EUROPEAN CENTRAL BANK

AGREEMENT
of 16 September 2004
between the European Central Bank and the national central banks of the Member States outside the euro area 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 281/03)

THE EUROPEAN CENTRAL BANK (ECB) AND THE NATIONAL CENTRAL BANKS OF THE MEMBER STATES THAT ARE OUTSIDE THE EURO AREA (HEREINAFTER THE ‘NON-EURO AREA NCBs’),

HAVE AGREED AS follows:

Article 1

Amendment to Article 5 of the Central Bank Agreement

Article 5 of the Central Bank Agreement is replaced by the following:

‘Procedures for intervention and other transactions

5.1 Prior agreement of the non-euro area NCB issuing the intervention currency shall be obtained when another central bank of the European System of Central Banks intends to use the former’s currency in amounts exceeding mutually agreed limits in connection with all non-compulsory intervention, including unilateral intramarginal intervention.

5.2 A non-euro area NCB shall give immediate notification to the ECB when it has used the euro in amounts exceeding mutually agreed limits in connection with all non-compulsory intervention, including unilateral intramarginal intervention.

5.3 Before carrying out transactions other than intervention which involve at least one non-euro area currency or the euro and which exceed mutually agreed limits, the party intending to carry out such transactions shall give prior notification to the central bank(s) concerned. In such cases the central banks concerned shall agree on an approach which minimises potential problems, including the possibility of settling the transaction, wholly or in part, directly between the two central banks.’
Article 2

Final provisions

1. This Agreement shall enter into force on 1 October 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, 16 September 2004.

For and on behalf of
The European Central Bank

For and on behalf of
Magyar Nemzeti Bank

For and on behalf of
Česká národní banka

For and on behalf of
Central Bank of Malta

For and on behalf of
Danmarks Nationalbank

For and on behalf of
Narodowy Bank Polski

For and on behalf of
Eesti Pank

For and on behalf of
Banka Slovenije

For and on behalf of
Central Bank of Cyprus

For and on behalf of
Národná banka Slovenska

For and on behalf of
Latvijas Banka

For and on behalf of
Sveriges Riksbank

For and on behalf of
Lietuvos bankas

For and on behalf of
The Bank of England