

COUNCIL IMPLEMENTING DECISION**of 11 October 2011****amending Implementing Decision 2011/344/EU on granting Union financial assistance to Portugal**

(2011/683/EU)

THE COUNCIL OF THE EUROPEAN UNION,

HAS ADOPTED THIS DECISION:

Having regard to the Treaty on the Functioning of the European Union,

Article 1

Article 1 of Implementing Decision 2011/344/EU is amended as follows:

Having regard to Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism ⁽¹⁾, and in particular Article 3(2) thereof,

(1) paragraph 1 is replaced by the following:

Having regard to the proposal from the European Commission,

‘1. The Union shall make available to Portugal a loan amounting to a maximum of EUR 26 billion, with a maximum average maturity of 12,5 years. The maturity of individual tranches of the loan may be of up to 30 years.’

Whereas:

(1) Upon a request by Portugal, the Council granted financial assistance to it (Implementing Decision 2011/344/EU ⁽²⁾) in support of a strong economic and financial reform programme aiming at restoring confidence, enabling the return of the economy to sustainable growth, and safeguarding financial stability in Portugal, the euro area and the Union.

(2) paragraph 5 is replaced by the following:

‘5. Portugal shall pay the cost of funding of the Union for each tranche.’

(2) An extension of maturities and a reduction in the interest rate margin would be beneficial to secure the programme's objectives, in line with the conclusions of the Heads of State or Government of the euro area and Union institutions of 21 July 2011 regarding European Financial Stability Facility lending.

Article 2

Article 1(1), first sentence and Article 1(5) of Implementing Decision 2011/344/EU as amended by this Decision, shall also apply to the tranches of the loan that have been disbursed before the entry into force of this Decision.

(3) In order to enhance liquidity and sustainability objectives, the extension of maturities and the reduction in the interest rate margin should also apply to the tranches that have already been disbursed.

Article 3

This Decision is addressed to the Portuguese Republic.

(4) In light of these developments, Implementing Decision 2011/344/EU should be amended,

Done at Luxembourg, 11 October 2011.

*For the Council**The President*

M. DOWGIELEWICZ

⁽¹⁾ OJ L 118, 12.5.2010, p. 1.

⁽²⁾ OJ L 159, 17.6.2011, p. 88.