

10. PROTOCOL ON THE EXCESSIVE DEFICIT PROCEDURE

THE HIGH CONTRACTING PARTIES,

DESIRING to lay down the details of the excessive deficit procedure referred to in Article III-184 of the Constitution,

HAVE AGREED upon the following provisions, which shall be annexed to the Treaty establishing a Constitution for Europe:

Article 1

The reference values referred to in Article III-184(2) of the Constitution are:

- (a) 3 % for the ratio of the planned or actual government deficit to gross domestic product at market prices;
- (b) 60 % for the ratio of government debt to gross domestic product at market prices.

Article 2

For the purposes of Article III-184 of the Constitution and of this Protocol:

- (a) 'government' means general government, that is central government, regional or local government and social security funds, to the exclusion of commercial operations, as defined in the European System of Integrated Economic Accounts;
- (b) 'deficit' means net borrowing as defined in the European System of Integrated Economic Accounts;
- (c) 'investment' means gross fixed capital formation as defined in the European System of Integrated Economic Accounts;
- (d) 'debt' means total gross debt at nominal value outstanding at the end of the year and consolidated between and within the sectors of general government as defined in point (a).

Article 3

In order to ensure the effectiveness of the excessive deficit procedure, the governments of the Member States shall be responsible under this procedure for the deficits of general government as defined in Article 2(a). The Member States shall ensure that national procedures in the budgetary area enable them to meet their obligations in this area deriving from the Constitution. The Member States shall report their planned and actual deficits and the levels of their debt promptly and regularly to the Commission.

Article 4

The statistical data to be used for the application of this Protocol shall be provided by the Commission.
