EFTA COURT

Action brought on 15 December 2011 by the EFTA Surveillance Authority against Iceland

(Case E-16/11)

An action against Iceland was brought before the EFTA Court on 15 December 2011 by the EFTA Surveillance Authority, represented by Xavier Lewis and Gjermund Mathisen, acting as Agents, 35, Rue Belliard, B-1040 Brussels.

The EFTA Surveillance Authority requests the EFTA Court to:

1. **Declare that by failing to ensure payment of the minimum amount of compensation to Icesave depositors in the Netherlands and in the United Kingdom provided for in Article 7(1) of the Act referred to at point 19a of Annex IX to the Agreement on the European Economic Area (Directive 94/19/EC of the European Parliament and of the Council of 30 May 1994 on deposit-guarantee schemes) within the time limits laid down in Article 10 of the Act, Iceland has failed to comply with the obligations resulting from that Act, in particular its Articles 3, 4, 7 and 10, and/or Article 4 of the Agreement on the European Economic Area;**

   and

2. **Order Iceland to bear the costs.**

Legal and factual background and pleas in law adduced in support:

- Directive 94/19/EC of the European Parliament and of the Council of 30 May 1994 referred to at point 19a of Annex IX to the EEA Agreement, as amended, provides for minimum harmonized rules as regards deposit guarantee schemes. At the material time, Directive 94/19/EC was implemented into Icelandic law by Act No. 98/1999 on Deposit Guarantees and Investor-Compensation Schemes. Under Directive 94/19/EC, deposit-guarantee schemes must cover the aggregate deposits of each depositor up to ECU/EURO 20 000 in the event of deposits being unavailable.

- In early October 2008, the Icelandic bank Landsbanki Íslands hf. collapsed and was taken over by the Icelandic State. The depositors in

the foreign branches of Landsbanki ("Icesave") in the United Kingdom and the Netherlands lost access to their deposits.

- The EFTA Surveillance Authority submits that by failing to ensure payment of the minimum amount of compensation to Icesave depositors in the Netherlands and in the United Kingdom within the time limits laid down in Directive 94/19/EC, Iceland has failed to comply with its obligations arising under Articles 3(1), 4(1), 7(1) and 10(1) of Directive 94/19/EC. Additionally or in the alternative, the EFTA Surveillance Authority submits that Iceland has breached the prohibition on discrimination on grounds of nationality under Article 4 EEA.