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(Resolutions, recommendations and opinions)

OPINIONS

EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK

of 11 February 2011

on a recommendation for a Council decision on arrangements for the renegotiation of the Monetary Agreement with the Principality of Monaco

(CON/2011/8)

(2011/C 60/01)

Introduction and legal basis

On 9 February 2011, the European Central Bank (ECB) received a request from the Council of the European Union for an opinion on a recommendation for a Council decision on arrangements for the renegotiation of the Monetary Agreement with the Principality of Monaco ⁽¹⁾ (hereinafter 'the draft decision').

The ECB's competence to deliver an opinion is based on Article 219(3) of the Treaty on the Functioning of the European Union. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

General observations

The ECB welcomes the draft decision, which more than 10 years after the introduction of the euro, aims at amending the Monetary Agreement with the Principality of Monaco with a view to ensuring a more consistent approach in relations between the Union and third countries.

In particular, the ECB welcomes the new revised method for calculating the ceiling of issuance of Monaco euro coins and setting the minimum proportion of Monegasque euro coins to be put into circulation at face value at 80 %.

The ECB notes, however, that the terminology used in the draft decision — and consequently also in the monetary agreement — should be adjusted in view of legislative developments.

Where the ECB recommends that the proposed decision is amended, specific drafting proposals are set out in the Annex accompanied by explanatory text to this effect.

Done at Frankfurt am Main, 11 February 2011.

The Vice-President of the ECB

Vítor CONSTÂNCIO

⁽¹⁾ COM(2011) 23 final.

ANNEX

Drafting proposals

Text proposed by the Commission	Amendments proposed by the ECB ⁽¹⁾
Amendment 1	
Article 2(a)	
‘(a) The Agreement shall be concluded between the Union, represented by the French Republic and the European Commission and the Principality of Monaco.’	‘(a) The Agreement shall be concluded between the Union, represented by the French Republic and the European Commission in close association with the ECB and the Principality of Monaco.’

Explanation

Since one of the purposes of renegotiating the Agreement with Monaco is to ensure a more consistent approach with other monetary agreements, the ECB advises using the same wording used in the monetary agreement with the Vatican City State (signed on 17 December 2009 ⁽²⁾) with regard to the role of the ECB. Furthermore, the proposed wording is consistent with Article 9 of Council Regulation (EC) No 1338/2001 of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting ⁽³⁾, which provides that the Commission shall cooperate with non-member countries and international organisations in close association with the European Central Bank.

Amendment 2

Article 2(b)

‘(b) The method for determining the ceiling of issuance of Monaco euro coins shall be revised. The new ceiling shall be calculated using a method which will combine a fixed part aimed at avoiding excessive numismatic speculation on Monaco coins by satisfying the demand of the collector coin market and a variable part, calculated as the average per capita coin issuance of France in the year n-1 multiplied by the number of inhabitants of Monaco. Without prejudice to the issuance of collector coins, the Agreement shall set the minimum proportion of Monaco euro coins to be introduced at face value at 80 %.’	‘(b) The method for determining the ceiling of issuance of Monaco Monegasque euro coins shall be revised. The new ceiling shall be calculated using a method which will combine a fixed part aimed at avoiding excessive numismatic speculation on Monaco Monegasque coins by satisfying the demand of the collector coin market and a variable part, calculated as the average per capita coin issuance of France in the year n-1 multiplied by the number of inhabitants of Monaco. Without prejudice to the issuance of collector coins, the Agreement shall set the minimum proportion of Monaco Monegasque euro coins to be introduced put in circulation at face value at 80 % of the euro coins issued every year. ’
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Explanation

The ECB considers it important to use precise monetary law terminology in the mandate and subsequently in the monetary agreement itself. More specifically, the conclusions of a report prepared by a working group consisting of representatives from Ministries of Finance and national central banks of the euro area (the euro legal tender working group) must be duly reflected, by distinguishing between ‘putting into circulation’ ⁽⁴⁾ and ‘issuance’ of euro coins ⁽⁵⁾.

⁽¹⁾ Bold in the body of the text indicates where the ECB proposes inserting new text. Strikethrough in the body of the text indicates where the ECB proposes deleting text.

⁽²⁾ OJ C 28, 4.2.2010, p. 13.

⁽³⁾ OJ L 181, 4.7.2001, p. 6.

⁽⁴⁾ Putting into circulation is a purely operational and physical activity and can be delegated to an agent.

⁽⁵⁾ Issuance as a whole, including both putting into circulation and entering into the balance sheet of the issuing authority, is an act of public authority and cannot be outsourced.