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

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Member States with balance of payments problems can receive medium-term financial assistance from the EU. According to the Treaty, this mechanism will cease to apply for Member States joining the EMU but the Committee, in a report drafted by Mr Alman METTEN (PES, NL), underlines that this "useful and necessary" instrument for monetary stability must be retained for Member States not joining the EMU from the beginning. Furthermore, the Treaty opens up a possibility for a Community loan instrument also during the third stage of the EMU, but this possibility has not yet been explored by the Commission. Noting that such support might be necessary to avoid turmoil, the Commission is called upon to draw up a proposal for a regulation on an assistance facility to promote economic and monetary stability by helping Member States having difficulties through Community guaranteed loans. The Committee recommends that this new instrument should be based on the existing assistance for balance of payments problems.