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PURPOSE : To review and present a case for retaining the facility providing medium-term financial assistance for Member States' balance of payments CONTENT : Since 1 January 1999, the Member States participating in the single currency are no longer eligible for the Community's medium-term financial assistance for their balance of payments. Those, however, who have not joined the euro zone and those who accede in the future without participating in the single currency, may be faced with balance of payment problems. Since the facility has demonstrated its effectiveness on several occasions, the Commission feels that it should be retained. It takes the view that loans granted under this facility should be financed exclusively by the capital market and that, consequently, the second method of providing assitance, under which these loans are financed in full or in part by the other Member States, should be discontinued. The Commission proposes that the present ceiling of EUR 16 billion be reduced to EUR 12 billion. This reflects the reduction in Member States which are eligible for financial assistance. The Commission will present a proposal to amend the present Regulation governing the facility.