

Report on the implementation of euro area model Collective Action Clauses (CACs)

On 28 November 2010, euro area finance ministers announced a number of policy measures intended to **safeguard financial stability in the euro area**. One such measure was the **mandatory inclusion of standardised collective action clauses (CACs)** in all new euro area government securities. This commitment was included in the ESM Treaty signed on the 2 February 2012 between the euro area Member States.

Accordingly, Article 12(3) of the ESM Treaty included the following commitment:

"Collective action clauses shall be included, as of 1 January 2013, in all new euro area government securities, with maturity above one year, in a way which ensures that their legal impact is identical."

As requested by the European Council on 25 March 2011, the detailed legal arrangements for including CACs in euro area government securities were to be finalised by the Economic and Financial Committee (EFC). Following related consultation with market participants and other interested stakeholders, the model CAC and its Explanatory Note, outlining the model CAC's key provisions, were approved by the EFC in November 2011, and published, together with a Supplementary Explanatory Note, on the ESDM Sub-Committee's [website](#).

Euro area Member States have taken the steps necessary to include the model CAC from 1 January 2013 in all new issuances with a maturity of more than one year, as agreed in Article 12(3) of the ESM Treaty.

Annex 1: CAC Implementation

Euro area Member state	Security	Implementation Method			Differences in the implementation of the model CAC between EUR denominated issuance and other
		By Contractual Incorporation	By Amended Legislation or Regulation		
			Affected Regulation or Legislation		
Austria	Austrian Government Bonds	✓			none
Belgium	State Bonds		✓	Royal Decree of 09/07/2000	none
	Linear bonds	✓			none
	Euro Medium Term Notes	✓			none
Cyprus	Cyprus Government Bonds		✓	Law to Provide for the Management of Public Debt of 2012; Law 195(I)/2012, published in the Official Gazette of the Republic of Cyprus No. 4372 dated 21 Dec. 2012, Appendix I(I)	For bond issuances within the EU there are no such differences, regardless of the currency of denomination; however, for possible bond issuances in third (other than EU) countries, the CAC provisions may be subject to the legislation of such third countries.
			✓	The Public Debt Management Regulations (Collective Action Clauses) of 2012 ;Regulations 535/2012, published in the Official Gazette of the Republic of Cyprus No. 4615 dated 28 Dec. 2012, Appendix III(I)	
	Euro Medium Term Notes (EMTN)	✓	✓	Regulations 535/2012	Under the EMTN Programme there are no differences on the basis of the currency of denomination.
Estonia	Government securities with a maturity of more than one year	✓			none
Finland	Serial Bonds, Euro Medium Term Notes (EMTN)	✓			none
France	Government securities with a maturity of more than one year		✓	Article 59 of the 2013 Finance Law (n°2012-1509 of 29 December, 2012); Decree 2012-1517 of 29 December, 2012; Order of 29 December, 2012	none
Germany	Federal wholesale bonds	✓	✓	Bundesschuldenwesengesetz of 12 July 2006, as amended under art. 1, Federal Law of 13 September 2012; new para 4a through 4k	none
Greece	GGB		✓	Ministerial Decision no.2/25248/0023/07-03-2013, National Gazette no. 583/B/2013, on General Terms and Conditions of EUR denominated GGBs (under authorization by Law).	None if issuance is done within EU. To be determined outside EU
Ireland	Irish Government Bonds	✓			none
Italy	BTP, BTPeI, BTP Italia, CTZ, CCTeu, bonds issued under the EMTN Programme, Global bonds (not yet issued in 2013)		✓	Decree of the Minister of economy and finance n. 96717 of the 7th December 2012, published in the Official Journal of the 18/12/2012	In the prospectus for issuances in the framework of Italy's Global Program under New York law, CACs have been conformed to the CACs introduced in issuances under Italian law.
Luxembourg	Government Securities with a maturity of more than one year	✓			none
Malta	Malta Government Stocks	✓			none
Netherlands	Dutch State Loans & USD Dutch State Bonds	✓			none
Portugal	Government Securities with a maturity of more than one year	✓			none
Slovakia	Slovak Government Bonds	✓	✓	The effective amendment of the Act No. 530/1990 Coll. on Bonds	none
Slovenia	Government bonds, 18 month T-bills	✓			none
Spain	Bonos and Obligaciones del Tesoro		✓	National Legislation: New drafting of article 98.3 of General Budgetary Law - Ley 47/2003, de 26 de noviembre- as amended by Law 17/2012, of December 27- stipulating both, the compulsory inclusion of CACs in all issuances as from January 1, 2013, and the recognition of the trustee right to act under Spanish procedural law. This provisions entered into force on January 1, 2013. Ministerial Decision on Debt issuance for 2013 and implementation of CACs, January 2, 2013- Orden ECC/1/2013, de 2 de enero.-	none
	EMTN	✓			