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— having regard to the request for consent submitted by the Council pursuant to Articles 100(2), 207(4), Article 218(6), second subparagraph, point(a), and Article 218(8), first subparagraph of the Treaty on the Functioning of the European Union (C7-0100/2010),

— having regard to Rules 81 and 90(8) of its Rules of Procedure,

— having regard to the recommendation of the Committee on Transport and Tourism (A7-0298/2010)

1. Consents to conclusion of the Agreement;

2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of Canada.

Prevention and correction of macroeconomic imbalances ***I

P7_TA(2011)0287

European Parliament amendments adopted on 23 June 2011 to the proposal for a regulation of the European Parliament and of the Council on the prevention and correction of macroeconomic imbalances (COM(2010)0527 – C7-0301/2010 – 2010/0281(COD)) [1]

(2012/C 390 E/17)

(Ordinary legislative procedure: first reading)

[Amendment No 2]

AMENDMENTS BY PARLIAMENT (*)

to the Commission proposal

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[1] The matter was then referred back to committee pursuant to Rule 57(2), second subparagraph (A7-0183/2011).
(*) Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol ▌.

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the prevention and correction of macroeconomic imbalances

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 121(6) thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Central Bank [1]***,***

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[1] ***OJ C 150, 20.5.2011, p. 1.***

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee [1],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The coordination of the economic policies of the Member States within the Union ***should be developed in the context of the broad economic policy guidelines and the employment guidelines***, ***and*** should entail compliance with the guiding principles of stable prices, sound ***and sustainable*** public finances and monetary conditions and a sustainable balance of payments.

(1a) Achieving and maintaining a dynamic Single Market should be considered an element of the proper and smooth functioning of the economic and monetary union.

(1b) The improved economic governance framework should rely on several inter-linked and coherent policies for sustainable growth and namely, a Union strategy for growth and jobs, a European Semester for strengthened coordination of economic and budgetary policies, an effective framework for preventing and correcting excessive government deficits (the Stability and Growth Pact), a robust framework for preventing and correcting macroeconomic imbalances, enhanced financial market regulation and supervision.

(2) There is a need to ***draw lessons from*** the first decade of functioning of the economic and monetary union ***and, in particular, a need for improved economic governance in the Union built on a stronger national ownership***.

(2a) Strengthening economic governance should include a closer and more timely involvement of the European Parliament and the national parliaments. The competent committee of the European Parliament may offer the opportunity to the Member State concerned by Council recommendation or decision in accordance with Article 7(2), Article 8(2) and Article 10(4) of this Regulation to participate in an exchange of views.

(2b) The Commission should have a stronger role in the enhanced surveillance procedure as regards assessments that are specific to each Member State, monitoring, missions, recommendations and warnings.

(3) In particular, surveillance of the economic policies of the Member States should be broadened beyond budgetary surveillance to ***include a more detailed and formal framework to*** prevent excessive macroeconomic imbalances and help the Member States affected devise corrective plans before divergences become entrenched. This broadening of the economic surveillance framework should go in parallel with deepening of fiscal surveillance.

(4) To help address such imbalances, a procedure laid down in detail in legislation is necessary.

(5) It is appropriate to supplement the multilateral surveillance referred to in Article 121(3) and (4) of the Treaty with specific rules for ***the*** detection ***of macroeconomic imbalances, as well as the***, prevention and correction of ***excessive*** macroeconomic imbalances ***within the Union, which should be aligned with the annual multilateral surveillance cycle***.

[1] OJ C ….

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(6) This procedure should ***put in place*** an alert mechanism for early detection of emerging macroeconomic imbalances. It should be based on use of an indicative and transparent scoreboard ***comprising indicative thresholds,*** combined with economic judgment. ***This judgement should take into account inter alia nominal and real convergence inside and outside the euro area.***

(6a) The Commission should closely cooperate with the Council and the European Parliament when drawing the scoreboard and the set of macroeconomic and macro-financial indicators for Member States. The indicators and thresholds should be established and adjusted when necessary in order to adapt to the changing nature of macroeconomic imbalances, inter alia due to evolving threats to macroeconomic stability or enhanced availability of relevant statistics. The Commission should present suggestions for comments to the competent committees of the Council and the European Parliament on plans to establish and adjust the indicators and thresholds. The Commission should inform the Council and European Parliament of changes to the indicators and thresholds and explain its reasons for such modifications.

(7) ***In order to function efficiently as an element of the alert mechanism,*** the scoreboard should consist of a limited set of economic, financial ***and structural*** indicators relevant to detection of macroeconomic imbalances, with corresponding indicative thresholds. ***The indicators and thresholds shall be adjusted when necessary, so as to adapt to the changing nature of macroeconomic imbalances*** *inter alia* due to evolving threats to macroeconomic stability or enhanced availability of relevant statistics. ***The indicators should not be contemplated as goals for economic policy but as tools to take account of the evolving nature of the macroeconomic imbalances within the European Union.***

(7a) In developing the scoreboard due consideration should also be given to catering for heterogeneous economic circumstances, including catching-up effects.

(8) The crossing of one or more indicative thresholds need not necessarily imply that macroeconomic imbalances are emerging, as economic policy-making should take into account inter-linkages between macroeconomic variables. ***Conclusions should not be drawn from an automatic reading of the scoreboard: economic*** judgment should ensure that all pieces of information, whether from the scoreboard or not, are put in perspective and become part of a comprehensive analysis.

(9) Based on the multilateral surveillance procedure and the alert mechanism, ***or in the event of unexpected, significant economic developments that require urgent analysis for the purpose of this Regulation,*** the Commission should identify the Member States to be subject to an in-depth review. The in-depth review ***should be undertaken without the presumption that an imbalance exists and*** should encompass a thorough analysis of sources of imbalances in the Member State under review***, taking due account of country specific economic conditions and circumstances and of a wider set of analytical tools, indicators and qualitative information of country specific nature. When the Commission is drawing up the in-depth review, the Member State will collaborate to ensure that the information available to the Commission is as complete and correct as possible. Furthermore, the Commission shall give due consideration to any other information which, in the opinion of the Member States concerned are relevant, and which the Member State has put forward to the Commission and to the Council. The in-depth review*** should be discussed within the Council and the Euro Group for the Member States whose currency is the euro. ***The in-depth review shall take into account, where appropriate, Council recommendations or invitations addressed to Member States under review adopted in accordance with Articles 121, 126 and 148 of the Treaty and under Articles 6, 7, 8 and 10 of this Regulation and the policy intentions of the Member State under review, as reflected in National Reform Programs, as well as international best practices as regards indicators and methodologies. When the Commission decides to carry-out an in-depth study in the event of significant and unexpected economic developments that require urgent analysis, it should inform the Member States concerned.***

(10) A procedure to monitor and correct adverse macroeconomic imbalances, with preventive and corrective elements, will require enhanced surveillance tools based on those used in the multilateral surveillance procedure. This may include enhanced surveillance missions by the Commission ***in liaison with the European Central Bank (ECB) for Member States whose currency is the euro or Member States participating in the ERM II***, to Member States and additional reporting by the Member State in case of severe imbalances, including imbalances that jeopardise the proper functioning of the economic and monetary union. ***Social partners and other national stakeholders should, where appropriate, be involved in the dialogue.***

(11) When assessing imbalances, account should be taken of their severity ▌ and of the potential negative economic and financial spillovers ***which aggravate the vulnerability of the EU economy and are a threat to smooth functioning of the monetary union. Actions to address macroeconomic imbalances and divergences in competitiveness are required in all Member States, particularly in the euro area. However the nature, importance and urgency of the policy challenges may differ significantly depending on the Member States concerned. Given vulnerabilities and the magnitude of the adjustment required, the need for policy action is particularly pressing in Members States showing persistently large current-account deficits and competitiveness losses. Also in Members States that accumulate large current account surpluses policies should aim to identify and implement the structural reforms that help strengthening their domestic demand and growth potential.***

(11a) The economic adjustment capacity and the track record of the Member State concerned as regards compliance with earlier recommendations issued under this Regulation and other recommendations issued under Article 121 of the Treaty as part of multilateral surveillance, in particular the broad guidelines for the economic policies of the Member States and of the Union, should also be considered.

(12) If macroeconomic imbalances are identified, recommendations ***when appropriate involving relevant committees,*** should be addressed to the Member State concerned to provide guidance on appropriate policy responses. The policy response of the Member State concerned to imbalances should be timely and should use all available policy instruments under the control of public authorities. ***Where appropriate, relevant national stakeholders, including social partners should also be involved in accordance with the provisions of the TFEU and national legal and political arrangements. The policy response*** should be tailored to the specific environment and circumstances of the Member State concerned and cover the main economic policy areas, potentially including fiscal and wage policies, labour markets, product and services markets and financial sector regulation. ***The commitments under the ERM II agreements need to be taken into account.***

(13) The early warnings and recommendations by the European Systemic Risk Board to Member States or the Union address risks of a macrofinancial nature. These ***should*** also warrant appropriate follow-up action ***by the Commission*** in the context of the surveillance of imbalances, ***where appropriate. The independence and confidentiality regime of the European Systemic Risk Board should be strictly respected.***

(14) If severe macroeconomic imbalances are identified, including imbalances that jeopardise the proper functioning of economic and monetary union, an excessive imbalance procedure should be initiated that may include issuing recommendations to the Member State, enhanced surveillance and monitoring requirements and in respect of Member States whose currency is the euro, the possibility of enforcement in accordance with Regulation (EU) No […/…] ([1]) in the event of sustained failure to take corrective action.

([1]) OJ L […], […], […].

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(15) Any Member State placed under the excessive imbalance procedure should establish a corrective action plan setting out details of its policies designed to implement the Council recommendations. The corrective action plan should include a timetable for implementation of the measures envisaged. It should be endorsed by the Council ***through a recommendation***. **The recommendation should be transmitted to the European Parliament.**

(15a) The power to adopt individual decisions declaring non-compliance with the recommendations adopted by the Council in the framework of the corrective action plan should be conferred on the Council. As part of the coordination of the economic policies of the Member States conducted within the Council, as specified in Article 121 (1) of the Treaty, these individual decisions are an integral follow up to the referred recommendations adopted by the Council on the basis of Article 121 (4) of the Treaty in the context of corrective action plan.

(16) Since an effective framework for detection and prevention of macroeconomic imbalances cannot be sufficiently achieved by the Member States because of the deep trade and financial inter-linkages between Member States and the spillover effect of national economic policies on the Union and the euro area as a whole and can be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity, as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in the same Article, this Regulation does not go beyond what is necessary to achieve those objectives.

(16a) When the Council and the Commission apply this Regulation, they should fully respect the role of national parliaments and social partners and respect differences in national systems, such as the systems for wage formation.

(16b) If the Council considers that a Member State is no longer affected by an imbalance that is excessive, the excessive imbalance procedure will be closed following the Council's abrogation of the recommendations under Articles 7, 8 and 10 on a recommendation from the Commission. This will be based on a comprehensive Commission analysis showing that the Member State has acted in line with Council recommendations and showing that the underlying causes and associated risks identified in the Recommendation opening the excessive imbalance procedure no longer remain, inter alia taking account of macroeconomic developments, prospects and spillover effects. A public statement should be made to signal the closure of the excessive imbalance procedure,

HAVE ADOPTED THIS REGULATION:

CHAPTER I

Subject matter and definitions

Article 1

Subject matter

1. This Regulation sets out detailed rules for the detection, ***of macroeconomic imbalances, as well as the*** prevention and correction of ***excessive*** macroeconomic imbalances within the Union.

1a. This Regulation shall be applied in the context of the European semester as set out in Regulation EU No […/…] on strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies.

1b. The application of this Regulation shall fully respect Article 152 TFEU and the recommendations issued under this Regulation shall respect national practices and institutions for wage formation. It shall take into account Article 28 of the Charter of Fundamental Rights of the European Union, and accordingly shall not affect the right to negotiate, conclude and enforce collective agreements and to take collective action in accordance with national law and practices.

Article 2

Definitions

For the purposes of this Regulation:

(a) 'imbalances' means ***any trend giving rise to*** macroeconomic developments which are adversely affecting, or have the potential adversely to affect, the proper functioning of the economy of a Member State or of economic and monetary union, or of the Union as a whole.

(b) 'excessive imbalances' means severe imbalances, including imbalances that jeopardise ***or risks jeopardising*** the proper functioning of economic and monetary union.

CHAPTER II

Detection of imbalances

Article 3

Scoreboard

1. The ▌scoreboard ***including indicators shall be used*** as a tool to facilitate early identification and monitoring of imbalances.

2. The scoreboard shall be made up of ***a small number of relevant, practical, simple, measurable and available*** macroeconomic and macrofinancial indicators for Member States. ***It shall allow for the early identification of macroeconomic imbalances that emerge over both the short-term as well as imbalances that arise due to structural and long-term trends.***

2a. The scoreboard shall inter alia encompass indicators which are useful in the early identification of:

(a) internal imbalances, including those that can arise from public and private indebtedness, financial and asset market developments including housing, the evolution of private sector credit flow and the evolution of unemployment.

(b) external imbalances, including those that can arise from the evolution of current account and net investment positions of Members States, real effective exchange rates, export market shares and changes in price and cost developments as well as non-price competitiveness, taking into account the different components of productivity,

2b. In undertaking its economic reading of the scoreboard in the alert mechanism, the Commission shall pay close attention to developments in the real economy including economic growth, employment and unemployment performance, nominal and real convergence inside and outside the euro area, productivity developments and its relevant drivers such as R&D and foreign/domestic investment, as well as sectoral developments including energy, which affect GDP and current account performance.

The scoreboard shall also include indicative thresholds for these indicators to serve as alert levels. The choice of indicators and thresholds shall be conducive towards promoting competitiveness in the EU.

The scoreboard of indicators, and in particular alert thresholds, shall be symmetric, whenever appropriate and shall be differentiated for euro and non-euro area Member States if justified by specific features of the monetary union and relevant economic circumstances. In developing the scoreboard due consideration should also be given to catering for heterogeneous economic circumstances, including catching-up effects.

2c. The work of the European Systemic Risk Board shall be taken into due consideration in the drafting of indicators relevant to financial market stability. The Commission shall invite the European Systemic Risk Board to provide its views regarding draft indicator, relevant to financial market stability.

3. The list of indicators ***and the thresholds*** to be included ***in*** the scoreboard ▌shall be made public.

4. The ▌appropriateness of the scoreboard, including the composition of indicators, the thresholds set and the methodology used, ***are to be assessed on a regular basis and adjusted or modified when necessary***. Changes in the underlying methodology and composition of the scoreboard and the associated thresholds shall be made public.

4a. The values for the indicators on the scoreboard are to be updated at least on a yearly basis.

Article 4

Alert mechanism

1. ***The alert mechanism is designed to facilitate the early identification and monitoring of imbalances. The Commission shall prepare an annual report containing a qualitative economic and financial assessment based on a scoreboard with a set of indicators compared to the indicative thresholds. The report including the values of the indicators of the scoreboard shall be made public.***

2. The ▌Commission report ***shall contain*** an economic and financial assessment putting the movement of the indicators into perspective, drawing if necessary on ▌other ***relevant*** economic and financial indicator***s when assessing the evolution of imbalances. Conclusions shall not be drawn from a mechanical reading of the scoreboard indicators. The assessment shall take into account the evolution of imbalances in the Union and the euro area.*** The report shall also indicate whether the crossing of ▌thresholds in one or more Member States signifies the possible emergence of imbalances. ***The assessment of Member States showing large current account deficits may differ from that of Member States that accumulate large current account surpluses.***

3. The report shall identify Member States that the Commission considers ***may*** be affected by, or ***may be*** at risk of ***being affected by*** imbalances.

3a. The report shall be transmitted in a timely manner to the European Parliament, the Council and the Economic and Social Committee.

4. As part of the multilateral surveillance in accordance with Article 121(3) of the Treaty, the Council shall discuss and ***carry out an overall assessment*** on the Commission report. The Euro Group shall discuss the report as far as it relates ▌to Member States whose currency is the euro.

Article 5

In-depth review

1. Taking ***due*** account of the discussions in the Council and the Euro Group, as provided for in Article 3(4), ***or in the event of unexpected, significant economic developments that require urgent analysis for the purpose of this Regulation,*** the Commission shall prepare an in-depth review for each Member State it considers ***may be*** affected by, or ***may be*** at risk of, ***being affected by*** imbalances. ▌.

The in-depth review shall build on detailed analysis of country-specific circumstances, including the different starting positions across Member States; it shall study a broad range of economic variables and involve the use of analytical tools and qualitative information of country specific nature. It shall acknowledge the national specificities regarding industrial relations and social dialogue.

Furthermore, the Commission shall give due consideration to any other information, which in the opinion of the Member State concerned are relevant, and which the Members State has put forward.

The review shall be undertaken in conjunction with surveillance missions to the Member State concerned in accordance with Article 11e.

2. The in-depth review shall ***include an evaluation of whether the Member State in question is affected by imbalances, and of whether these imbalances constitute excessive imbalances. It will study the origin of the detected imbalances against the background of prevailing economic circumstances, including the deep trade and financial inter-linkages between Member States and the spillover effects of national economic policies. The review will analyse relevant developments related to the Union strategy for growth and jobs. It shall also consider the relevance of economic developments in the Union and the euro area as a whole.*** It shall take into account, in particular:

(a) ***where*** appropriate, Council recommendations or invitations ***addressed to Member States under review*** adopted in accordance with Articles 121 and 126 ***and 148*** of the Treaty and under Articles 6, 7, 8 and 10 of this Regulation;

(b) the policy intentions of the Member State under review, as reflected in ***National Reform Programs and where appropriate in the*** Stability or Convergence Programme ▌;

(c) any ▌ warnings or recommendations from the European Systemic Risk Board ***on systemic risks addressed or being*** relevant to the Member State under review. ***The confidentiality regime of the European Systemic Risk Board shall be respected.***

2a. The in-depth review shall be made public. **The Commission shall inform the Council and the European Parliament about the results of the in-depth review**.

Article 6

Preventive action

1. If, on the basis of its in-depth review referred to in Article 5 of this Regulation, the Commission considers that a Member State is experiencing imbalances, it shall inform the Council ***and the Euro Group*** accordingly ***and the European Parliament***. The Council, on a recommendation from the Commission, may address the necessary recommendations to the Member State concerned, in accordance with the procedure set out in Article 121(2) TFEU.

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2. The Council shall inform the European Parliament of ***the recommendation***. The Council recommendation shall be made public.

2a. The recommendations of the Council and the Commission shall fully respect Article 152 TFEU and take into account Article 28 of the Charter of Fundamental Rights of the European Union.

3. The Council shall review ***the recommendation*** annually ***in the context of the European Semester*** and may ***adjust it*** if appropriate in accordance with paragraph 1.

CHAPTER III

Excessive imbalance procedure

Article 7

Opening of the excessive imbalance procedure

1. If, on the basis of the in-depth review referred to in Article 5, the Commission considers that the Member State concerned is affected by excessive imbalances, it shall inform the Council ***and the Euro Group*** accordingly ***and the European Parliament***.

The Commission shall also inform the relevant European Supervisory Authorities and the European Systemic Risk Board, which is invited to take the steps it deems necessary.

2. The Council, on a recommendation from the Commission, may adopt ***recommendation*** in accordance with Article 121(4) of the Treaty declaring the existence of an excessive imbalance and recommending the Member State concerned to take corrective action.

The recommendation shall set out the nature ***and implications*** of the imbalances and specify ***a set of policy recommendations*** to be ***followed*** and the deadline within which the Member State concerned must ***submit a*** corrective action ***plan***. The Council may, as provided for in Article 121(4) of the Treaty, make its ***recommendation*** public.

Article 8

Corrective action plan

1. Any Member State for which an excessive imbalance procedure is opened shall submit a corrective action plan to the Council and the Commission ***based on, and*** within a deadline to be defined in the ***recommendation*** in accordance with Article 7. The corrective action plan shall set out the specific ▌policy actions the Member State concerned has implemented or intends to implement and shall include a timetable for implementation thereof. ***The corrective action plan shall take into account the economic and social impact of these policy actions and shall be consistent with the Broad Economic Policy Guidelines and the Employment Guidelines.***

2. Within two months after submission of a corrective action plan and on the basis of a Commission report, the Council shall assess the corrective action plan. If considered sufficient, on the basis of a Commission ***recommendation***, the Council shall ***endorse it through a recommendation that lists the required specific actions and the deadlines for taking them and establish a timetable for surveillance paying due attention to the transmission channels and recognising that there may be long lags between the adoption of the corrective action and the actual resolution of imbalances***.

2a. If the actions taken or envisaged in the corrective action plan or their timetable for implementation are considered insufficient, on the basis of a Commission recommendation, the Council shall adopt a recommendation to the Member State to submit a new corrective action plan within two months as a rule. The new corrective action plan shall be examined according to the procedure laid down in this article.

3. The corrective action plan, the Commission report and the Council ***recommendation*** referred to in ***paragraphs 2 and 2a*** shall be made public.

Article 9

Monitoring of corrective action

1. The Commission shall monitor implementation of the ***recommendation adopted under article 8(2).*** For this purpose, the Member State shall report to the Council and the Commission at regular intervals in the form of progress reports whose frequency shall be established by the Council in the recommendation referred to in ***Article 8(2)***.

2. Member States' progress reports shall be made public by the Council.

3. The Commission may carry out ***enhanced*** surveillance missions to the Member State concerned to monitor implementation of the corrective action plan, ***in liaison with the ECB when those missions concern Member States whose currency is the euro or Member States participating in ERM II. Social partners and other national stakeholders shall therefore, where appropriate, be involved in the dialogue***.

4. ***In the event of relevant major change in*** economic circumstances, the Council, on a recommendation from the Commission, may amend the recommendations adopted under ***Article 8(2)*** in accordance with the procedure laid down in the same Article. ***Where appropriate, the*** Member State concerned shall ***be invited to*** submit a revised corrective action plan that shall be assessed in accordance with the procedure laid down in Article 8.

Article 10

Assessment of corrective action

1. On the basis of a Commission report, the Council shall ***assess*** whether the Member State concerned has taken the recommended corrective action ***in accordance with the recommendation issued under Article 8(2)***.

2. The Commission's report shall be made public.

3. The Council ▌shall ***make its assessment*** by the deadline set by the Council in its recommendations adopted in accordance with ***Article 8(2)***.

4. Where it ***considers*** that the Member State has not taken the recommended corrective action, the Council, on a recommendation from the Commission, shall adopt ***a decision declaring non-compliance and a recommendation setting new deadlines for taking corrective action In this case, the European Council shall be informed and the conclusions of the surveillance missions referred in Article 9(3) will be made public.***

The recommendation on declaring non-compliance by the Commission shall be deemed adopted by the Council unless it decides, by qualified majority to reject the recommendation within ten days of the Commission adopting it. The Member State concerned may request that meeting of the Council be convened to take a vote on the decision.

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In accordance with Article 11e the European Parliament may, at its own initiative or at the request of a Member State, invite the President of the Council, the Commission and, where appropriate, the President of the Euro Group to appear before its competent committee to discuss the decision declaring non-compliance

5. Where the Council ***considers on the basis of the Commission report*** that the Member State has taken the recommended corrective action, the excessive imbalance procedure shall ***be considered to be on track and placed in a position of abeyance and monitoring shall continue in accordance with the timetable adopted in the recommendations under Article 8(2). The Council shall make public its reasons for placing the procedure in a position of abeyance recognising the corrective policy actions taken by the Member State.***

Article 11

Closing of the excessive imbalance procedure

The Council shall abrogate recommendations issued under Articles 7, 8 and 10 on a recommendation from the Commission ***as soon as it considers*** that the Member State is no longer affected by excessive imbalances ***as outlined in the recommendation referred to in Article 7(2) and shall make a public statement reflecting that fact.***

Article 11a

Voting within the Council

For the measures referred to in Articles 7 to 11, the Council shall act without taking into account the vote of the member of the Council representing the Member State concerned.

Article 11b

Surveillance missions

1. The Commission shall ensure a permanent dialogue with the authorities of the Member States in accordance with the objectives of this Regulation. To that end, the Commission shall, in particular carry out missions for the purpose of the assessment of the actual economic situation in the Member State and the identification of any risks or difficulties in complying with the objectives of this Regulation.

2. Enhanced surveillance may be undertaken for Member States which are the subject of a recommendation on the existence of an excessive imbalance position in accordance with Article 7(2) of this Regulation for the purposes of monitoring in situ.

3. When the Member State concerned is a Member State whose currency is the euro or participating in ERM II, the Commission may invite representatives of the European Central Bank, if appropriate, to participate in surveillance missions.

4. The Commission shall report to the Council on the outcome of the mission referred to in the second paragraph and if appropriate may decide to make its findings public.

5. When organising surveillance missions referred to in the second subparagraph, the Commission shall transmit its provisional findings to the Member States concerned for comments.

Article 11c

Economic Dialogue

1. In order to enhance the dialogue between the Union institutions, in particular the European Parliament, the Council and the Commission, and to ensure greater transparency and accountability, the competent committee of the European Parliament may invite the President of the Council, the Commission and, where appropriate, the President of the European Council or the President of the Euro Group to appear before the committee to discuss.

(a) information provided by the Council on the broad guidelines of economic policy pursuant to Article 121(2) TFEU;

(b) general guidance to Member States issued by the Commission at the beginning of the annual cycle of surveillance;

(c) any conclusions drawn by the European Council on orientations for economic policies in the context of the European Semester

(d) the results of multilateral surveillance carried out under this Regulation;

(e) any conclusions drawn by the European Council on the orientations for and results of multilateral surveillance

(f) any review of the conduct of multilateral surveillance at the end of the European Semester;

(g) recommendations taken pursuant to Article 7(2), Article 8(2) and Article 10(4) of this Regulation;

2. The competent committee of the European Parliament may offer the opportunity to the Member State concerned by Council recommendation or decision in accordance with Article 7(2), Article 8 (2) and Article 10(4) to participate in an exchange of views.

3. The Commission and the Council shall regularly inform the European Parliament of the results of the application of this Regulation.

Article 11d

Review

1. Within three years after the entry into force of this Regulation and every five years thereafter, the Commission shall publish a report on the application of this Regulation.

That report shall evaluate, inter alia:

(a) the effectiveness of the regulation

(b) the progress in ensuring closer coordination of economic policies and sustained convergence of economic performances of the Member States in accordance with the Treaty

2. Where appropriate, this report shall be accompanied by a proposal for amendments to this Regulation.

3. The report shall be forwarded to the European Parliament and the Council.

Article 11e

Report

Every year thereafter, the Commission shall publish annually report on the application of this Regulation including the updating of the scoreboard as set out in Article 4 and shall present it to the Council and the European Parliament in the context of the European Semester.

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CHAPTER IV

Final provisions

Article 12

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the European Parliament
The President

For the Council
The President

Implementation of excessive deficit procedure *

P7_TA(2011)0288

European Parliament amendments adopted on 23 June 2011 to the proposal for a Council regulation amending Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure (COM(2010)0522 – C7-0396/2010 – 2010/0276(CNS)) [1]

(2012/C 390 E/18)

(Special legislative procedure – consultation)

[Amendment No 2]

AMENDMENTS BY PARLIAMENT (*)

to the Commission proposal

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[1] The matter was then referred back to committee pursuant to Rule 57(2), second subparagraph (A7-0179/2011).
(*) Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol ▌.

REGULATION OF THE COUNCIL

amending Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the second subparagraph of Article 126(14) thereof,