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TELEFAX

COMMITTEE OF GOVERNORS OF THE CENTRAL BANKS
OF THE MEMBER STATES
OF THE EUROPEAN ECONOMIC COMMUNITY

SECRETARIAT

Bâle, le 1^{er} juin, 1990

Banque Nationale de Belgique
Tfx No: 00 33 2/221 31 01

A l'attention de M. Rey
(copie pour M. Michielsen)

Je vous prie de trouver ci-joint le projet de certains articles
du statut du SEBC.

Meilleurs sentiments.



H. K. Scheller

Annexe: 4 pages



1st June 1990

ARTICLES RELATING TO THE ORGANISATION
OF THE ECB (OR ECBS) AND ITS RELATIONSHIPS WITH OTHER BODIES

Article [1] - Organs of the [ECB] [ECBS]

The governing bodies of the [ECB] [ECBS] are the Council of Governors and the Board of Management.

Article [2] - Council of Governors

1. The Council of Governors shall determine the monetary policy of the [ECB] [ECBS] and in this context shall issue instructions to the Board of Management and Community central banks. It shall also have responsibility for issuing instructions on competences described in the statutes or bye-laws of the [ECB] [ECBS].

2. The Council of Governors shall consist of the Governors of the Community central banks, the Director General of the Institut Monétaire Luxembourgeois and the members of the Board of Management.

3. The Council of Governors shall meet under the chairmanship of the President of the [ECB] [ECBS]. Each member shall have one vote. The Council of Governors shall take its decisions by a simple majority of the votes cast [unless the statutes or the bye-laws provide for a different procedure]. In the event of a tie-vote, the Chairman has a casting vote. Where the Council of Governors is required to act by qualified majority¹ the votes of its members shall be weighted in accordance (to be completed).

1 Most Alternates foresee a qualified majority for issues relating to the capital of the [ECB] and of profit-sharing. One Alternate also favoured such a rule for monetary policy decisions.

For the remainder, voting conditions are governed by bye-laws which will also describe the procedure to be adopted in the event of the unavailability of a number of the Council of Governors.

Article [3] - Board of Management

1. The Board of Management shall prepare the meetings of the Council of Governors and shall be responsible for [co-ordinating and overseeing the implementation of] [implementing] the decisions taken by the Council of Governors. It shall direct and administer the [ECB].

2. The Board of Management consists of the President of the [ECB]² and [not more than] [3] [5] [6] other members. The members of the Board of Management shall have special professional knowledge which qualifies them for their responsibilities³ and shall not perform any other function of a political or commercial nature.

3. [The President of the [ECB] [ECBS] and] the [other] members of the Board of Management shall be nominated and appointed by the [European Council] [Council of the European Communities] after consultation with the European Parliament and the Council of Governors of the [ECB] [ECBS].⁴

2 One Alternate considered that the President of the [ECB] need not be a member of the Board of Management, but could be elected from amongst all members of the Council of Governors.

3 One Alternate considered that not all the members of the Board of Management should necessarily originate from Community central banks.

4 It will have to be decided whether:

- the procedure for nominating and appointing the President should be different from that followed in respect of the other members of the Board of Management;
- the European Council or the Council of the European Communities or both would be competent; in the latter case, the European Council may nominate the President and the members of the Board and the Council of the European Communities may appoint them;
- there would be a Vice President.

The members of the Board of Management are appointed for [five] [six] [seven] [eight] years. [The mandates can be renewed once.] [The mandates cannot be renewed.]⁵ Appointments and retirements shall be published in the Official Journal of the European Communities.

4. (Provisions on the legal status of the members of the Board of Management, compulsory retirement, etc.)

5. The Board of Management shall meet under the chairmanship of the President of the [ECB] [ECBS]. Each member has one vote. The Board takes its decisions by a simple majority of the votes cast unless the present statutes provide for different procedures. In the event of a tie-vote, the Chairman has a casting vote. For the remainder, the conditions for taking decisions are governed by bye-laws which will also describe the procedure to be followed in the event of the unavailability of a number of the Board of Management.

6. Emergency powers when full meeting of Council of Governors cannot be convened?

Article [4] - Advisory Board?

Article [5] - Staff

(Provisions on the legal status of the staff.)

Article [6] - Independence

1. In exercising the powers conferred by the Treaty and the present statutes, the [ECB] [ECBS] and the members of its organs shall be independent from instructions of national governments and Community bodies.

5 One Alternate considered that the mandates should be non-renewable.

2. [Community countries shall review and if necessary revise national central bank statutes to ensure consistency with the aforementioned provision. The national central bank statutes shall provide that the respective Governor or President shall be appointed for a fixed term of not less than [5] years. A Governor or President of a national central bank may be compulsorily retired by the respective national authority only if the person no longer fulfils the conditions required for the performance of his duties. Such action shall be subject to approval by the Council of the European Communities.]

Article [7] - Co-operation and relations with other bodies

1. The President of the Council of the European Communities (ECOFIN) and a member of the Commission shall [be entitled to] attend meetings of the Council of Governors. They may take part in the deliberations of the Council of Governors, but shall have no right to vote.

2. The President of the [ECB] [ECBS] shall be invited to participate in the meetings of the Council of the European Communities (ECOFIN) whenever it deals with issues involving the tasks of the [ECBS].

3. The [ECB] [ECBS] shall advise the Community bodies and the governments of Member States in monetary policy matters of major importance.

4. The [ECB] [ECBS] shall draw up an annual report on its activities and on the monetary policy pursued in the preceding year and projected for the current year. The report will be transmitted to the European Parliament, the Council of the European Community and the European Council. On this occasion, the President of the [ECB] [ECBS] may be invited by the European Parliament to explain monetary policy. The President may be invited to attend meetings of the competent committee of the European Parliament.