

## **AGREEMENT ON THE TRANSFER OF CONTRIBUTIONS TO THE STABILISATION SUPPORT FUND**

THE CONTRACTING PARTIES, the Kingdom of Belgium, the Federal Republic of Germany, the Republic of Estonia, Ireland, the Hellenic Republic, the Kingdom of Spain, the French Republic, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, the Republic of Malta, the Kingdom of the Netherlands, the Republic of Austria, the Portuguese Republic, the Republic of Slovenia, the Slovak Republic, the Republic of Finland and the Kingdom of Denmark;

COMMITTED TO achieving the proper functioning of a public investment stabilisation instrument;

WHEREAS:

(1) In December 2017, the Commission called for the roll-out of a stabilisation function as a way to preserving investment levels in the event of large asymmetric shocks in its Communication to the European Parliament, the Council and the European Central Bank on new budgetary instruments for a stable euro area within the Union framework.

(2) Through Regulation (EU) No XX/XX of the European Parliament and the Council on the establishment of a European Investment Stabilisation Function (“EISF Regulation”) the Union establishes a European Investment Stabilisation Function (EISF).

(3) The EISF provides financial assistance in the form of loans and interest rate subsidies to Member States whose currency is the euro (euro area Member States) and Member States with a derogation in the meaning of Article 139(1) of the Treaty on the Functioning of the European Union (TFEU) which participate in the exchange rate mechanism (ERM II) (non-euro area Member States participating in ERM II) for public investment in a Member State which is experiencing a large asymmetric shock.

(4) The EISF Regulation establishes, in particular, a Stabilisation Support Fund as well as the modalities for its endowment, use and administration. The obligation for the Contracting Parties to transfer contributions to the Stabilisation Support Fund does not derive from the law of the Union. Such obligation is established by this Agreement which lays down the rules upon which the Member States as Contracting Parties jointly agree to transfer the contributions to the Stabilisation Support Fund, in accordance with their respective constitutional requirements. The contributions shall be included into the general budget of the Union in accordance with Article 17(3) of the EISF Regulation

(5) Accordingly, the Contracting Parties have concluded this Agreement whereby, inter alia, the methodology is established for the calculation of contributions as well as the obligation to transfer such contributions to the Stabilisation Support Fund.

(6) National contributions by euro area Member States are calculated as a percentage of the share their national central banks are allocated in the monetary income of the Eurosystem at the end of the preceding financial year. For non-euro area Member States participating in ERM II the national contributions are calculated as a percentage of the monetary income of the Eurosystem over euro area GDP multiplied with the GDP of the non-euro area Member State participating in ERM II. The Commission would calculate the amounts of the annual contributions.

(7) The content of this Agreement is limited to those specific elements concerning the Stabilisation Support Fund that remain within the competence of the Contracting Parties. This Agreement does not affect common rules established under the law of the Union or does not alter their scope. It is designed as complementary to the Union legislation on the EISF and is supportive and intrinsically linked to the achievement of Union policies, in particular cohesion.

(8) This Agreement should be ratified by all euro area Member States and non-euro area Member States participating in the exchange rate mechanism (ERM II). Other Member States should accede to this Agreement with full rights and obligations, in line with those of the existing Contracting Parties, as from the date when they effectively participate in the exchange rate mechanism (ERM II).

(9) Since this Agreement is complementary to the Union legislation on the EISF, disputes concerning its interpretation and application arising between the Contracting Parties, including those concerning compliance with the obligations laid down therein should be submitted to the Court of Justice of the European Union in accordance with Article 273 TFEU.

HAVE AGREED ON THE FOLLOWING PROVISIONS:

## TITLE I

### PURPOSE AND SCOPE

#### Article 1

By this Agreement, the Contracting Parties commit transferring contributions to the Stabilisation Support Fund set up by Article 17 of Regulation (EU) No XX/XX of the European Parliament and the Council on the establishment of a European Investment Stabilisation Function ("EISF Regulation") thereby supporting the effective operation and proper functioning of the Stabilisation Support Fund.

## TITLE II

### CONSISTENCY AND RELATIONSHIP WITH THE LAW OF THE UNION

#### Article 2

1. This Agreement shall be applied and interpreted by the Contracting Parties in conformity with the Treaties on which the European Union is founded and with European Union law, in particular Article 4(3) of the TEU and Union legislation concerning the European Investment Stabilisation Function.
2. This Agreement shall apply insofar as it is compatible with the Treaties on which the European Union is founded and with Union law.
3. For the purpose of this Agreement, the relevant definitions set out in Article 2 of the EISF Regulation shall apply.

### TITLE III

#### CALCULATION OF CONTRIBUTIONS

##### Article 3

1. The annual contribution of each Contracting Party whose currency is the euro to the Stabilisation Support Fund shall be equivalent to 6 percent of the amount of monetary income allocated to its national central bank at the end of the preceding financial year in accordance with Article 32 of Protocol No 4 on the Statute of the European System of Central Banks and the European Central Bank.
2. The annual contribution to the Stabilisation Support Fund of a Contracting Party which participates in the exchange rate mechanism referred to in Article 140(1) of the TFEU shall be equivalent to:

$$C = 0.06 \times \frac{\textit{monetary income ES}}{GDP_{EA}} \times GDP_{ERM II MS}$$

### TITLE IV

#### TRANSFER OF CONTRIBUTIONS

##### Article 4

##### Transfer of contributions

1. Contracting Parties shall transfer their annual contributions through the Commission to the Stabilisation Support Fund by 30 June at the latest. The contributions shall be included into the general budget of the Union in accordance with Article 17(3) of the EISF Regulation.
2. A Contracting Party shall not be obliged to transfer its annual contribution to the Stabilisation Support Fund if on 30 June of the year concerned it is subject to:
  - (a) a decision of the Commission granting EISF support within the meaning of Article 6(2) of the EISF Regulation;

(b) a decision of the Council approving a macroeconomic adjustment programme within the meaning of Article 7(2) of Regulation (EU) No 472/2013;

(c) a decision of the Council implementing a medium-term financial assistance facility within the meaning of Article 3(2) of Council Regulation (EC) 332/2002.

3. Where a Contracting Party becomes subject to a decision referred to in paragraph 2 after 30 June of the year concerned, its annual contribution shall be retransferred within six months at the latest.

4. The Commission shall establish the necessary arrangements for the transfers of the contributions by Contracting Parties to the Stabilisation Support Fund.

#### Article 5

#### Compliance

Contracting parties shall take the necessary measures in their national legal orders to ensure compliance with their obligation to transfer their annual contributions in accordance with this Agreement.

### TITEL V

#### GENERAL AND FINAL PROVISIONS

#### Article 6

#### Ratification, approval or acceptance and entry into force

This Agreement shall be subject to ratification, approval or acceptance by its signatories in accordance with their respective constitutional requirements. The instruments of ratification, approval or acceptance shall be deposited with the General Secretariat of the Council of the European Union ("Depositary"). The Depositary shall notify the other signatories of each deposit and the date thereof.

#### Article 7

#### Entry into force

1. This Agreement shall enter into force on the date when instruments of ratification, approval or acceptance have been deposited by all Contracting Parties or on the date of entry into force of the EISF Regulation whichever is the latest.

2. Within three months of the date that the Agreement enters into force, Contracting Parties shall transfer their first annual contributions determined in accordance with Article 3 to the Stabilisation Support Fund.

## Article 8

### Accession by non-euro area Member States

1. This Agreement shall be open for accession by other Member States of the European Union as from the date of their participation in the exchange rate mechanism referred to in Article 140(1) of the TFEU. Accession to this Agreement shall be effective upon depositing the instrument of accession with the Depository, who shall notify the other Contracting Parties thereof.

2. Following authentication by the Contracting Parties, the text of this Agreement, in the official language of the acceding Member State that is also an official language of the institutions of the Union, shall be deposited in the archives of the Depository as an authentic text of this Agreement.

## Article 9

### Dispute settlement

1. Where a Contracting Party disagrees with another Contracting Party on the interpretation of any of the provisions of this Agreement or when it considers that another Contracting Party has failed to comply with its obligations under this Agreement, it may bring the matter before the Court of Justice of the European Union. The judgment of the Court of Justice shall be binding on the parties to the proceedings.

If the Court of Justice finds that a Contracting Party has failed to comply with its obligations under this Agreement, the Contracting Party concerned shall take the necessary measures to comply with the judgment within a period decided by the Court of Justice.

2. This Article constitutes a special agreement between the Contracting Parties within the meaning of Article 273 of the TFEU.

Done at Brussels on [DATE] 20XX, in a single original, whose Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Irish, Italian, Latvian, Lithuanian, Maltese, Portuguese Slovak, Slovenian, and Spanish texts are equally authentic, which shall be deposited in the archives of the Depository which shall transmit duly certified copy to each of the Contracting Parties.