

Press release

Luxemburg, January 14th 2015

The OMT-ruling of the European Court of Justice remains open

Advocate General proposes substantial limits to ECB power

Advocate General, *Cruz Villalón*, has arrived at general conclusions in the case C-62/14¹.

According to the Advocate General, the OMT- programme is fully subject to the fundamental prohibition of monetary financing by ECB (see art. 123 TFEU). So ECB's intervention on the secondary market very closely after the bond issue on the primary market remains clearly prohibited. The implementation of the OMT-programme therefore is not allowed to distort the market prices or to prevent competition on the market of sovereign debt. Nevertheless, ECB's legal control by law courts should be inspired by judicial restraint.

The *Europolis*-group of plaintiffs takes note of the Advocate's General opinion. It does not bind ECJ but limits ECB's power. That is a good starting point for an unbiased debate on the extension of ECB's power, a debate which Mr. *Draghi*, *Coeuré* and *Constancio* are so afraid of.

In case ECB is tempted to implement the QE option before ECJ's final ruling, that would confirm its problematical attitude towards the rule of law. New forms of civil disobedience could be provoked to counter such a contempt of court.

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¹ The underlying case concerns a request by the German Constitutional Court to judge the compatibility of the ECB's OMT-Programme with European law.