

This table tracks the changes between the different versions¹ of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union.

<i>[The numeration of the treaty articles, although largely similar throughout the four drafts, refers to final version.]</i>	1st draft (16 December 2011)	2nd draft (6 January 2012)	3rd draft (10 January 2012)	4th draft (19 January 2012)	5th draft / final version (27/30 January 2012)
Name of the document	International agreement on reinforced economic union	International treaty on reinforced economic union	Treaty on stability, co-ordination and governance in the economic and monetary union	Treaty on stability, co-ordination and governance in the economic and monetary union	Treaty on stability, co-ordination and governance in the economic and monetary union
<u>Preamble</u> <i>(a couple of smaller changes from the 2nd to the 3rd draft as well as from the 3rd to the 4th draft)</i>		(No changes compared with 1 st draft)	added: “ WELCOMING the legislative proposals made by the European Commission [...] on 23 November 2011 ”	“WELCOMING the legislative proposals made by the European Commission [...] on 23 November 2011”	added: “[...] for the euro area [...] on the strengthening of economic and budgetary surveillance of Member States experiencing or threatened with serious difficulties with respect to their financial stability, and on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States. ” (5 th)
	see Article 3(3)	see Article 3(3)	added: “ Temporary deviation from the medium-term objective will only be allowed in cases of unusual event outside the control of the contracting party [...] ”	see Article 3(3)	see Article 3(3)
			(Only minor changes compared with 2 nd draft)	added: “ RECALLING that Article 260 of the Treaty on the Functioning of the European Union empowers the Court of Justice of the European Union to impose the payment of a lump sum or penalty on a Member State of the European Union having failed to comply with one of its judgments. ”	added: “[...] and that the European Commission has established criteria for the determination of the lump sum or penalty to be paid in the framework of that Article[.]” (5 th)
				added: “ NOTING, in particular, the wish of the Contracting Parties to make more active use of enhanced cooperation [...], without undermining the internal market, as well as to make full recourse to measures specific to the Member States whose currency is the euro pursuant to Article 136 [TFEU] [...] ”	(No changes)
				added: “ POINTING OUT that the granting of assistance in the framework of new programmes under the European Stability Mechanism will be conditional, as of 1 March 2013, on the ratification of this Treaty by the Contracting Party concerned and, as soon as the transposition period mentioned in Article 3(2) has expired, on compliance with the requirements of this Article. ”	(No changes)
				added: <i>Reference to countries being bound by the treaty (Eurozone members and others)</i>	(No changes)
					added: “ NOTING that the correction mechanism [...] should aim at correcting deviations from the medium-term objective or the adjustment path including their cumulated impact on government debt dynamics ” (5 th)

Title I: PURPOSE AND SCOPE					
Article 1 (1): Purpose (with respect to the internal market)	“agree to strengthen their budgetary discipline and to reinforce their economic policy coordination and governance.”	“agree on a ‘fiscal compact’ and on a stronger coordination of economic policies, involving an enhanced governance to foster fiscal discipline and deeper integration in the internal market as well as stronger growth, enhanced competitiveness and social cohesion.”	“agree [...] to strengthen the economic pillar of the Economic and Monetary Union by adopting a set of rules intended to foster budgetary discipline through a fiscal compact and to strengthen the coordination of economic policies and to improve the governance of the euro area, thereby supporting the achievement of the European Union's objectives for sustainable growth and employment.”	“agree [...] to strengthen the economic pillar of the Economic and Monetary Union by adopting a set of rules intended to foster budgetary discipline through a fiscal compact and to strengthen the coordination of economic policies and to improve the governance of the euro area, thereby supporting the achievement of the European Union's objectives for sustainable growth, employment, competitiveness and social cohesion.”	(No changes)
Title II: CONSISTENCY AND RELATIONSHIP WITH THE LAW OF THE UNION					
Article 2 (2): Consistency and Relationship with the law of the Union	“In accordance with the case law of the Court of Justice of the European Union, European Union law has precedence over the provisions of this Treaty.”	“In accordance with the case law of the Court of Justice of the European Union, European Union law has precedence over the provisions of this Treaty.”	(No specific reference to the evident precedence of EU law)	(No specific reference to the evident precedence of EU law)	(No specific reference to the evident precedence of EU law)
Title III: FISCAL COMPACT					
Article 3 (1): Rules of the Fiscal Compact	“the country specific reference value shall not exceed 0.5% of nominal GDP.”	“the country specific reference value shall not exceed 0.5% of nominal GDP.”	“with a deficit not exceeding 0.5 % of the gross domestic product at market prices”	“with the annual structural deficit not exceeding 0.5 % of the gross domestic product at market prices” “In the event of significant observed deviations from the medium-term objective or the adjustment path towards it, a correction mechanism shall be triggered automatically. [...]”	“with a lower limit of a structural deficit of 0.5 % [...]” (5 th)
Article 3 (2): Transposition at the national level	“The rules mentioned [...] shall be introduced in national binding provisions of a constitutional or equivalent nature.”	“The rules mentioned [...] shall be introduced in national binding provisions of a constitutional or equivalent nature.”	“The rules mentioned [...] shall take effect in the national law of the Contracting Parties within one year of the entry into force of this Treaty through provisions of binding force and permanent character, preferably constitutional, that are guaranteed to be respected throughout the national budgetary processes.”	“[...] preferably constitutional [...]. The Contracting Parties shall put in place at national level the correction mechanism mentioned in paragraph 1.e) on the basis of common principles to be proposed by the European Commission, concerning in particular the nature, the size and the time-frame of the corrective action to be undertaken and the role and independence of the institutions responsible at national level for monitoring the observance of the rules. This mechanism shall fully respect the prerogatives of national Parliaments. ”	“[...]corrective action to be undertaken, also in the case of exceptional circumstances, and the role and independence of the institutions responsible at national level for monitoring the observance of the rules. [...]” (5 th)
Article 3 (3): exceptional circumstances / temporary deviation	“[...] definitions set out in Article 2 of Protocol N°12 apply. In addition, ‘annual structural deficit of the general government’ means the cyclically-adjusted deficit net of one-off and temporary measures; ‘exceptional economic circumstances’ means an unusual event outside the control of the Contracting Party concerned, which has a major impact on the financial position of the government.”	“[...] definitions set out in Article 2 of Protocol N°12 apply. In addition, ‘annual structural deficit of the general government’ means the cyclically-adjusted deficit net of one-off and temporary measures.” (no “exceptional economic circumstances” provision)	(The same wording on “temporary deviation” as in the 4 th draft can first be found in the preamble of the 3 rd draft)	added: “ Exceptional circumstances refer to the case of an unusual event [...] which has a major impact on the financial position of the general government or to periods of severe economic downturn as defined in the revised Stability and Growth Pact , provided that the temporary deviation of the Contracting Party concerned does not endanger fiscal sustainability in the medium term.”	(No changes)
Article 4: debt reduction	(No major changes)	(No major changes)	(No major changes)	(No major changes)	added: “ The existence of an excessive deficit due to the breach of the debt criterion will be decided according to the procedure set forth in Article 126 [TFEU] ” (6 th)
Article 5 (1): Member states in the excessive deficit procedure must draw up detailed descriptions of structural reforms they will undertake and...	such programmes shall be submitted to the European Commission and the Council	such programmes shall be submitted to the European Commission and the Council for endorsement	such programmes shall be submitted to the European Commission and the Council for endorsement “ and their monitoring will take place within the context of the existing surveillance procedures of the stability and growth pact ”	(No major changes)	(No changes)

Article 6: debt issuance	<i>(No changes)</i>	<i>(No changes)</i>	<i>(No changes)</i>	<i>(No changes)</i>	<i>(No changes)</i>
Article 7: on the reversed qualified majority	“the Contracting Parties whose currency is the euro undertake to support proposals or recommendation put forward by the Commission where a Member State whose currency is the euro is recognized by the Commission to be in breach of the 3% ceiling in the framework of an excessive deficit procedure, unless a qualified majority of them is of another view.”	“the Contracting Parties whose currency is the euro undertake to support proposals or recommendation put forward by the Commission where a Member State [...] is recognized by the Commission to be in breach of the deficit or debt criterion in the framework of an excessive deficit procedure, unless a qualified majority of them is of another view.”	“the Contracting Parties whose currency is the euro commit to support proposals or recommendation submitted by the Commission where a Member State [...] is considered by the Commission to be in breach of the deficit criterion in the framework of an excessive deficit procedure. This obligation shall not apply where it is apparent among the Contracting Parties whose currency is the euro that a qualified majority of them [...] is of another view.”	<i>(No changes)</i>	<i>(No changes)</i>
Article 8 (1): Member states which consider that another member state has failed to comply...	“with Title III may bring the matter before the Court of Justice”	“with Title III may bring the matter before the Court of Justice. The Commission may, on behalf of the Contracting Parties, bring an action for an alleged infringement [...] before the Court of Justice ”	“ with Article 3(2) may bring the matter before the Court of Justice [...] or invite the European Commission to issue a report into the matter. ” <i>It adds that, in this case, “if the Commission confirms non-compliance in its report, the matter will be brought to the Court of Justice by the Contracting Parties”.</i>	“The European Commission is invited to present in due time to the Contracting Parties a report on the provisions adopted by each of them in compliance with Article 3(2). If the European Commission [...] concludes in its report that a Contracting Party has failed to comply with Article 3(2), the matter will be brought to the Court of Justice [...]. In addition, where a Contracting Party considers, independently of the Commission's report, that another Contracting Party has failed to comply with Article 3(2), it may also bring the matter to the Court of Justice. [...]”	<i>(No major changes)</i>
Article 8 (2): Non-compliance <i>[New in fourth draft!]</i>	<i>(No such provision)</i>	<i>(No such provision)</i>	<i>(No such provision)</i>	“[...] If the Court finds that the Contracting Party concerned has not complied with its judgment, it may impose on it <u>a lump sum or a penalty payment appropriate in the circumstances and that shall not exceed 0.1% of its gross domestic product. The amounts imposed shall be payable to the European Stability Mechanism.</u> ”	added: “[...] the imposition of financial sanctions following criteria established by the Commission in the framework of Article 260 [TFEU] ” (5 th) “ The amounts imposed on a Contracting Party whose currency is the euro shall be payable to the European Stability Mechanism. In other cases, payments shall be made to the general budget of the European Union. ” (5 th)
Article 8 (3) <i>[New in fourth draft!]</i>	<i>(No such provision)</i>	<i>(No such provision)</i>	<i>(No such provision)</i>	“This Article constitutes a special agreement between the Contracting Parties within the meaning of Article 273 of the Treaty on the Functioning of the European Union.”	<i>(No changes)</i>
Title IV: ECONOMIC POLICY COORDINATION AND COVERGENCE					
Article 9	“[...] work jointly towards an economic policy fostering growth through enhanced convergence and competitiveness and improving the functioning of the Economic and Monetary Union. To this aim, they will take all necessary action, including through the Euro Plus Pact.”	“[...] In this context, particular attention shall be paid to all developments which, if allowed to persist, might threaten stability, competitiveness and future growth and job creation. To this aim, they will take all necessary action, including through the Euro Plus Pact.”	“[...] the Contracting Parties shall take all the necessary actions and measures in all the domains which are essential to the good functioning of the euro area, as mentioned in the Euro Plus Pact. ”	“[...] the necessary actions and measures in all the domains which are essential to the good functioning of the euro area in pursuit of the objectives of fostering competitiveness, promoting employment, contributing further to the sustainability of public finances and reinforcing financial stability. ”	<i>(No changes)</i>
Article 10	“the Contracting Parties undertake to make recourse [...] to the enhanced cooperation on matters that are essential for the smooth functioning of the euro area, without undermining the internal market.”	“the Contracting Parties undertake to make recourse [...] to [...] Article 136 [TFEU] and to the enhanced cooperation [...] on matters that are essential for the smooth functioning of the euro area, without undermining the internal market.” <i>(Tension with Article 1(1) deepening?)</i>	<i>(No changes)</i>	<i>(No changes)</i>	“ the Contracting Parties stand ready to make active use, whenever appropriate and necessary, of measures specific to those Member States whose currency is the euro [...] ” (6 th)
Article 11	[...]	[...]	“ working towards a common economic policy ”	“ working towards a more closely coordinated economic policy ”	<i>(No changes)</i>

Title V: GOVERNANCE OF THE EURO AREA					
Article 12 (1): <i>Participants in Euro summit meetings</i>	“The Heads of State or Government of the Contracting Parties whose currency is the euro, together with the President of the European Commission shall meet informally in Euro Summit meetings. The President of the European Central Bank shall be invited to take part in such meetings.”	“The Heads of State or Government of the Contracting Parties whose currency is the euro, the president of the European Commission, the president of the Euro Group and the Commissioner responsible for Economic and Monetary Affairs shall meet informally in Euro Summit meetings, The President of the European Central Bank shall be invited to take part in such meetings.”	“The Heads of State or Government of the Contracting Parties whose currency is the euro, together with the President of the European Commission shall meet informally in Euro Summit meetings. The President of the European Central Bank shall be invited to take part in such meetings.”	<i>(No changes)</i>	<i>(No changes)</i>
Article 12 (2): <i>Number of Euro summit meetings</i>	“when necessary, and at least twice a year”	“when necessary, and at least twice a year”	“when necessary, and at least twice a year”	“when necessary, and at least twice a year”	<i>(No changes)</i>
Article 12 (3): <i>Contracting parties whose currency is not the euro</i> <i>[New in fourth draft!]</i> <i>[Article 12(6) in 4th and 5th draft]</i>	<i>(No such provision)</i>	<i>(No such provision)</i>	<i>(No such provision)</i>	“In order to discuss specific issues concerning the implementation of this Treaty, the President of the Euro Summit will invite, when appropriate and at least once a year, the Heads of State or Government of Contracting Parties whose currency is not the euro who have ratified this Treaty and have declared their intention to be bound by some of its provisions in accordance with Article 14(5) <u>to a meeting of the Euro Summit.</u> ”	“The Heads of State or Government of the Contracting Parties, other than those whose currency is the euro, who have ratified this Treaty <u>shall participate in discussions of Euro Summit meetings concerning competitiveness for the Contracting Parties, the modification of the global architecture of the euro area and the fundamental rules that will apply to it in the future,</u> as well as, when appropriate and at least once a year, in discussions on specific issues of implementation of this Treaty on Stability, Coordination and Governance in the Economic and Monetary Union.” (6 th)
Article 12 (4): <i>Relation to the Euro Group</i> <i>[Article 12(3) in other drafts]</i>	“Euro Summit meetings shall be prepared by the President of the Euro Summit, in close cooperation with the President of the European Commission and by the Euro Group. The follow-up shall be ensured in the same manner.”	<i>(No changes)</i>	<i>(No changes)</i>	“The President of the Euro Summit shall ensure the preparation and continuity of Euro Summit meetings, in close cooperation with the President of the European Commission. The Euro Group shall contribute to the preparation and follow up of the Euro Summit meetings and its president may be invited to attend the Euro Summit meetings for that purpose. ”	<i>(No changes)</i>
Article 13: <i>National parliaments</i> <i>[former Article 12]</i>	“Representatives of the Committees in charge of economy and finance within the Parliaments of the Contracting Parties will be invited to meet regularly to discuss in particular the conduct of economic and budgetary policies, in close association with representatives of the relevant Committee of the European Parliament. ”	“Representatives of the competent Committees within the Parliaments of the Contracting Parties will be invited to meet regularly to discuss in particular the conduct of economic and budgetary policies, in close association with representatives of the relevant Committee of the European Parliament. ”	“Representatives of the Parliaments of the Contracting Parties will be invited to meet regularly to discuss in particular the conduct of economic and budgetary policies, in close association with representatives of the European Parliament.”	“As foreseen in Title II of Protocol (No 1) on the role of national Parliaments in the European Union annexed to the European Union Treaties, the European Parliament and the national Parliaments of the Contracting Parties will together determine the <u>organization and promotion of a conference of the chairs of the budget committees of the national Parliaments and the chairs of the relevant committees of the European Parliament.</u>”	“[...] a conference of representatives of the relevant committees of the national Parliaments and representatives of the relevant committees of the European Parliament in order to discuss budgetary policies and other issues covered by this Treaty. ” (5 th)
Title VI: GENERAL AND FINAL PROVISIONS					
Article 14 (2): <i>Treaty will enter into force...</i>	once nine eurozone member states have ratified it	once 15 eurozone member states have ratified it	on 1 January 2013 , provided that 12 eurozone member states have ratified it, or after 12 have ratified it, “whichever is the earlier”.	<i>(No changes)</i>	<i>(No changes)</i>
Article 15: <i>Open to accession</i>	<i>(No such provision)</i>	<i>(No such provision)</i>	<i>(New in this 3rd draft)</i>	<i>(No changes)</i>	<i>(Provision on approval of accession deleted)</i>
Article 16: <i>To be incorporated into EU treaties...</i> <i>[former Article 14]</i>	(No reference)	“the necessary steps shall be taken [...] with the aim of incorporating the substance of this Treaty into the legal framework of the European Union.”	“Within five years at most following the entry into force [...] the necessary steps shall be taken [...] with the aim of incorporating the substance of this Treaty [...].”	<i>(No changes)</i>	<i>(No changes)</i>

ⁱ For the individual drafts, please refer to: <http://tinyurl.com/fiscaltreaty1>, <http://tinyurl.com/fiscaltreaty2>, <http://tinyurl.com/fiscaltreaty3>, <http://tinyurl.com/fiscaltreaty4>, <http://tinyurl.com/fiscaltreaty5>, <http://www.european-council.europa.eu/media/579087/treaty.pdf> (final version)