

# Medium-term financial assistance for Member States' balances of payments

2009/0053(CNS) - 18/05/2009 - Final act

**PURPOSE:** to amend Regulation (EC) No 332/2002 to raise the ceiling for the outstanding amount of loans to be granted to Member States from EUR 25 billion to EUR 50 billion.

**LEGISLATIVE ACT :** Council Regulation (EC) No 431/2009 amending Regulation (EC) No 332/2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments.

**CONTENT:** Regulation (EC) No 332/2002 establishes a facility providing medium-term financial assistance for Member States' balances of payments. This Regulation provides that the outstanding amount of loans to be granted to Member States under the facility will be limited to EUR 50 billion in principal. Previously the amount was EUR 25 billion. The scope and intensity of the international financial crisis has affected the potential demand for Community medium-term financial assistance in the Member States outside the euro area and called for a significant raising of the ceiling for the outstanding amount of loans to be granted to Member States laid down in Council Regulation (EC) No 332/2002 from **EUR 25 billion to EUR 50 billion.**

The Regulation also clarifies the tasks and responsibilities of the Commission and of Member States in the light of recent experience gained in the functioning of medium-term financial assistance. The conditions for granting the financial assistance must be set out in detail in a Memorandum of Understanding to be concluded between the Commission and the Member State concerned.

Furthermore, the rules guiding some aspects of the financial management of Community financial assistance are clarified. For operational reasons, the Member State concerned will be asked to place the financial assistance received in a special account with its National Central Bank and to transfer the amounts due to an account with the European Central Bank a few days prior to their due dates.

Since sound management of the Community financial assistance received is of paramount importance, the Regulation provides for the possibility for the European Court of Auditors and the European Anti-Fraud Office, when they deem necessary, to carry out controls in the Member State receiving Community medium-term financial assistance, as already provided for in the existing loan agreements.

This Regulation will apply immediately to all new loan agreements and to the existing loan agreements if and when they are revised.

**ENTRY INTO FORCE:** 28/05/2009.