Economic governance: facility for financial assistance for Member States whose currency is not the euro

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OPINION OF THE EUROPEAN CENTRAL BANK (EBC).

On 19 July 2012, the ECB received a request from the Council of the European Union for an opinion on a proposal for a Council regulation establishing a facility for providing financial assistance for Member States whose currency is not the euro.

The ECB made the following observations :

- **Access to credit lines** : the ECB takes note of the introduction of credit lines allowing for assistance for non-euro area Member States whose economic and financial situation is fundamentally sound. It considers that the granting of the credit lines is compatible with Article 143 of the Treaty, which envisages the Union's possibility of intervening not only when a non-euro area Member State is in difficulties, but also when it is 'seriously threatened with difficulties' as regards its balance of payments, where such potential difficulties are liable in particular to jeopardise the functioning of the internal market. At the same time, the ECB considers very important a close interpretation of the eligibility criteria when assessing access to the credit lines, and strict compliance with them over time.
- **Role of the ECB and the Eurosystem** : the proposed regulation contains similar provisions regarding the administration of financial assistance, respectively the opening and use of accounts with the national central bank (NCB) of the relevant Member State and of the respective NCB with the ECB. In this respect, the ECB understands that under the proposed regulation it would act as fiscal agent and that no financing from the European System of Central Banks would be expected, in compliance with the monetary financing prohibition set out in the Treaty. Therefore, the ECB reiterates that the accounts to be used for the management of this financial assistance at the NCBs and at the ECB will not provide for the possibility of an overdraft.
- **ECB's participation** : the proposed regulation establishes, in addition to the administration of the loans and credit lines, a broader participation by the ECB in cases of European Union financial assistance to non-euro area Member States than is currently the case under Regulation (EC) No 332 /2002. Given that the ECB is not the monetary authority of the non-euro area Member States, the ECB would like to distinguish between its involvement in respect of non-euro area Member States and its involvement in respect of euro area Member States, and notes that its role in the proposed cooperation with the Commission will have to be organised within its mandate and with respect for its independence.