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**An Bille um Fhorálacha Airgeadais (Covid-19), 2020**  
**Financial Provisions (Covid-19) Bill 2020**

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*Meabhrán Mínitheach*  
*Explanatory Memorandum*

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**FINANCIAL PROVISIONS (COVID-19) BILL 2020**

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**EXPLANATORY MEMORANDUM**

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**Introduction**

The purpose of this Bill is to enable the State to participate in two European instruments, to deal with the economic effects of Covid19. The first instrument is the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE), which was established by Article 1 of Council Regulation (EU) 2020/672 of 19 May 2020 and, for that purpose, to enable the State to enter into the guarantee provided for in Article 11(2) and (3) of that Council Regulation. The Bill also enables the state to participate in the second instrument, the EIB Pan European Guarantee Fund, which is the subject of a resolution of the board of directors of the European Investment Bank of 26 May 2020, and which will be established in the circumstances as provided for in that resolution, to enable the State to enter into a guarantee agreement and a contribution agreement connected with the operation of that Fund. The Bill also seeks to amend section 5 of the Strategic Banking Corporation of Ireland Act 2014 in relation to the giving of guarantees by the Strategic Banking Corporation of Ireland. Finally, the Bill seeks to make provision for the enforcement of arbitral awards to which the Third Protocol (done at Strasbourg on 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (done at Paris on 2 September 1949) applies; and to provide for related matters.

**Provisions of the Bill**

*Section 1* defines certain commonly used terms in the Bill.

*Section 2* outlines the circumstances for the application of section 8. The EIB Guarantee Fund can be formally established, when Member States representing at least 60% of EIB capital have made appropriate commitments. Section 8 shall not apply unless and until that occasion occurs.

*Section 3* provides that the State may enter into the SURE guarantee and the commitments required to execute that instrument, and empowers the Minister to have all such powers as are required to perform the State's obligations under that guarantee.

*Section 4* provides that sums, not exceeding €483, 401 250 in aggregate, may be paid out of the Central Fund, to enable the State to comply with its obligations under the SURE Guarantee.

*Section 5* provides that all moneys received by or on behalf of the State by way of repayment of sums paid in accordance with the SURE Guarantee

shall be placed in the Central Fund, to the Exchequer account and shall form part of the Central Fund.

*Section 6* provides for reporting arrangements, on the operation of Ireland's part of the SURE guarantee. Reporting is triggered in the event of a demand being made upon Ireland under the guarantee (within one month of payment of that demand and annually thereafter). The report will consist of information on any sum paid by the state, or repaid to the state under the guarantee. Each subsequent demand is reported upon within one month and included in the annual report thereafter. The reporting arrangement ceases when all outstanding commitments by or to Ireland are exhausted and when the SURE instrument expires.

*Section 7* confers on the Minister the power to enter into a contribution agreement and Fund Guarantee agreement with the EIB for the purpose of committing to the Pan European Guarantee Fund. The Guarantee shall be based on Ireland's shareholding in the EIB, the aggregate not exceeding €167.5 million, thereby capping the State's liability. If any amendment is proposed to be made to the Contribution Agreement or the Fund Guarantee, a draft of the proposed agreement providing for the amendment and containing the text of the amendment shall be laid by the Minister before Dáil Éireann, and the amendment shall not be made unless and until a resolution approving the amendment has been passed by this House.

*Section 8* permits payments related to the Contribution Agreement and Fund Guarantee to be made out of Central Fund for an amount, not exceeding, in aggregate, the sum of €167.5 million.

*Section 9* allows for any payments received by or on behalf of the State by way of repayment of sums paid in accordance with the Contribution Agreement and Fund Guarantee to be received by the Exchequer and to be returned to the Central Fund.

*Section 10* amends the Strategic Banking Corporation of Ireland Act 2014 to remove an ambiguity in relation to the issuance of guarantees by the Strategic Banking Corporation of Ireland ("SBCI"). The Amendment confirms that the Insurance Acts 1909 to 2018 and Regulations relating to insurance made under the European Communities Act 1972 do not apply to guarantees made by the SBCI in the furtherance of its functions.

*Section 11* includes a provision to allow for an award of the Arbitral Tribunal to be enforceable before the Irish Courts in accordance with the Third Protocol (dated 6 March 1959) to the General Agreement on Privileges and Immunities of the Council of Europe (dated 2 September 1949). This will allow and simplify potential future borrowing by the Housing Finance Agency and other State Bodies from the Council of Europe Development Bank.

*Section 12* provides for the short title, the Financial Provisions (Covid-19) Bill 2020, and commencement.

*An Roinn Airgeadais,  
Iúil, 2020.*