WRITTEN QUESTION E-1746/10
by Edward Scicluna (S&D)
to the Commission

Subject: Use of derivatives to mask public debts

It has been widely reported that Greece, and possibly other countries, may have used derivatives to mask the scale of their public deficits and their debts. These deals have allegedly involved banks providing cash upfront in return for government payments in the future, with these liabilities then left off the books. It has also been reported that the Commission has launched an investigation into the Greek case.

Does the Commission have the assurance from all eurozone member states that they have not used and are not using any financial instruments whose end result, regardless of the reason for using such instruments, minimises the level of the country’s reported deficit or its debt?

In addition, do these assurances also apply to the corporate debts of companies whose liabilities are guaranteed by Member State governments?

If not, does the Commission intend to formally ask each Member State (especially those in the eurozone) whether they have indulged in such practices and used financial instruments that have artificially lowered the level of their reported deficit and debt?