

Managing the assets of the ECSC in liquidation and of the Research Fund for Coal and Steel: multiannual financial guidelines

2007/0150(CNS) - 20/07/2007 - Legislative proposal

PURPOSE: to amend the multiannual financial guidelines for managing the assets of the ECSC in liquidation.

PROPOSED ACT: Council Decision

CONTENT: following the expiry of the ECSC Treaty on 23 July 2002, management of the assets of the ECSC in liquidation and, upon completion of the liquidation, the Assets of the Research Fund for Coal and Steel were entrusted to the Commission.

In this context, the Financial Guidelines laid down for the management of the assets of the ECSC in liquidation and, upon completion of the liquidation, the Assets of the Research Fund for Coal and Steel have been reviewed in accordance with Article 2 of Council Decision 2003/77/EC.

Following this review, a number of minor changes to the Financial Guidelines are proposed. The changes reflect the experience gained in the first five years of operation, developments in the financial markets in which ECSC in liquidation operates and finally the change to internationally accepted accounting rules for the Commission as a whole.

There are clarifications of several definitions, namely the maturity concept of a bond, which is refined to cover the definition used by asset-backed securities (ABS), the definition of government issued or government guaranteed securities and the definition of "debt" issued by banks. The rules for sale and repurchase operations are brought up to market standards. In addition, certain rating-related provisions are clarified and the maximum maturity permitted is extended to take account of the changing issuance pattern of the Member States.

On the issue of reporting, it has therefore been proposed to send reports on a six-monthly basis which would be more efficient both for the Member States, allowing them to give enhanced attention to a less frequent report, and for the Commission by reducing its administrative costs.