

Guarantee Fund for external actions

1993/1004(CNS) - 31/10/1994 - Final act

PURPOSE : to establish a Guarantee Fund for external actions. **COMMUNITY MEASURE** : Council Regulation 2728/94/EEC, Euratom establishing a Guarantee Fund for external actions. **CONTENT** : a Guarantee Fund is hereby established, whose resources shall be used to repay the Community's creditors in the event of default by the beneficiary of a loan granted or guaranteed by the Community. The lending and guarantee operations referred to in the first paragraph, hereinafter referred to as 'operations', shall be those carried out for the benefit of a third country or for the purpose of financing projects in third countries. The Fund shall be endowed by: - payments from the general budget of the European Communities, - interest on Fund resources invested, - amounts recovered from defaulting debtors where the Fund has already honoured the guarantee. The Fund shall rise to an appropriate level. The target amount shall be 10 % of the Community's total outstanding capital liabilities arising from each operation, increased by unpaid interest due. If, at the end of a year, the target amount is exceeded, the surplus shall be paid back to a special heading in the statement of revenue in the general budget of the European Communities. **ENTRY INTO FORCE** : this Regulation shall enter into force on 19/11/1994.