



EUROPEAN PARLIAMENT

2009 - 2014

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*Committee on Legal Affairs*

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**2012/2028(INI)**

4.6.2012

# **OPINION**

of the Committee on Legal Affairs

for the Committee on Economic and Monetary Affairs

on the feasibility of introducing Stability Bonds

(2012/2028(INI))

Rapporteur: Raffaele Baldassarre

PA\_NonLeg

## SUGGESTIONS

The Committee on Legal Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the Commission's Green Paper which represents a good starting point to assess possible solutions to foster financial stability, budgetary discipline and economic growth within the EU; recalls that stability bonds may represent a means for medium-term stability and that additional measures are necessary in order to combat the sovereign debt crisis in an effective fashion;
2. Stresses that, among the suggested proposals, full substitution of stability bond issuance for national issuance would constitute the most suitable response to the sovereign debt crisis; considers, however, that the relevant prerequisites in terms of economic, financial and political integration still need to be fulfilled; considers, therefore, that it seems appropriate to proceed gradually, particularly with regard to the legal implementation of stability bonds; invites the Commission to swiftly clarify all legal concerns with regard to the legal framework for the implementation of stability bonds, and accordingly to put forward proposals, involving Parliament and the Council as necessary;
3. Considers that consistency with EU law is a precondition for the introduction of stability bonds; accordingly, emphasises the need for a solid legal framework in order to provide financial market stability in a way which is compatible with the Treaty while reducing the risks of moral hazard, while also enhancing fiscal discipline and creating the scope for further measures that will contribute to market stability and sovereign debt sustainability;
4. Is aware that the introduction of stability bonds can improve the implementation of budgetary policies at Member State level; points out, on the other hand, that further measures in terms of economic governance might necessitate Treaty changes; calls on the Commission to assess further measures with a view to combating the sovereign debt crisis quickly;
5. Shares the Commission's concerns with regard to accounting issues relating to the treatment of stability bonds under national law; urges the Commission comprehensively to assess the impact of different guarantee structures for stability bonds on national debt-to-GDP ratios;
6. Notes the moral hazard problem referred to by the Commission in the Green Paper, but nonetheless considers it necessary to perform a thorough analysis of the moral hazard problem in order to be able to draw the right conclusions and to find the appropriate solutions if possible;
7. Invites the Commission further to explore the possible combination of approaches through gradual implementation; to this end, considers that an introduction of stability bonds based on a partial approach could ease the market acceptance while overcoming legal constraints.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	31.5.2012
<b>Result of final vote</b>	+: 20 -: 1 0: 2
<b>Members present for the final vote</b>	Raffaele Baldassarre, Luigi Berlinguer, Sebastian Valentin Bodu, Françoise Castex, Christian Engström, Marielle Gallo, Giuseppe Gargani, Lidia Joanna Geringer de Oedenberg, Sajjad Karim, Klaus-Heiner Lehne, Antonio Masip Hidalgo, Evelyn Regner, Francesco Enrico Speroni, Rebecca Taylor, Alexandra Thein, Cecilia Wikström, Zbigniew Ziobro, Tadeusz Zwiefka
<b>Substitute(s) present for the final vote</b>	Sergio Gaetano Cofferati, Luis de Grandes Pascual, Eva Lichtenberger, Axel Voss
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Elisabeth Morin-Chartier