Guarantee Fund for external actions: target amount

1998/0117(CNS) - 25/05/1999 - Final act

PURPOSE: amendment of Council Regulation 2728/94/EC, EURATOM establishing a Guarantee Fund to modify the target amount and its provisioning rate. COMMUNITY MEASURE: Council Regulation 1149 /1999/EC, EURATOM amending Regulation 2728/94/EC, EURATOM establishing a Guarantee Fund for external actions. CONTENT: In view of the experience accumulated since the creation of the Guarantee Fund in 1994, it was decided to amend Regulation 2728/94/EC, EURATOM as follows: 1) To reduce the target amount of the Funds from 10% to 9% of the Community's total outstanding capital liabilities arising from each operation, increased by unpaid interest due. 2) To set the provisioning rate of the Fund at 9% rather than the current 14% and at 10% if the resources in the Fund stand below 75% of the target amount. Provision is also made for the case of if the Fund were to exceed the target amount, the surplus amounts would be paid back into the general budget of the Community. The Regulation requires the Commission to draw up comprehensive reports, to be submitted to the Council and the Parliament, on the operation of the Fund by 31.12.2006. This should take account of any eventual modifications following the enlargement of the Community. Appropriate proposals for modification of the parameters of the Fund may be proposed on this occasion. ENTRY INTO FORCE : 01.01.2000.