

Alignment with the EU economic governance framework and further simplification of that framework

2025/0311(COD) - 06/10/2026 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 450 votes to 135, with 75 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) No 1173/2011 and (EU) No 473/2013 as regards alignment with the EU economic governance framework and further simplification of that framework.

The European Parliament adopted its position at first reading by amending the Commission's proposal.

Parliament supports the Commission's proposal, which aims to ensure consistency between Regulation (EU) No 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (DPB Regulation) and Regulation (EU) No 1173/2011 on the effective enforcement of budgetary surveillance in the euro area (Sanctions Regulation), on the one hand, and the reformed EU governance framework, on the other.

The proposed amendments also introduce a number of simplifications in the DPB Regulation and the Sanctions Regulation, which will streamline the overall framework for EU economic governance, reduce the administrative burden on Member States and contribute to the Commission's simplification agenda.

Sanctions under the corrective arm of the Stability and Growth Pact

The amended text clarifies that no **fine** should be imposed under Regulation (EU) No 1173/2011 when the excessive deficit procedure is placed in abeyance or when the Commission proposes to impose fines under Article 126(11) of the Treaty on the Functioning of the European Union. The fines should be entered in the general budget of the Union as revenue, in line with the principle of universality of the Union budget.

Independent bodies responsible for monitoring budgetary rules

Member States should establish independent budgetary institutions as referred to in Directive 2011/85/EU and Regulation (EU) 2024/1263. Independent and effective budgetary institutions play an important role in the national budgetary frameworks of Member States and in the fiscal framework of the Union.

Directive 2011/85/EU establishes the minimum standards applicable to, and the tasks of, independent fiscal institutions, including the task of monitoring compliance with the national numerical fiscal rules unless that task is performed by other bodies with functional autonomy vis-à-vis the fiscal authorities of the Member States. Member States can establish more than one such institution. Regulation (EU) 2024/1263 provides that a Member State can ask the independent fiscal institution to issue an opinion on the macroeconomic forecast and the macroeconomic assumptions underpinning the net expenditure path of the initial or revised national medium-term fiscal-structural plan.

Transparency and accountability

In order to preserve transparency, accountability and ownership for the decisions taken, the documents and acts to be provided by the Commission to the Council as specified in this Regulation should be made available to the European Parliament without undue delay.

Economic dialogue

The competent committee of the European Parliament may offer the opportunity to the Member State that is subject to the Council acts to participate in an exchange of views.

Reports

By 31 December 2030 at the latest, and then every five years thereafter, the Commission should publish a report on the application of Regulations (EU) No 1173/2011 and (EU) No 473/2013, accompanied, where appropriate, by a proposal to amend the Regulations.