

**Proposal for a Council Regulation on the establishment of the European Monetary Fund  
(COM (2017) 827 final), accompanied by the Annex to the same (COM (2017) 827)**

FINAL DOCUMENT

The Committee on the Budget and the Committee on EU Policies of Italy's Chamber of Deputies, meeting in joint session,

Having examined, pursuant to Rule No 127 of the Chamber's Rules of Procedure, the proposal for a Council regulation on the establishment of the European Monetary Fund (COM (2017) 827) and the Annex to the same;

*Whereas:*

- The proposal for a regulation envisages establishing a European Monetary Fund (EMF) on the by now consolidated foundations of the European Stability Mechanism (the ESM, also referred to as the "Bail-out Fund") but, unlike the ESM which currently continues to be governed by a special intergovernmental agreement, also anchoring it within the Union legal framework;
- The ESM currently has an authorised capital of €700 billion, of which €80 billion has been effectively paid in by the Member States, each in proportion to its share subscription in the ECB, and the remaining €620 billion in the form of guarantees issued by the same Member States;
- The European Commission envisions the EMF as performing an important stabilising function for the EU's common economic system by providing a common backstop for the Single Resolution Fund and acting as lender of last resort for the orderly resolution of distressed banks;
- The Fund could provide precautionary financial assistance to its Members through precautionary conditioned credit lines and contributions towards the recapitalisation of credit institutions;
- The Fund could also act on the basis of decisions that have been adopted by reinforced qualified majorities (85 percent of votes) rather than unanimously, which should both simplify and speed up its interventions in critical situations;
- As to the activities of the EMF the proposal for a regulation makes explicit reference to the Charter of Fundamental Rights of the European Union and to the need to subordinate the granting of EMF financial assistance to compliance with its precepts;

- In the medium to long term, the EMF could eventually acquire new financial instruments which it could, for example, deploy for purposes of stabilisation in the aftermath of asymmetric shocks;
- Mindful of the report of 14 December 2017 that the Government submitted to both Houses of Parliament pursuant to article 6.4 of Law No 234 of 2012;

*Believing* that one of the options worth considering is, having taken all necessary precautions to protect investors, to expand the EMF's potential to raise capital by allowing it to place government bonds on the primary market rather than to continue with the ESM rules, which restrict this power to banks and financial institutions;

*Mindful* that the present final document needs to be forwarded without delay to the European Commission as part of the political dialogue, as well as to the European Parliament and the Council;

Express a

#### FAVOURABLE OPINION

*with the following remark:*

- a) Having taken all necessary precautions to protect investors, consideration should be given to the possibility of expanding the capital-raising potential of the EMF by allowing it to place government bonds on the primary market rather than reserving this power to banks and financial institutions.