



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Folketing for its Opinion on the Green Paper on the feasibility of introducing Stability Bonds {COM (2011) 818 final} and apologises for the delay in replying.

The Commission has taken note of the Folketing's view that stability bonds with joint and several guarantees would only work on the condition that a very tight and legally binding regulation of the national budgets were adopted.

In the past, common issuance of sovereign bonds has typically been regarded as a longer-term possibility, coming at the end of a process of economic and fiscal convergence. However, the ongoing financial crisis and the existing tension in the sovereign debt market have significantly influenced the terms of the debate.

The Commission is convinced that, within the ongoing public consultation process, the possibility of the common issuance of sovereign bonds becoming an important driver in fostering the establishment and implementation of the necessary framework for financial stability and economic convergence should be thoroughly debated.

The Commission looks forward to continuing the political dialogue on this very important issue with the Folketing.

Yours faithfully,

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