



Note clarifying the application of the Regional Liquidity Fund

19 October 2012. Royal Decree-Act 21/2012 on the creation of the Regional Liquidity Fund (FLA) sets strict rules as to what may be funded by this mechanism. The 18 billion euros in the FLA have been calculated according to those criteria, which will be the only criteria that the Government will authorise for FLA funding, not the requests put forward by the Autonomous Regions.

Thus any requests made by the Autonomous Regions will be analysed and only those suitable for the purposes of the FLA will be approved. This ruling determines that the liquidity provided will be what is needed to meet debt repayments, and any surplus will be distributed among the Autonomous Regions to fund the authorised debt for 2012 according to the GDP of the Autonomous Regions, and used for paying suppliers.

This formula guarantees an equitable distribution among all the Autonomous Regions, for whom the scenario is exclusively reserved, as they were informed on 25 September through the delivery of the FLA Application Programme.

FLA Funds will thus be used to make debt repayments, a priority according to the constitutional mandate, and for payments to suppliers. A request to the FLA must be accompanied by an Adjustment Plan, approved by the Ministry of Finance and Public Administrations, which provides a credible guarantee of commitment to compliance with the budgetary stability target.

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