

Economic Union: medium-term financial assistance for Member States' balances of payment (repeal. Regulation (EEC) No 1969/88)

2001/0062(CNS) - 18/02/2002 - Final act

AIM: To establish a facility providing medium-term financial assistance for Member States' balances of payments. COMMUNITY MEASURE: Council Regulation (EC) No 332/2002. CONTENT: The Regulation establishes a Community facility providing medium-term financial assistance in the form of loans to one or more Member States experiencing difficulties, or seriously threatened with difficulties, in their balance of payments on current account or in their net flow of capital. Only Member States which have not adopted the euro may benefit from this facility. The outstanding amount of loans to be granted to Member States under this facility is limited to EUR 12 billion in principal. The medium-term financial-assistance facility may be implemented by the Council on the initiative of: - the Commission, acting in agreement with the Member State that seeks Community financing, or - a Member State experiencing, or seriously threatened with, difficulties as regards its balance of current payments or capital movements. The Council, after examining the situation in the Member State seeking medium-term financial assistance and the adjustment or back-up programme presented in support of its application, will decide: - whether to grant a loan or appropriate financing facility and, if so, the amount and average term of the loan or facility, - what conditions, in terms of economic policy, are to be attached to the granting of the loan, and - what procedures are to be adopted for the provision of the loan or financing facility, which will normally be released or drawn in instalments, the release of each instalment being subject to verification to ensure that the objectives of the adjustment or back-up programme are being achieved. These three decisions will normally be taken at the same meeting. ENTRY INTO FORCE: 24 February 2002.