

AMENDMENT FORM

Suggestion for amendment of Article : III-73

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Status : - Member - Alternate

Artikel III-73

Article III-73 (ex Article 104)

1. Member States shall avoid excessive government deficits.
2. The Commission shall monitor the development of the budgetary situation and of the stock of government debt in the Member States in order to identify gross errors. In particular it shall examine compliance with budgetary discipline on the basis of the following two criteria:
 - (a) whether the ratio of the planned or actual government deficit to gross domestic product exceeds a reference value, unless:
 - (i) either the ratio has declined substantially and continuously and reached a level that comes close to the reference value;
 - (ii) or, alternatively, the excess over the reference value is only exceptional and temporary and the ratio remains close to the reference value;
 - (b) whether the ratio of government debt to gross domestic product exceeds a reference value, unless the ratio is diminishing sufficiently and approaching the reference value at a satisfactory pace.

The reference values are specified in the Protocol on the excessive deficit procedure.

3. If a Member State does not fulfil the requirements under one or both of these criteria, the Commission shall prepare a report. The report of the Commission shall also take into account whether the government deficit exceeds government investment expenditure and take into account all other relevant factors, including the medium-term economic and budgetary position of the Member State.

The Commission may also prepare a report if, notwithstanding the fulfilment of the requirements under the criteria, it is of the opinion that there is a risk of an excessive deficit in a Member State.

4. The Economic and Financial Committee shall formulate an opinion on the report of the Commission.
5. If the Commission considers that an excessive deficit in a Member State exists or may occur, it shall address an opinion to the Member State concerned.
6. The Council shall, on a proposal from the Commission, having considered any observations which the Member State concerned may wish to make and after an overall assessment, decide whether an excessive deficit exists. Where the Council decides that an excessive deficit exists, it

shall adopt, according to the same procedures **and after consultation of the European Parliament** the recommendations addressed to the Member State concerned with a view to bringing that situation to an end within a given period. Subject to paragraph 8, those recommendations shall not be made public.

Within the scope of this paragraph, the Council shall act without taking into account the vote of the representative of the Member State concerned, and a qualified majority shall be defined as the majority of the votes of the other Member States, representing at least three fifths of their populations.

7. The Council, on a recommendation from the Commission, shall adopt by a qualified majority the European decisions and recommendations referred to in paragraphs 8 to 11. It shall act without taking into account the vote of the representative of the Member State concerned, and a qualified majority shall be defined as the majority of the other Member States, representing at least three fifths of their populations.

8. Where it establishes that there has been no effective action in response to its recommendations within the period laid down, the Council may make its recommendations public.

9. If a Member State persists in failing to put into practice the recommendations of the Council, the Council may adopt a European decision giving notice to the Member State to take, within a specified time-limit, steps for the deficit reduction which is judged necessary by the Council in order to remedy the situation.

In such a case, the Council may request the Member State concerned to submit reports in accordance with a specific timetable in order to examine the adjustment efforts of that Member State.

10. As long as a Member State fails to comply with a European decision adopted in accordance with paragraph 9, the Council may decide **after consultation of the European Parliament** to apply or, as the case may be, intensify one or more of the following measures:

- (a) to require the Member State concerned to publish additional information, to be specified by the Council, before issuing bonds and securities;
- (b) to invite the European Investment Bank to reconsider its lending policy towards the Member State concerned;
- (c) to require the Member State concerned to make a non-interest-bearing deposit of an appropriate size with the Union until the Council considers that the excessive deficit has been corrected;
- (d) to impose fines of an appropriate size.

The President of the Council shall inform the European Parliament of the measures adopted.

11. The Council shall, **after consultation of the European Parliament** abrogate some or all of its measures referred to in paragraphs 6 and 8 to 10 to the extent that it considers the excessive deficit in the Member State concerned to have been corrected. If the Council has previously made public recommendations, it shall state publicly, as soon as the decision under paragraph 8 has been abrogated, that there is no longer an excessive deficit in the Member State concerned.

12. The rights to bring actions provided for in [Articles III-261 and III-262 (ex 226 and 227)] may not be exercised within the framework of paragraphs 1 to 6 or 8 and 9.

13. Further provisions relating to the implementation of the procedure described in this Article are set out in the Protocol on the excessive deficit procedure.

A European law of the Council shall lay down the appropriate measures to replace the said Protocol. ~~The Council shall act unanimously after consulting the European Parliament and the European Central Bank.~~

Subject to the other provisions of this paragraph, the Council, on a proposal from the Commission, shall adopt European regulations or decisions laying down detailed rules and definitions for the application of the said Protocol. It shall act after consulting the European Parliament.

Explanation if any :

Decisions of this importance should always require at least prior consultation of EP