

## Opinion of the Committee on Economic and Monetary Affairs on the draft Decision amending Article 136 of the TFEU with regard to the EMS (14 February 2011)

**Caption:** On 14 February 2011, the Committee on Economic and Monetary Affairs delivers its opinion to the Committee on Constitutional Affairs concerning the draft European Council Decision amending Article 136 of the Treaty on the Functioning of the European Union with regard to a stability mechanism for Member States whose currency is the euro.

**Source:** Committee on Economic and Monetary Affairs. Opinion of the Committee on Economic and Monetary Affairs for the Committee on Constitutional Affairs on the draft European Council decision amending Article 136 of the Treaty on the Functioning of the European Union with regard to a stability mechanism for Member States whose currency is the euro, 2010/0821(NLE). Strasbourg: 14.02.2011. 9 p. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fNONSGML%2bCOMPARL%2bPE-456.896%2b02%2bDOC%2bPDF%2bV0%2f%2fen>.

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**Publication date:** 19/12/2013



EUROPEAN PARLIAMENT

2009 - 2014

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*Committee on Economic and Monetary Affairs*

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**2010/0821(NLE)**

14.2.2011

## OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Constitutional Affairs

on the draft European Council decision amending Article 136 of the Treaty on the Functioning of the European Union with regard to a stability mechanism for Member States whose currency is the euro  
(00033/2010 – C7-0014/2011 – 2010/0821(NLE))

Co-Rapporteurs: Jean-Paul Gauzès, Edward Scicluna

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## AMENDMENTS

The Committee on Economic and Monetary Affairs calls on the Committee on Constitutional Affairs, as the committee responsible, to incorporate the following amendments in its report:

### Amendment 1

#### Draft decision

##### Recital 1

*Text proposed by the European Council*

(1) Article 48(6) of the Treaty on European Union (TEU) allows the European Council, acting by unanimity after consulting the European Parliament, the Commission and, in certain cases, the European Central Bank, to adopt a decision amending all or part of the provisions of Part Three of the Treaty on the Functioning of the European Union (TFEU). Such a decision may not increase the competences conferred on the Union in the Treaties and its entry into force is conditional upon its subsequent approval by the Member States in accordance with their respective constitutional requirements.

*Amendment*

(1) Article 48(6) of the Treaty on European Union (TEU) allows the European Council, acting by unanimity after consulting the European Parliament, the Commission and, in certain cases, the European Central Bank, to adopt a decision amending all or part of the provisions of Part Three of the Treaty on the Functioning of the European Union (TFEU). Such a decision may not increase the competences conferred on the Union in the Treaties and its entry into force is conditional upon its subsequent approval by **all** the **EU** Member States in accordance with their respective constitutional requirements.

#### *Justification*

*This amendment seeks to clarify which Member States of the European Union will have to approve the proposed Treaty change.*

### Amendment 2

#### Draft decision

##### Recital 3 a (new)

*Text proposed by the European Council*

*Amendment*

***(3a) At its meeting on 16 December 2010 the European Council also agreed that Member States whose currency is not the***

*euro may decide to participate in operations conducted by the mechanism on an ad hoc basis.*

*Justification*

*This amendment is in line with conclusions of the European Council meeting from December 2010.*

**Amendment 3**

**Draft decision**

**Recital 4**

*Text proposed by the European Council*

(4) The stability mechanism will provide **the** necessary tool for dealing with such cases of risk to the financial stability of the euro area **as a whole** as have been experienced in 2010, and **hence** help preserve the economic and financial stability of the Union itself. At its meeting of 16 December 2010, the European Council agreed that, as this mechanism is designed to safeguard the financial stability of the euro area as whole, Article 122(2) of the TFEU will no longer be needed for such purposes. **The Heads of State or Government therefore agreed that it should not be used for such purposes.**

*Amendment*

(4) The stability mechanism will provide **a** necessary tool for dealing with such cases of risk to the financial stability of the euro area, **composed of the Member States whose currency is the euro**, as have been experienced in 2010, and help preserve the economic and financial stability of the Union itself. At its meeting on 16 December 2010, the European Council agreed that, as this mechanism is designed to safeguard the financial stability of the euro area as whole, Article 122(2) TFEU will no longer be needed for such purposes **as from the date of entry into force of this Decision.**

**Amendment 4**

**Draft decision**

**Recital 4 a (new)**

*Text proposed by the European Council*

*Amendment*

**(4a) The stability mechanism will supplement additional measures used to reduce risks to financial stability including the strengthening of the preventive and corrective arm of the Stability and Growth Pact, stronger surveillance of national budgets, and the**

*use of new macro-economic imbalances procedures.*

#### **Amendment 5**

##### **Draft decision Recital 4 b (new)**

*Text proposed by the European Council*

*Amendment*

***(4b) The Member States, particularly those whose currency is the euro, need to work together in a spirit of solidarity to tackle issues relating to medium and long-term competitiveness and macro-economic imbalances between Member States.***

#### **Amendment 6**

##### **Draft decision Recital 4 c (new)**

*Text proposed by the European Council*

*Amendment*

***(4c) The Commission should draw up as a proposal for adoption under the ordinary legislative procedure a detailed set of rules laying down the way in which the stability mechanism will be governed and operated, and should specify which instruments are to be used within its remit.***

#### **Amendment 7**

##### **Draft decision Recital 4 d (new)**

*Text proposed by the European Council*

*Amendment*

***(4d) The Commission should also look at other mechanisms to ensure the financial stability of the euro area, and should***

*make the necessary legislative proposals.*

#### **Amendment 8**

##### **Draft decision Recital 4 e (new)**

*Text proposed by the European Council*

*Amendment*

*(4e) The Commission should investigate the potential of a future system of eurobonds, as an additional mechanism for preserving the stability of the euro area, and in particular should look into the conditions under which such a system would be beneficial to all participating Member States and to the euro area as a whole.*

#### **Amendment 9**

##### **Draft decision Recital 4 f (new)**

*Text proposed by the European Council*

*Amendment*

*(4f) The crisis has highlighted the need to speed up a balanced, sustainable and fully fledged economic convergence process and policy coordination going beyond the current framework and thus contributing to the strengthening of the Union method. Accordingly, any further revision of the TFEU under the normal procedure should contain proposals aimed at ensuring that provisions relating to the establishment and functioning of any stability mechanism are integrated and implemented under the Union method.*

#### **Amendment 10**

**Draft decision**  
**Article 1**

*Text proposed by the European Council*

The following **paragraph** shall be added to **Article 136** of the Treaty on the Functioning of the European Union:

**"3. The Member States whose currency is the euro may establish a stability mechanism to be activated if indispensable to safeguard the stability of the euro area as a whole. The granting of any required financial assistance under the mechanism will be made subject to strict conditionality."**

*Amendment*

The following **point** is added to **Article 136(1)** TFEU:

**"(c) to establish a permanent stability mechanism to safeguard the stability of the euro area composed of the Member States whose currency is the euro. Member States whose currency is not the euro may decide to participate in the mechanism. The granting of any required financial assistance under the mechanism will be made subject to strict conditionality consistent with the principles and objectives of the Union, as laid down in the Treaty on European Union and in this Treaty. The permanent stability mechanism shall be designed in such a way as to foster budgetary discipline and to contribute to long-term sustainable public finances."**

**Amendment 11****Draft decision**  
**Article 1 a (new)**

*Text proposed by the Council*

*Amendment*

**Article 1a**

**In Article 136(2) TFEU, the first subparagraph is replaced by the following:**

**"For those measures set out in points (a) and (b) of paragraph 1, only members of the Council representing Member States whose currency is the euro shall take part in the vote. As regards point (c) of paragraph 1, only members of the Council representing Member States whose currency is the euro and those representing Member States participating**



*in and contributing to the permanent stability mechanism shall take part in the vote."*

## **Amendment 12**

### **Draft decision**

#### **Article 2 – paragraph 1**

##### *Text proposed by the European Council*

Member States shall notify the Secretary-General of the Council without delay of the completion of the procedures for the approval of this Decision in accordance with their respective constitutional requirements.

##### *Amendment*

*All EU* Member States shall notify the Secretary-General of the Council without delay of the completion of the procedures for the approval of this Decision in accordance with their respective constitutional requirements.

##### *Justification*

*This amendment seeks to clarify which Member States of the European Union shall notify the Secretary-General of the Council about the completion of the procedures for the approval of this Decision.*

### RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	14.2.2011
<b>Result of final vote</b>	+: 35 -: 6 0: 0
<b>Members present for the final vote</b>	Burkhard Balz, Sharon Bowles, Udo Bullmann, Pascal Canfin, Nikolaos Chountis, George Sabin Cutaş, Leonardo Domenici, Derk Jan Eppink, Diogo Feio, Elisa Ferreira, Vicky Ford, Ildikó Gáll-Pelcz, Sven Giegold, Sylvie Goulard, Liem Hoang Ngoc, Gunnar Hökmark, Wolf Klinz, Jürgen Klute, Philippe Lamberts, Werner Langen, Hans-Peter Martin, Íñigo Méndez de Vigo, Ivari Padar, Alfredo Pallone, Anni Podimata, Antolín Sánchez Presedo, Olle Schmidt, Peter Simon, Peter Skinner, Theodor Dumitru Stolojan, Ivo Strejček, Kay Swinburne, Ramon Tremosa i Balcells, Corien Wortmann-Kool
<b>Substitute(s) present for the final vote</b>	Sophie Auconie, Elena Băsescu, Arturs Krišjānis Kariņš, Sirpa Pietikäinen, Andreas Schwab, Catherine Stihler
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Roberto Gualtieri