

EUROPEAN CENTRAL BANK

AGREEMENT

of 29 April 2004

between the European Central Bank and the national central banks of the Member States outside the euro area on 1 May 2004 amending the Agreement of 1 September 1998 laying down the operating procedures for an exchange rate mechanism in stage three of economic and monetary union

(2004/C 135/03)

THE EUROPEAN CENTRAL BANK (ECB) AND THE NATIONAL CENTRAL BANKS OF THE MEMBER STATES THAT ARE OUTSIDE THE EURO AREA ON 1 MAY 2004 (HEREINAFTER THE 'NON-EURO AREA NCBs'),

(5) Two textual amendments should also be made to the Central Bank Agreement,

Whereas:

HAVE AGREED AS FOLLOWS:

(1) The European Council in its Resolution of 16 June 1997 ⁽¹⁾ (hereinafter the 'Resolution') agreed to set up an exchange rate mechanism (hereinafter 'ERM II') when the third stage of economic and monetary union began on 1 January 1999.

Article 1

Amendments to the Central Bank Agreement in view of the accession of the new Member States

(2) Under the Resolution, ERM II is designed to help to ensure that non-euro area Member States participating in ERM II orient their policies to stability, foster convergence and thereby help them in their efforts to adopt the euro.

1. Česká národní banka, Eesti Pank, the Central Bank of Cyprus, Latvijas Banka, Lietuvos bankas, Magyar Nemzeti Bank, the Central Bank of Malta, Narodowy Bank Polski, Banka Slovenije and Národná banka Slovenska shall become parties to the Central Bank Agreement with effect from 1 May 2004.

(3) The Agreement of 1 September 1998 between the European Central Bank and the national central banks of the Member States outside the euro area laying down the operating procedures for an exchange rate mechanism in stage three of Economic and Monetary Union ⁽²⁾ (hereinafter the 'Central Bank Agreement') lays down the operating procedures for ERM II.

2. Annex II to the Central Bank Agreement is replaced by the text set out in the Annex to this Agreement.

Article 2

Other amendments to the Central Bank Agreement

(4) It is necessary to amend the Central Bank Agreement to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the European Union and their respective national central banks (NCBs) becoming part of the European System of Central Banks on 1 May 2004.

The Central Bank Agreement is amended as follows:

1. Article 9.1 is replaced by the following:

'Outstanding very short-term financing balances shall be remunerated at the representative domestic three-month money market rate of the creditor's currency prevailing on the trade date of the initial financing operation or, in the event of a renewal pursuant to Articles 10 and 11 of this Agreement, the three-month money market rate of the creditor's currency prevailing two business days before the date on which the initial financing operation to be renewed falls due.'

⁽¹⁾ OJ C 236, 2.8.1997, p. 5.

⁽²⁾ OJ C 345, 13.11.1998, p. 6. Agreement as amended by the Agreement of 14 September 2000 (OJ C 362, 16.12.2000, p. 11).

2. Article 19 is replaced by the following:

‘Cooperation in the concertation

Non-euro area NCBs not participating in ERM II shall cooperate with the ECB and the participating non-euro area NCBs in the concertation and/or the other exchanges of information necessary for the proper functioning of ERM II.’

Article 3

Final provisions

1. This Agreement shall enter into force on 1 May 2004.
2. This Agreement shall be drawn up in English, French and German and duly signed by the parties. The ECB, which is required to retain the original Agreements, shall send a certified copy of each of the original Agreements in English, French and German to each euro area and non-euro area NCB.

Done at Frankfurt am Main, on 29 April 2004.

ANNEX

'ANNEX II

CEILINGS ON ACCESS TO THE VERY SHORT-TERM FINANCING FACILITY REFERRED TO IN ARTICLES 8, 10 AND 11 OF THE CENTRAL BANK AGREEMENT**with effect from 1 May 2004***(in millions of euro)*

Central banks party to this Agreement	Ceilings ⁽¹⁾
Česká národní banka	700
Danmarks Nationalbank	730
Eesti Pank	300
Central Bank of Cyprus	290
Latvijas Banka	340
Lietuvos bankas	390
Magyar Nemzeti Bank	680
Central Bank of Malta	270
Narodowy Bank Polski	1 830
Banka Slovenije	350
Národná banka Slovenska	470
Sveriges Riksbank	990
Bank of England	4 660
European Central Bank	nil

⁽¹⁾ The amounts indicated are notional for central banks which do not participate in ERM II.

Euro area NCBs	Ceilings
Nationale Bank van België/Banque Nationale de Belgique	nil
Deutsche Bundesbank	nil
Bank of Greece	nil
Banco de España	nil
Banque de France	nil
Central Bank and Financial Services Authority of Ireland	nil
Banca d'Italia	nil
Banque centrale du Luxembourg	nil
De Nederlandsche Bank	nil
Oesterreichische Nationalbank	nil
Banco de Portugal	nil
Suomen Pankki	nil