

# EUROPEAN CENTRAL BANK

## AGREEMENT

of 14 December 2007

**between the European Central Bank and the national central banks of the Member States outside the euro area amending the Agreement of 16 March 2006 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**

(2007/C 319/04)

THE EUROPEAN CENTRAL BANK (ECB) AND THE NATIONAL CENTRAL BANKS OF THE MEMBER STATES OUTSIDE THE EURO AREA (HEREINAFTER REFERRED TO AS THE 'NON-EURO AREA NCBS' AND THE 'NON-EURO AREA MEMBER STATES' RESPECTIVELY),

Whereas:

- (1) The European Council in its Resolution of 16 June 1997 (hereinafter referred to as the 'Resolution') agreed to set up an exchange rate mechanism (hereinafter referred to as 'ERM II') when the third stage of economic and monetary union (EMU) began on 1 January 1999.
- (2) Under the terms of 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.
- (3) Cyprus, as a Member State with a derogation, has participated since 2 May 2005 in ERM II; whereas the Central Bank of Cyprus is party to the Agreement of 16 March 2006 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 <sup>(1)</sup>, amended by the Agreement of 21 December 2006 <sup>(2)</sup> (together hereinafter referred to as the 'ERM II Central Bank Agreement').
- (4) Malta, as a Member State with a derogation, has participated since 2 May 2005 in ERM II; whereas the Central Bank of Malta is party to the ERM II Central Bank Agreement.
- (5) Pursuant to Article 1 of Council Decision 2007/503/EC of 10 July 2007 in accordance with Article 122(2) of the Treaty on the adoption by Cyprus of the single currency on 1 January 2008 <sup>(3)</sup> the derogation in favour of Cyprus referred to in Article 4 of the 2003 Act of Accession is abrogated with effect from 1 January 2008; whereas the

euro will be Cyprus' currency from 1 January 2008; whereas the Central Bank of Cyprus should no longer be party to the ERM II Central Bank Agreement from that date.

- (6) Pursuant to Article 1 of Council Decision 2007/504/EC of 10 July 2007 in accordance with Article 122(2) of the Treaty on the adoption by Malta of the single currency on 1 January 2008 <sup>(4)</sup> the derogation in favour of Malta referred to in Article 4 of the 2003 Act of Accession is abrogated with effect from 1 January 2008; whereas the euro will be Malta's currency from 1 January 2008; whereas the Central Bank of Malta should no longer be party to the ERM II Central Bank Agreement from that date.
- (7) It is therefore necessary to amend the ERM II Central Bank Agreement to take account of the abrogation of the derogations in favour of Cyprus and Malta,

HAVE AGREED AS FOLLOWS:

### Article 1

#### **Amendment to the ERM II Central Bank Agreement in view of the abrogation of a Member State's derogation**

- 1.1 The Central Bank of Cyprus shall no longer be party to the ERM II Central Bank Agreement from 1 January 2008.
- 1.2 The Central Bank of Malta shall no longer be party to the ERM II Central Bank Agreement from 1 January 2008.

### Article 2

#### **Replacement of Annex II to the ERM II Central Bank Agreement**

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

<sup>(1)</sup> OJ C 73, 25.3.2006, p. 21.

<sup>(2)</sup> OJ C 14, 20.1.2007, p. 6

<sup>(3)</sup> OJ L 186, 18.7.2007, p. 29.

<sup>(4)</sup> OJ L 186, 18.7.2007, p. 32.

## Article 3

**Final provisions**

- 3.1. This Agreement amends, with effect from 1 January 2008, the ERM II Central Bank Agreement.
- 3.2. This Agreement shall be drawn up in the English language and duly signed by the parties. The ECB, which shall retain the original Agreement, shall send a certified copy thereof to each euro area and non-euro area NCB. The Agreement shall be published in the *Official Journal of the European Union*.

Done at Frankfurt am Main, 14 December 2007.

For the  
**European Central Bank**

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For  
**Българска народна банка/the Bulgarian  
National Bank**

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For  
**Česká národní banka**

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For  
**Danmarks Nationalbank**

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For  
**Eesti Pank**

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For the  
**Central Bank of Cyprus**

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For  
**Latvijas Banka**

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For  
**Lietuvos bankas**

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For the  
**Magyar Nemzeti Bank**

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For the  
**Central Bank of Malta**

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For  
**Narodowy Bank Polski**

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For  
**Banca Națională a României**

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For  
**Národná banka Slovenska**

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For  
**Sveriges Riksbank**

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For the  
**Bank of England**

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## 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 January 2008***(EUR million)*

Central banks party to this Agreement	Ceilings <sup>(1)</sup>
Българска народна банка/the Bulgarian National Bank	510
Česká národní banka	660
Danmarks Nationalbank	700
Eesti Pank	300
Latvijas Banka	330
Lietuvos bankas	380
Magyar Nemzeti Bank	640
Narodowy Bank Polski	1 700
Banca Națională a României	1 000
Národná banka Slovenska	450
Sveriges Riksbank	940
Bank of England	4 390
European Central Bank	nil

<sup>(1)</sup> 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
Central Bank and Financial Services Authority of Ireland	nil
Bank of Greece	nil
Banco de España	nil
Banque de France	nil
Banca d'Italia	nil
Central Bank of Cyprus	nil
Banque centrale du Luxembourg	nil
Central Bank of Malta	nil
De Nederlandsche Bank	nil
Oesterreichische Nationalbank	nil
Banco de Portugal	nil
Banka Slovenije	nil
Suomen Pankki	nil