

Basic information	
1996/0248(CNS) CNS - Consultation procedure Regulation	Procedure completed
Excessive deficit procedure: implementation Amended by 2005/0061(CNS) Amended by 2010/0276(CNS) Amended by 2023/0137(CNS) Subject 5.10.01 Convergence of economic policies, public deficit, interest rates	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy		CHRISTODOULOU Eftymios (PPE)	24/09/1996
	Former committee responsible		Former rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy		CHRISTODOULOU Eftymios (PPE)	24/09/1996
	Former committee for opinion		Former rapporteur for opinion	Appointed
	BUDG Budgets		WILLOCKX Frederik A.A. (PSE)	29/10/1996
Council of the European Union	Council configuration		Meetings	Date
	Economic and Financial Affairs ECOFIN		2014	1997-06-09
	Economic and Financial Affairs ECOFIN		2023	1997-07-07

Key events			
Date	Event	Reference	Summary
16/10/1996	Legislative proposal published	COM(1996)0496 	Summary
11/11/1996	Committee referral announced in Parliament		

12/11/1996	Vote in committee		Summary
12/11/1996	Committee report tabled for plenary, 1st reading/single reading	A4-0371/1996	
19/03/1997	Modified legislative proposal published	COM(1997)0117 	Summary
07/04/1997	Amended legislative proposal for reconsultation published	06931/2/1997	
23/04/1997	Formal reconsultation of Parliament		
21/05/1997	Committee report tabled for plenary, reconsultation	A4-0181/1997	
21/05/1997	Vote in committee, 2nd reading		Summary
09/06/1997	Debate in Council		
24/06/1997	Modified legislative proposal published	COM(1997)0306 	
07/07/1997	Act adopted by Council after consultation of Parliament		Summary
07/07/1997	End of procedure in Parliament		
02/08/1997	Final act published in Official Journal		

Technical information	
Procedure reference	1996/0248(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amended by 2005/0061(CNS) Amended by 2010/0276(CNS) Amended by 2023/0137(CNS)
Legal basis	EC Treaty (before Amsterdam) E 104C-p14-a2
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/08365

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0371/1996 OJ C 380 16.12.1996, p. 0004	12/11/1996	
Text adopted by Parliament, 1st reading/single reading		T4-0641/1996 OJ C 380 16.12.1996, p. 0013-0029	28/11/1996	Summary
Committee final report tabled for plenary, reconsultation		A4-0181/1997 OJ C 182 16.06.1997, p. 0003	21/05/1997	
Text adopted by Parliament after reconsultation		T4-0268/1997 OJ C 182 16.06.1997, p. 0013-0021	29/05/1997	Summary

Council of the EU			
Document type	Reference	Date	Summary
Amended legislative proposal for reconsultation	06931/2/1997	07/04/1997	
European Commission			
Document type	Reference	Date	Summary
Legislative proposal	COM(1996)0496 	16/10/1996	Summary
Modified legislative proposal	COM(1997)0117  OJ C 130 26.04.1997, p. 0012	19/03/1997	Summary
Modified legislative proposal	COM(1997)0306  OJ C 248 14.08.1997, p. 0019	24/06/1997	

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Regulation 1997/1467 OJ L 209 02.08.1997, p. 0006	Summary

Excessive deficit procedure: implementation

1996/0248(CNS) - 07/07/1997 - Final act

OBJECTIVE: within the framework of the stability pact for ensuring budgetary discipline in stage III of EMU, to speed up and clarify the implementation of the excessive deficit procedure, so that it acts as a genuine deterrent. **COMMUNITY MEASURE:** Council Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure. **CONTENT:** the regulation, which sets out provisions to speed up and clarify the excessive deficit procedure in order to prevent excessive deficit in public administrations: - sets time limits for the key steps of the procedure so that any sanctions are imposed within the calendar year following the year in which the excessive deficit occurs; - defines the "exceptional and temporary" circumstances when the reference value can be breached. The Commission considers, in principle, that a breach of the reference value following serious economic recession is only exceptional if GDP in real terms falls by at least 2% per annum; - determines the scale of pecuniary sanctions. With regard to the implementation of sanctions, the regulation provides for a non-interest bearing deposit to be required whenever sanctions are triggered. The annual deposits include a fixed component, equal to 0.2% of GDP, and a variable component equal to one-tenth of the excess of the deficit over the 3% reference value, capped at 0.5% of GDP. Interest on the deposits and the fines imposed on the Member States with an excessive deficit are divided between the Member States with no excessive deficit in proportion to their contribution to the overall GDP of the eligible Member States. **ENTRY INTO FORCE:** 1 January 1999.

Excessive deficit procedure: implementation

1996/0248(CNS) - 29/05/1997 - Text adopted by Parliament after reconsultation

The European Parliament adopted a report and recommendation by Mr Efthymios CHRISTODOULOU (PPE, GR) approving, subject to several amendments, the two proposals that constitute the Stability and Growth Pact, a key element in ensuring budgetary stability during the third phase of

EMU. Parliament, consulted again on the proposal for a regulation defining the procedure applicable to Member States with an excessive budget deficit, calls for the interest on deposits and the fines imposed on Member States with an excessive budget deficit to be entered in the Union's general budget and not distributed among participating Member States without an excessive deficit, as the Council has proposed. Parliament also calls for the Council periodically to examine (on the basis of a report from the Commission and opinions delivered by the European Central Bank and after Parliament has been consulted) and revise the regulation in the light of experience gained. It hopes further that an additional regulation on the methodology and notification of data concerning real changes in GDP will be drawn up for 1 January 1999.

Excessive deficit procedure: implementation

1996/0248(CNS) - 16/10/1996 - Legislative proposal

OBJECTIVE : the proposal for a Council Regulation forms part of the stability pact for ensuring budgetary discipline in stage III of EMU. Its aim is to speed up and clarify the implementation of the excessive deficit procedure, so that it acts as a genuine deterrent. SUBSTANCE : the main principles proposed are as follows: - setting time limits for the key steps of the procedure so that sanctions would be imposed, where appropriate, within the calendar year following the year in which the excessive deficit occurs; - defining the 'exceptional and temporary' circumstances when the reference value can be breached; - pre-determining the scale of the pecuniary sanctions. With regard to the implementation of sanctions, it is proposed that a non-interest bearing deposit should be required whenever sanctions are triggered. The Commission proposes that annual deposits would include a fixed component, equal to 0.2% of GDP, and a variable component equal to one-tenth of the excess of the deficit over the 3% reference value, and would be subject to a ceiling of 0.5% of GDP.

Excessive deficit procedure: implementation

1996/0248(CNS) - 07/07/1997

Following the conclusions of the European Council in Amsterdam on 16 and 17 June, the Council formally adopted without debate the Regulation forming part of the Stability and Growth Pact.

Excessive deficit procedure: implementation

1996/0248(CNS) - 19/03/1997 - Modified legislative proposal

The Commission's amended proposal includes the amendments proposed by the European Parliament which were accepted by the Commission and the decisions taken at the European Council in Dublin in December 1996. The wording has also been amended in the light of the discussions of the Council Working Group on EMU.

Excessive deficit procedure: implementation

1996/0248(CNS) - 28/11/1996 - Text adopted by Parliament, 1st reading/single reading

In adopting the report by Mr Efthymios CHRISTODOULOU (PPE, G), Parliament approved, with amendments, two draft Regulations: one concerning the introduction of an early-warning system to avoid excessive deficits, the other concerning time limits and sanctions. Regarding the early-warning system (cooperation procedure), Parliament insisted that national budgetary policies need to be set so as to allow adequate government investment to help sustain growth and employment. It considered that stability programmes should be incorporated in the national budgetary procedures and submitted to the national parliaments in accordance with an appropriate timetable, whilst emphasizing that Parliament be properly informed. Moreover, similar procedures should also exist for countries that are not members of EMU. Finally, Parliament called for the establishment of an Employment Committee analogous to the Monetary Committee and for the maintenance in operation of the Cohesion Fund during stage III, for as long as the parameters for development differentials which justified its creation (per capita GDP lower than 90% of the Community average) remain in force. With regard to time limits and sanctions (consultation procedure), Parliament reaffirmed the above principles. It proposed some changes to the time limits and adopted an amendment to authorize the breaching of the reference value fixed for the public deficit where unusual events induced the Member State concerned to engage in excessively high levels of expenditure in order to safeguard its territorial sovereignty. In addition, it underlined that in the event of an excessive deficit, the amount of the deposit prior to payment of any fine should not be considered as part of the government expenditure of the Member State concerned.