

ANNEX V

**DECISION OF THE EUROPEAN CENTRAL BANK
of 1 December 1998****concerning the performance by the European Central Bank of certain functions relating to medium-term financial assistance for Member States' balances of payments****(ECB/1998/NP15)**

THE GENERAL COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty establishing the European Community (hereinafter referred to as the 'Treaty') and in particular to Article 109 L(2) thereof,

Having regard to the Statute of the European Monetary Institute (hereinafter referred to as the 'Statute of the EMI') and in particular to the third indent of Article 6.1, thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank (hereinafter referred to as the 'Statute') and in particular to the first indent of Article 47.1 thereof,

Whereas:

- (1) Decision No 8/95 of 2 May 1995 of the Council of the European Monetary Institute (Council of the EMI) established that the European Monetary Institute (EMI) should perform the tasks stipulated in Article 11 of Council Regulation (EEC) No 1969/88 of 24 June 1988.
- (2) Decision ECB/98/NP2 of 23 June 1998 stipulated that Decision No 8/95 shall remain valid and shall continue to apply in its entirety until no later than the day immediately preceding the first day of the third stage.
- (3) Two medium-term loans to Italy from the European Community under Regulation (EEC) No 1969/88 mature in the year 2000.
- (4) The European Central Bank (ECB) will have to continue to perform the tasks of the EMI with respect to the administration of the borrowing and lending operations providing medium-term financial assistance for Member States' balances of payments. In order to administrate such medium-term financial assistance, it is necessary for the ECB to continue to apply Decision No 8/95 as of the first day of the third stage,

HAS ADOPTED THIS DECISION:

Article 1

1. Subject to paragraph 2 below, Decision No 8/95 which, in accordance with Decision ECB/1998/NP2 remains valid and continues to apply in its entirety until the day immediately preceding the first day of the third stage, shall remain valid and shall continue to apply as of the first day of the third stage.
2. In the Articles of Decision No 8/95 referred to in paragraph 2, the term 'EMI' shall be read as 'ECB'.

Article 2

The executive Board of the ECB shall make all the arrangements necessary to give effect to this Decision.

Done at Frankfurt am Main, 1 December 1998.

The President of the ECB

Willem F. DUISENBERG

*Appendix***EUROPEAN MONETARY INSTITUTE****Decision NO 8/95****concerning the administration of the borrowing and lending operations concluded by the European Community under the medium-term financial assistance mechanism**

THE COUNCIL OF THE EUROPEAN MONETARY INSTITUTE (called hereinafter 'Council of the EMI'),

Having regard to Article 6.1 of the Statute of the EMI,

Whereas:

- (1) Pursuant to the third indent of Article 6.1 of its Statute, the EMI shall perform the functions referred to in Article 11 of Council Regulation (EEC) No 1969/88 of 24 June 1988 establishing a single facility providing medium-term financial assistance for Member States' balances of payments ⁽¹⁾.
- (2) The EMI has established the necessary infrastructure for performing itself these functions,

HAS DECIDED UNANIMOUSLY that:

Article 1

The EMI shall perform the tasks stipulated in Article 11 of Regulation (EEC) No 1969/88, in the manner described in Articles 2 to 8 hereafter.

Article 2

Payments connected with the European Community's borrowing and lending operations shall be effected through the accounts that the EMI shall open in its name.

Article 3

Sums received by the EMI for the account of the European Community under borrowing arrangements entered into by the latter shall be transferred on the same value date to the account specified by the central bank of the country receiving the corresponding loan.

Sums received by the EMI for the account of the European Community, either in respect of payment of interest or repayment of the principal from the country which has received the loan, or from Member States participating in any refinancing arrangements in respect of the loan, shall be transferred on the same value date to the accounts specified by the creditors under the borrowing arrangements entered into by the European Community.

When a Member State, which has been temporarily exempted in whole or in part either in respect of a payment due from it or in respect of participation in refinancing arrangements subsequently makes payment or provides its share to the European Community, the funds in question shall be transferred on the same value date to the accounts specified by the central banks of the Member States which have participated in the refinancing arrangements, in proportion to the amount of their claims on the European Community.

Article 4

For each borrowing and lending operation the EMI shall open the following accounts in its books:

1. A nostro account entitled 'Balances in... held with...' corresponding to the funds received for the account of the European Community;
2. An account on the liabilities side forming the counterpart of the account referred to under paragraph 1;
3. A memorandum account, 'Community liabilities in respect of the Community borrowing operation', divided where applicable into sub-accounts corresponding to the individual creditors in respect of the borrowing arrangements;
4. Where applicable, a memorandum account, 'Community liabilities in respect of the refinancing of the Community borrowing operation', divided into sub-accounts corresponding to the individual creditor member countries;
5. A memorandum account, 'Community claims in respect of the lending operation'.

⁽¹⁾ OJ L 178, 8.7.1988, p. 1.

The accounts mentioned under paragraphs 1 and 2 shall be kept in the monetary unit of payment and those under 3 to 5 in the monetary unit of the respective contracts.

Article 5

The EMI shall book the financial operations described under Article 3 of the present Decision on their value date by debiting or crediting the abovementioned accounts.

Article 6

The EMI shall keep a check on the due dates laid down in the borrowing and lending contracts for the payment of interest and repayment of the principal.

Fifteen working days before each due date the EMI shall give notification thereof to the central bank of the country that is in debt to the European Community.

Article 7

The EMI shall immediately inform the European Commission of the operations it has carried out for the account of the European Community.

It shall address these communications to the General Directorate for Economic and Financial Affairs at the European Commission.

Article 8

At the end of each calendar year the EMI shall prepare a report for the information of the European Commission on the financial operations it has carried out during the year in connection with borrowing and lending operations. This report shall be accompanied by a statement of the European Community's claims and liabilities arising out of the borrowing and lending operations.

Article 9

The present Decision enters into force with effect from 15 May 1995.

Done at Frankfurt an Main, 2 May 1995.

For the Council of the EMI
The President
A. LAMFALUSSY
