



Committee on Budgets
The Chair

9.11.2023

Ms Irene Tinagli
Chair
Committee on Economic and Monetary Affairs
BRUSSELS

Subject: Opinion on the Proposal for a Council Regulation amending Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure (2023/0137(CNS))

Dear Chair,

The Coordinators of the Committee on Budgets decided at their meeting of 23 May 2023 to adopt an opinion in the form of a letter under Rule 56 concerning the *Proposal for a Council Regulation amending Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure (2023/0137(CNS))*, which was presented as part of the legislative package on the Economic Governance Review on 26 April 2023.

In my capacity as BUDG Chair, I hereby provide you with the BUDG contribution on the Commission proposal.

The BUDG committee welcomes that the Commission proposed a legislative package and reminds its previous call for a revision of the Stability and Growth Pact “*in order to promote a just, sustainable and future-oriented economy*”.¹

Although the BUDG committee shares the overarching objective of the legislative package, it also stresses that the reform of the economic governance framework needs to go hand in hand with enhanced democratic accountability. In this regard, the BUDG committee deplores that the European Parliament is not involved in all aspects of the reform on equal footing with the Council, but is merely consulted on the proposed *Council Regulation* on speeding up and clarifying the implementation of the excessive deficit procedure.

As regards the content of the proposed Council Regulation, the BUDG committee strongly

¹ see the BUDG opinion on the European Semester for economic policy coordination 2023 (2022/2150(INI))

supports the Commission's proposal to delete Article 16 of the legal act, which assigns the revenues of fines imposed on Member States in accordance with Article 12 of the Regulation to the European Financial Stability Facility. Making fines under the excessive deficit procedure available to the EU budget as 'other revenue' would be fully in line with Parliament's long-standing position that fines should be used as additional revenue for the Union budget.² Should the proposal be taken up in the final act, the BUDG committee stands ready to ensure that the required legislative changes to the Financial Regulation³, namely in Article 21(2), are adopted without delay.

Finally, the BUDG committee is concerned that a conclusion of the negotiations before the end of 2023 may not be possible and urges for a speeding up of the discussions.

The BUDG committee asks the ECON committee, as the committee responsible for the file, to take due account of the suggestions mentioned in this opinion in the form of a letter, pursuant to Rule 56, in its report on the proposal on speeding up and clarifying the implementation of the excessive deficit procedure.

Yours sincerely,

Johan van Overtveld

² European Parliament Resolution of 10 May 2023 on own resources: a new start for EU finances, a new start for Europe (2022/2172(INI)).

³ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (*OJL 193, 30.7.2018, p. 1*).

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The following list is drawn up under the exclusive responsibility of the rapporteur for the opinion. The rapporteur has received input from the following entities or persons in the preparation of the opinion, until the adoption thereof in committee:

Entity and/or person
Permanent Representation of Belgium to the EU