

**Mathias Royce**

# **Eurobonds: Constitutional Nonconformity of Joint European Union Credit Derivatives**

**An Investigative Research**



## **Abstract**

This thesis strives to deliver an analytical answer on the legal status and constitutional conformity of Eurobonds in the context of applicability to the European Union and its member states. Eurobonds in the wider sense are conceptually understood to be long-term government credit derivatives, which are issued with similar to identical characteristics as private-sector bonds and are tradable on international capital markets. The ramifications of the continuing sovereign debt crisis in Europe – in particular amongst the member states of the Eurozone, has led to an on-going debate around the issuance of Eurobonds in the European Union, targeted at addressing the public debt overload of sovereign Eurozone member states. This thesis aims to provide a complete and holistic review of the most important Eurobond proposals released to date and it furthermore provides an analysis of legal challenges that are associated with the issuance of a Eurobonds by a supranational entity. As such, current European Union treaties, concepts of sovereignty, statehood, aspects of federalism and democracy as well as constitutionalism have been under analysis for this purpose. A subsequent conclusion has been drawn upon the conformity of Eurobonds in the context of the legal framework which governs the European Union and its sovereign member states.