

*Courtesy translation*



THE SENATE  
OF THE PARLIAMENT OF THE CZECH REPUBLIC

11<sup>TH</sup> TERM

412<sup>th</sup>

**RESOLUTION OF THE SENATE**

Delivered on the 14<sup>th</sup> session held on 25<sup>th</sup> April 2018

**on the Proposal for a Council Directive laying down provisions for strengthening fiscal responsibility and the medium-term budgetary orientation in the Member States (Senate Print No. N 92/11; COM (2017) 824)**

**The Senate**

**I.**

**1. Has no reservations**

about the integration of the core of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (the so-called Fiscal Pact) in the EU law in the form of the proposed Directive;

**2. Adds, however,**

that the proposal for a Directive does not take over the whole content of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, which means that even if the Directive is adopted, the accession of the Czech Republic to the Treaty will remain relevant; the Senate recalls that it has approved the ratification of the Treaty already on 27 August 2014, and emphasizes that the Government should endeavour to complete the process of ratification as soon as possible;

**3. Asks the Government,**

provided that the proposed Directive is adopted in a wording meeting the requirements of the Government's Position and this Resolution, to make the notification according to Article 4 of the Directive, according to which the Czech Republic will be bound by the Directive even before the entry into Eurozone, because the Czech Republic has already adopted legislation that in principle complies with the requirements of the Directive;

## II.

### 1. Notes with regret

that on the occasion of making this proposal for a Directive, the Commission did not analyse whether the rules of Treaty on Stability, Coordination and Governance in the Economic and Monetary Union are effective in relation to their objectives and that it did not try to clarify those rules, where appropriate;

### 2. Therefore agrees

with the individual substantive and definitional objections of the Government on the proposal for a Directive; the Senate is especially of the opinion that

- exceptional circumstances that allow for a deviation from the rules on fiscal responsibility should be defined more precisely;
- the rules regarding the independent bodies for monitoring the compliance of fiscal rules is unnecessarily detailed;
- the Directive should not prescribe that a fiscal plan should be set as soon as a new government takes office in the Member State, because however rational and worth following such a rule is, the link between fiscal planning and change of government is a matter of political and constitutional systems of the Member States and thus outside the scope of EU law (Article 4(2) of the Treaty on European Union);

### 3. Does not agree, however,

with the Government's suggestion that Article 6 of the Directive should adopt the formulation from Article 3(2) of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, according to which the fiscal responsibility rules shall be incorporated by provisions of a "preferably constitutional" character, because according to Article 288 of the Treaty on the Functioning of the European Union, a directive shall leave to the national authorities the choice of form and methods of its implementation – therefore it cannot prescribe that the Member States should amend their constitutions;

### 4. Therefore asks the Government

to support the wording of Article 6 of the Directive as proposed by the Commission;

## III.

### 1. Requests

the Government to inform the Senate about the way this resolution was taken into account and about further development of negotiations once the political agreement of the required number of Member States on the main elements of the proposal is reached, or at an earlier time, should the results of negotiations in the Council begin to depart considerably from the position of the Czech Republic expressed in the General Position of the Government;

### 2. Authorises

the President of the Senate to forward this Resolution to the European Commission.

Milan Štěch  
sign manual  
President of the Senate

Tomáš Grulich  
sign manual  
Senate Verifier