Question for written answer E-002757/2013
to the Commission
Rule 117
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Subject: Possible haircut on deposits and increase in corporation tax in Cyprus

Statements published in the wake of the Eurogroup meeting left open the question of a haircut on deposits in Cypriot banks and an increase in corporation tax, the mere mention of which has undermined financial stability in Cyprus.

Why, in the Commission’s view, were similar moves not discussed in countries in receipt of assistance from the European Stability Mechanism, such as Ireland which, like Cyprus, has low corporation tax and also had a banking debt?

The possibility of a haircut on deposits was not discussed for any other Member State. Does the Commission realise that this would cause financial panic, not only in Cyprus, but also in other countries in the euro area?

What, in the Commission’s view, is the cause of this differentiated approach?

What comments does the Commission have to make on the flight of billions of euros from deposits in Cypriot banks since early 2013, as a result of the debate about a haircut on deposits?

What measures does it intend to take in order to protect the financial system in both Cyprus and the euro area?