



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-PUBLIC

Mario DRAGHI

President

Mr Jónas Fernández and Mr Paul Tang  
Members of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt, 19 September 2016

L/MD/16/414

**Re: Your letter (QZ-081)**

Honourable Members of the European Parliament, dear Mr Fernández, dear Mr Tang,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 28 July 2016.

The Court of Justice of the European Union (CJEU) has most recently assessed the compatibility of European Central Bank (ECB) monetary policy measures with the Treaty framework in its judgement in the *Gauweiler* case.<sup>1</sup> The CJEU held that the ECB must act within the limits of the powers conferred upon it by primary EU law, have a legitimate objective of monetary policy, and use its available instruments for the purpose of implementing that policy. Any monetary policy measures adopted must also be proportionate to the objective of that policy and observe the prohibition on monetary financing laid down in Article 123 of the Treaty on the Functioning of the European Union. Therefore, any monetary policy measure considered for adoption by the ECB must comply with these requirements.

In your letter you discuss a specific monetary policy measure, namely a “hypothetical direct transfer of money to Eurozone citizens”. Let me point out that such a transfer scheme is commonly referred to as a form of so-called “helicopter money”. I recently had the opportunity to discuss the European Central Bank’s monetary policy stance and the effectiveness of related measures, as well as the concept of helicopter money, in a

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<sup>1</sup> C-62/14, ECLI:EU:C:2015:400.

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letter to your colleague, Mr De Masi, MEP, dated 18 April 2016.<sup>2</sup> I would, therefore, kindly refer you to this answer.

Overall, the ECB's recent measures have been instrumental in putting the euro area recovery on a more solid footing and thereby favouring a return of inflation towards levels that are below, but close to, 2% without undue delay. Without our policy stimulus, both growth and inflation would be significantly lower. At the same time, given prevailing uncertainties, the Governing Council of the ECB will continue to monitor economic and financial market developments very closely and to safeguard the pass-through of its accommodative monetary policy to the real economy. In order to achieve its objective, the Governing Council will act by using all the instruments available within its mandate.

Yours sincerely,

[signed]

Mario Draghi

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<sup>2</sup> The letter is available on the ECB's website at: <http://www.ecb.europa.eu/pub/pdf/other/160421letter-demasi.en.pdf>

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