

ESM approves Croatia's application for membership

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The Board of Governors of the European Stability Mechanism (ESM) approved today the Republic of Croatia's application to become a member of the organisation. The Board, comprising the finance ministers of the euro area countries, also approved the technical terms of Croatia's accession to the ESM.

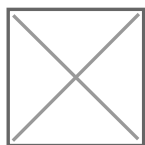
"I am very pleased that Croatia will soon become the ESM's 20th Member. The continued expansion of the euro area bears witness to the single currency's appeal and success. Croatia's membership in the ESM will enhance our capacity to safeguard financial stability for euro area countries, which also strengthens the euro as an international currency. Croatia will benefit from the solidarity that comes with ESM membership," said ESM Managing Director Pierre Gramegna.

Croatia is set to join the euro area on 1 January 2023, following the EU Council's decision on 12 July this year. The country thus became eligible for membership in the ESM, for which it applied on 29 July. The ESM Board of Governors' decision today paves the way for Croatia to start the process of ratifying the ESM Treaty, as well as the Amending Agreement that confers new tasks to the ESM. Once the ratification process has been completed and the ESM Treaty enters into force for Croatia, it will officially become an ESM Member. This is expected to take place in the beginning of 2023.

The technical terms of Croatia's membership approved today include the details of the country's subscription to the ESM authorised capital stock and its paid-in capital. Croatia will benefit from a temporary correction period of 12 years, during which its initial capital subscription to the ESM will be lower, thus leading to a temporarily lower paid-in capital contribution.

During the first 12 years of ESM membership, Croatia's authorised capital contribution is €3.695 billion, including €422.29 million in paid-in capital. The payment of paid-in capital will be made in five instalments. Following the end of the correction period, Croatia's total capital subscription will amount to €5.7339 billion.

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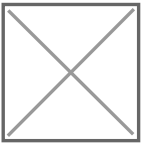


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