

Klaus Regling welcomes German Constitutional Court's ruling

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Press releases

ESM

Luxembourg – Klaus Regling, Managing Director of the European Stability Mechanism (ESM), welcomed today's ruling of the German Constitutional Court. "The decision of the German Constitutional Court is good for Europe and for Germany", Klaus Regling said. "The Court confirms its preliminary ruling of September 2012 and this decision provides clarity."

In its September 2012 decision the Constitutional Court had previously confirmed in principle that the ESM Treaty's transposition into national law was in line with the constitution. In order to address the Court's concerns regarding an accompanying law to the ESM Treaty and its constitutionality, the German government clarified that the country's liabilities stemming from the ESM Treaty would be limited to €190 billion. Additionally the government made it clear that the ESM Treaty will not stand in the way of Bundestag's and Bundesrat's (lower and upper house of the German parliament) entitlement to comprehensive involvement on ESM issues. Today's ruling of the German Constitutional Court fully confirms this line. The Court has dismissed the complaints and lawsuits against the setting up of the ESM, the Fiscal Pact and the national implementation and accompanying laws. In the Court's view the constitutional requirements are observed and sufficiently implemented from a budgetary point of view.

Klaus Regling further said: "By creating the ESM the euro area countries have established a permanent crisis mechanism for the currency union. The ESM can grant euro area Member States temporary loans in exchange for strict conditionality to reform and consolidate, provided the stability of the euro area as a whole or of one Member State is endangered. The successful programme exits of Spain and Ireland at the end of 2013, the progress in the other programme countries and the economic recovery of the whole euro area show that this strategy is working."

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