

# Explainer on Bulgaria's accession to the ESM



## **Why did Bulgaria join the ESM after adopting the euro as its currency?**

The ESM Treaty states that all euro area member states become ESM members.

Thus, after joining the euro area on 1 January 2026, Bulgaria became eligible for membership.

## **What was the official procedure for Bulgaria to join the ESM?**

On 8 July 2025, the Council of the European Union formally approved Bulgaria's accession to the euro area from 1 January 2026.

On 5 September 2025, the Bulgarian government submitted an application to join the ESM. The application, the technical terms of membership and Bulgaria's capital share were approved by the ESM Board of Governors on 11 December 2025.

In May 2026, the Bulgarian parliament ratified the ESM Treaty, as well as the Amending Agreement that confers new tasks to the ESM. After ratification was completed, the ESM Treaty entered into force for Bulgaria on 29 June 2026 and on that day, it officially became an ESM Member.

## **How does Bulgaria benefit from ESM membership?**

Bulgaria's membership in the ESM provides access to the euro area's financial safety net. This strengthens a country's resilience, reassures international investors and provides access to emergency financing. Being an ESM member can be compared to owning an insurance policy: it ensures that, if a crisis occurs, a country has access to a set of lending tools that can help preserve financial stability and maintain access to bond markets (where governments borrow money for budget refinancing).

## **How was Bulgaria's capital contribution calculated?**

Bulgaria's capital contribution was calculated on the basis of the European Central Bank's capital key at the time the ESM was established (in 2012). The capital key is based on each Member's share in the total population and gross domestic product of the euro area.

## **Will Bulgaria benefit from a temporary correction of its ESM capital contribution key?**

Yes. Like several other euro area countries, Bulgaria will benefit from a temporary correction of the ESM capital contribution key.

New ESM members whose GDP per capita is less than 75% of the EU average benefit from a temporary correction of the capital contribution key for a period of 12 years after the date of adoption of the euro.

This also means that during the indicated period, the initial capital subscription is lower, thus a country temporarily contributes a smaller amount of paid-in capital.

### **How much will Bulgaria have to initially contribute to the ESM's capital stock?**

During the first twelve years of membership in the ESM, Bulgaria's capital subscription will amount to €5.278 billion, including €603.21 million in paid-in capital. The payment of paid-in capital will be made in five annual instalments.

### **How much is the contribution lowered due to the temporary correction?**

Without the temporary correction, Bulgaria's contribution to the ESM's authorised capital stock would have amounted to €8.679 billion, with paid-in capital of €991.9 million.

Thus, the payment of €388.69 million in paid-in capital is deferred until the end of 2037, when the temporary correction period comes to an end.

### **Are there any other ESM Members which benefit from the temporary correction?**

Yes. Slovenia, Slovakia, Malta, Estonia, and Latvia benefitted from a temporary correction in the past. Currently, Lithuania and Croatia benefit from the correction.

### **Will the ESM's overall subscribed and paid-in capital increase with Bulgaria's accession?**

Yes. Bulgaria's accession will increase the total ESM subscribed capital from €709.4 billion to €714.67 billion. The total amount of paid-in capital will increase from

€81.07 billion to €81.68 billion (after Bulgaria's five annual instalments have been paid).

### **Have the capital contribution keys of other ESM Members been adjusted as a result of Bulgaria's accession?**

Yes, Bulgaria's accession has led to a recalculation of the capital contribution keys of the other ESM Members, reflecting the increase in the ESM's overall subscribed and paid-in capital, and the inclusion of Bulgaria's share. This does not affect the amount of capital already subscribed or paid in by those Members (see Table 1).

### **How is Bulgaria represented in the ESM's governing bodies?**

As an ESM Member, Bulgaria is represented in the Board of Governors, the ESM's highest decision-making body, comprising the finance ministers of all euro area countries. The most important decisions taken by the Board of Governors require mutual agreement. Other decisions are taken by qualified majority voting, where voting rights are based on the number of a Member's shares in the ESM capital subscription. Bulgaria is also represented in the Board of Directors, which oversees the conduct of the ESM's current business.

**Table 1**

### **Adjustments to the ESM capital and contribution due to Bulgaria's accession**

<b>Member</b>	<b>ESM contribution key (%)</b>	<b>ESM paid-in capital (€)</b>	<b>ESM subscribed capital</b>
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	Before Bulgaria's accession	After Bulgaria's accession	Before Bulgaria's accession	After Bulgaria's accession	Before Bulgaria's accession	After accession
Austria	2.7383	2.7180	2,220,020,000	2,220,020,000	19,425,200,000	19,4
Belgium	3.4207	3.3954	2,773,280,000	2,773,280,000	24,266,200,000	24,2
Bulgaria	0.0000	0.7385	0	603,210,000	0	5,27
Croatia	0.5209	0.5170	422,290,000	422,290,000	3,695,000,000	3,69
Cyprus	0.1931	0.1916	156,530,000	156,530,000	1,369,600,000	1,36
Estonia	0.2524	0.2506	204,650,000	204,650,000	1,790,700,000	1,79
Finland	1.7683	1.7552	1,433,630,000	1,433,630,000	12,544,300,000	12,5
France	20.0554	19.9072	16,259,660,000	16,259,660,000	142,272,000,000	142
Germany	26.7062	26.5090	21,651,750,000	21,651,750,000	189,452,800,000	189
Greece	2.7710	2.7505	2,246,550,000	2,246,550,000	19,657,300,000	19,6
Ireland	1.5664	1.5548	1,269,910,000	1,269,910,000	11,111,700,000	11,1
Italy	17.6232	17.4931	14,287,850,000	14,287,850,000	125,018,700,000	125
Latvia	0.4001	0.3971	324,400,000	324,400,000	2,838,200,000	2,83

Lithuania	0.4036	0.4007	327,200,000	327,200,000	2,863,400,000	2,863,400,000
Luxembourg	0.2464	0.2445	199,740,000	199,740,000	1,747,700,000	1,747,700,000
Malta	0.0891	0.0885	72,260,000	72,260,000	632,300,000	632,300,000
Netherlands	5.6243	5.5828	4,559,860,000	4,559,860,000	39,898,800,000	39,898,800,000
Portugal	2.4685	2.4503	2,001,300,000	2,001,300,000	17,511,400,000	17,511,400,000
Slovakia	0.9779	0.9706	792,790,000	792,790,000	6,936,900,000	6,936,900,000
Slovenia	0.4637	0.4603	375,930,000	375,930,000	3,289,400,000	3,289,400,000
Spain	11.7107	11.6242	9,494,290,000	9,494,290,000	83,075,000,000	83,075,000,000
<b>Total</b>	<b>100.0000</b>	<b>100.0000</b>	<b>81,073,890,000</b>	<b>81,677,100,000</b>	<b>709,396,600,000</b>	<b>714,967,790,000</b>

1. [^](#)

<https://www.esm.europa.eu/system/files/document/2023-10/05-TESM2-HR1.en12.pdf>

2. [^](#)

<https://www.esm.europa.eu/press-releases/esm-approves-bulgarias-application-membership>

3. [^](#)

In the year immediately preceding their ESM accession.

4. [^](#)

The precise formula for calculating the correction is specified in Article 42(2) of the ESM Treaty.

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