



EUROPEAN COMMISSION

*Brussels, 1.10.2018
C(2018) 6001 final*

Dear President,

The Commission would like to thank the Senát for its Opinion on the proposal for a Directive laying down provisions for strengthening fiscal responsibility and the medium-term budgetary orientation in the Member States {COM (2017) 824 final}.

In reply to the points raised in the Senát's Opinion Resolution, the Commission would like to stress that the aim of the Commission's initiative is to bring under the Union Treaties the essence of the Fiscal Compact, and achieve this in a way that ensures strong complementarity with the current Union fiscal rules. The thrust of the proposal – namely to have an anchoring national medium-term objective flanked by a correction mechanism and monitored by a national independent fiscal institution – mirrors the corresponding requirement in the Fiscal Compact to have in place a balanced-budget rule in structural terms.

The proposal has benefited from the Commission's experience in monitoring and assessing fiscal policy and fiscal frameworks., This is conducted in particular in the context of the report on the transposition of the Fiscal Compact envisaged under its Article 8, the assessment of the transposition of the Directive on National Budgetary Frameworks (2011/85/EU) and the regular monitoring of fiscal policy for the purpose of the multilateral surveillance as required by Union law. This experience has shown that the independent monitoring institutions can play an important and positive role in the domestic budgetary process, as long as they share a number of features. It is also widely recognised that stable medium-term fiscal plans are important for quality fiscal policy and that a high-level commitment to those plans is indispensable for their successful implementation.

The points made above are based on the initial proposal presented by the Commission, which is currently in the legislative process involving both the European Parliament and the Council.

*Mr Milan ŠTĚCH,
President of the Senát
Valdštejnské náměstí 17/4
CZ – 118 01 PRAGUE 1*

The Commission hopes that these clarifications address the issues raised by the Senát and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Valdis Dombrovskis
Vice-President*