another EU country will be covered by the deposit insurance scheme applicable in the country of that particular branch, for example by up to GBP 75,000 in Great Britain and EUR 100,000 in Finland. The maximum compensation amount in Norway is EUR 100,000.
- If more than one person holds a joint account (as co-account holders) each person may receive compensation up to the maximum amount.
- The compensation amount will not be affected by the customer's debt, if any, to the financial institution. Other rules may apply according to non-Swedish deposit insurance schemes.
- You may also apply for a supplementary cover (up to SEK 5m) for deposits that are the result of specific life-changing events, such as the sale of real estate. Applications are submitted after an event triggering compensation took place.
- If you have deposits with a branch of a foreign financial institution in Sweden, you may receive compensation from the Swedish Deposit Insurance provided that the financial institution has been granted permission to join the scheme as a supplement to the deposit insurance scheme of its home country. In such case, the Swedish State covers any difference between the compensation according to the scheme of the home country and the compensation according to the Swedish scheme.

## **Payment of compensation**

The Swedish National Debt Office will contact the customers who have deposits in a financial institution for which the Deposit Insurance is to cover a loss. You do not need to give notice of your claim.

The compensation amount must be made available to you within seven business days of the Deposit Insurance becoming effective.

If you have an account with a branch of a foreign financial institution in Sweden, the compensation will be paid from the deposit insurance schemes of both countries provided that the branch has been granted permission to join the Swedish Deposit Insurance as a supplement to the deposit insurance of the financial institution's home country, and the scheme of the home country does not render compensation matching the one under the Swedish Scheme. In such case, you will not become eligible for compensation until the proper authority in the home country of the financial institution in question has come to such decision. The rules governing such payments may vary from country to country.

### **The Deposit Insurance applies to all customers**

The Deposit Insurance applies to private individuals (including persons under a legal disability) businesses as well as other legal entities (e.g. bankruptcy estates). Financial institutions, county councils, municipalities and public authorities are not eligible for compensation.

### **Areas not covered by the Deposit Insurance**

#### *Pension schemes*

Account balances falling within the framework of individual pension schemes are not covered by the Deposit Insurance.

#### *Bank drafts*

Swedish bank drafts (*postväxlar*) are not covered by the definition of deposits in the Swedish Deposit Insurance Act (*lagen om insättningsgaranti*) and are therefore not covered.

### **Financial institutions covered by the Deposit Insurance.**

Swedish banks, credit institutions and securities companies are automatically covered by the Deposit Insurance if they have been granted permission from the Swedish Financial Supervisory Authority to accept customers' deposits in accounts.

A Swedish subsidiary of a foreign financial institution is considered a Swedish financial institution if the subsidiary has been granted permission from the Swedish Financial Supervisory Authority to engage in the activities of a bank, credit institution or securities company.

A branch of a foreign financial institution from the EEA<sup>1</sup> in Sweden is covered by a deposit insurance scheme in its home country. Information about the scheme may be obtained from the branch in question. The branches of non-Swedish financial institutions may adopt the Swedish scheme as a supplement to the deposit insurance schemes of their home countries.

The foreign subsidiary of a Swedish financial institution in the EEA and in certain other countries is covered by the Insurance applicable in the country in question, provided that the subsidiary has obtained the permissions required in the country in question. Additional information is available from the financial institution in question.

*A branch of a Swedish financial institution* in the EEA is covered by the Swedish Deposit Insurance.

At [www.insattningsgarantin.se](http://www.insattningsgarantin.se) you may find a list of all the financial institutions that are members of the scheme. And you can make a search for your financial institution.

## **The Deposit Insurance does not cover deposit-taking companies**

Swedish deposit-taking institutions (known as *inlåningsföretag*) are not covered by the Deposit Insurance. These institutions are entitled to accept deposits subject to a repayment obligation from the public, but they are neither banks nor credit institutions. A deposit-taking institution is entitled to accept no more than SEK 50,000 in deposit from each customer.

## **Further information**

You may find further information at [www.insattningsgarantin.se](http://www.insattningsgarantin.se). If you have any general questions for the Deposit Insurance or the Investor compensation scheme, please feel free to contact us at [ig@riksdagen.se](mailto:ig@riksdagen.se) or on telephone no. 08 613 52 00.

<sup>1</sup>EEA stands for the European Economic Area. In addition to the EC countries, the EFTA countries Norway, Iceland and Liechtenstein are also included. Switzerland is not part of the EEA, but has adopted a number of agreements with the EC, which means that many of the areas are covered.