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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party of Financial Counsellors
Subject:	InvestEU - Drafting consolidation of legacy portfolios

Delegations will find attached the compromise text on the consolidation of legacy portfolios in the InvestEU Regulation in view of the Financial Counsellors Working Party on 9 December 2020.

Consolidation of legacy portfolios

Compromise proposal:

Line 83a: Recital 69b (new)

In order to optimise the use of budgetary resources, a combination of relevant portfolios of financial instruments established under the 2014-2020 Multiannual Financial Framework and the EU guarantee under the EFSI Regulation with the EU guarantee under the InvestEU Fund should be possible. The increased risk bearing capacity established by such combination should enhance the efficiency of the InvestEU guarantee and allow for more support to final recipients. The modalities of the combination should be defined in the guarantee agreement between the Commission and the EIB or the EIF. The conditions of the combination should be consistent with the Withdrawal Agreement.

Lines 175a-175d (new): Article 6a (new)

Article 6a

Combination of portfolios

1. Support from the EU guarantee under this Regulation, Union support provided through the financial instruments established by the programmes in the programming period 2014-2020 and Union support from the EU guarantee established by Regulation (EU) 2015/2017 may be combined in financial products to be implemented by the EIB or the EIF under this Regulation.

2. By way of derogation from Article 18(2) and second subparagraph of Article 15(1) the EU guarantee under this Regulation may cover also losses referred to in Article 18(2) in relation to the entire portfolio of financing or investment operations supported by the financial products referred to in paragraph 1.

Notwithstanding the objectives of the financial instruments referred to in paragraph 1, the provisions made to cover the financial liabilities arising from financial instruments referred to in paragraph 1 may be used to cover losses in relation to the entire portfolio of financing and investment operations supported by the financial products referred to in paragraph 1.

3. Losses, revenues and repayments from any financial product referred to in paragraph 1, as well as potential recoveries, shall be attributed pro-rata between the financial instruments and EU guarantees providing the combined Union support to that financial product.

4. The terms and conditions of the financial products referred to in paragraph 1, including the respective pro-rata shares of losses, revenues, repayments and recoveries, shall be set out in the guarantee agreement referred to in Article 16.

Lines 585a (new): Article 34a (new)

Article 34a

Amendment of Regulation (EU) 2015/2017

The following Article 11a is inserted into Regulation (EU) 2015/2017:

“Article 11a

Combination of EFSI portfolio with other portfolios

By way of derogation from Article 11(6) and second subparagraph of Article 10(2), the EU guarantee may cover losses referred to in Article 11(6) in relation to the entire portfolio of financing and investment operations supported by the financial products referred to in paragraph 1 of Article 6a of [InvestEU Regulation].”

