

Procedure file

Basic information		
DEA - Delegated acts procedure	2018/2758(DEA)	Procedure completed - delegated act enters into force
EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union: Iran Supplementing 2013/0152(COD)		
Subject 6.30.04 Loans to third-countries, Guarantee Fund		
Geographical area Iran		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets	 ARTHUIS Jean	22/06/2018

Key events			
06/06/2018	Non-legislative basic document published	C(2018)03730	
06/06/2018	Initial period for examining delegated act 2 month(s)		
13/06/2018	Committee referral announced in Parliament		
04/07/2018	Results of vote in Parliament		
04/07/2018	Decision by Parliament		Summary
14/08/2018	Delegated act not objected by Parliament		

Technical information	
Procedure reference	2018/2758(DEA)
Procedure type	DEA - Delegated acts procedure
Procedure subtype	Examination of delegated act
Legal basis	Rules of Procedure EP 111-p03
Stage reached in procedure	Procedure completed - delegated act enters into force
Committee dossier	BUDG/8/13552

Documentation gateway					
Non-legislative basic document			C(2018)03730	06/06/2018	EC
Motion for a resolution objecting delegated act			B8-0313/2018	28/06/2018	EP

EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union: Iran

The European Parliament rejected, by 93 votes to 573 with 11 abstentions, a motion for a resolution tabled by the EFDD group, which objected to the Commission Delegated Decision of 6 June 2018 amending Annex III to Decision No 466/2014/EU of the European Parliament and of the Council granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union, as regards Iran

In support of their objection, Members behind the motion for a resolution argued that the entry into force of the delegated decision would expose the European Union to a significant financial risk, particularly as Iran is currently listed among the high-risk third countries with strategic Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT) deficiencies.

Members emphasised that Iran remains a significant state sponsor of terrorism, is a Prohibited Jurisdiction on the EIBs list of Non-Compliant Jurisdictions, that granting the EIB the ability to lend to Iran in breach of US sanctions is likely to undermine investor confidence in the EIB, that lending to Iran would make it more difficult for the EIB to raise money on the international financial markets and restrict the ability of the EIB to use the US dollar payments system.

Accordingly, Members concerned believed it was likely that the EIB would default on its financial obligations to pay investors and creditors in foreign currency, which would in turn trigger the general default provisions contained in other EIB financing arrangements.

They considered that approval of the delegated decision at this time is likely to lead to a political and diplomatic backlash from the United States. The EIB and the European Union could be subject to retaliatory action by the US authorities.

The motion for a resolution stressed Iran's human rights violations, and its consistent violations of its international obligations regarding its nuclear deterrent and its aggressive foreign policy that undermines the peace and security of the Middle East.

Members in question felt that the EU should at least wait and see what the political and practical outcome of the US sanctions being reintroduced will be, before taking any further decisions on this issue. They considered that it would be imprudent to grant the EU guarantee for EIB lending in Iran without carrying out a comprehensive risk assessment on potential consequences for the EIBs borrowing and lending within its statutory mission.