Question for written answer E-002818/2020
to the Commission
Rule 138
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Subject: SURE

On 2 April 2020, the Commission proposed a new regulation introducing a temporary European loan scheme to fund short-time work (SURE).

Under the scheme, the Member States would be able to apply to the Commission for a loan if they were overwhelmed by the cost of state-funded short-time work. In order to finance this system, the Commission intends to buy bonds on the capital market. The total amount envisaged in the draft is EUR 100 billion. The Member States would guarantee the bonds. The Member States would have to set up provisions to be paid into a dedicated fund for 25% of all the bonds.

Legally, however, this is a problem. The EU budget cannot be financed by loans, as these are not part of the EU's own resources under Article 2 of the Own Resources Decision. Under Article 17(2) of the Financial Regulation, the Union is not empowered to borrow from the budget.

For the euro rescue shields, bonds have been and are issued outside the EU, through either the EFSF organised under private law or the ESM based on an international treaty. However, the EFSM was not funded by means of loans [1] .

1. How does the Commission justify this violation of the prohibition on loans?

2. What legal opinions have been commissioned on this matter by the Commission?

[1] Matthias Ruffert: 'Are we SURE? A Commission proposal – and what a European lawyer can say about it', Constitutional blog, 5 April 2020.