

DECISION OF THE EUROPEAN CENTRAL BANK

of 31 December 2013

on the paying-up of capital, transfer of foreign reserve assets and contributions by Latvijas Banka to the European Central Bank's reserves and provisions

(ECB/2013/53)

(2014/34/EU)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Articles 30.1, 30.3, 48.1 and 48.2 thereof,

paying-up of the European Central Bank's capital by the non-euro area national central banks⁽⁴⁾. The outstanding amount is therefore EUR 29 424 263,59, which results from multiplying the ECB's subscribed capital (EUR 10 825 007 069,61) by the capital key weighting of Latvijas Banka (0,2821 %), minus the part of its share in the ECB's subscribed capital that has already been paid up.

Whereas:

(1) Pursuant to Article 1 of Council Decision 2013/387/EU of 9 July 2013 on the adoption by Latvia of the euro on 1 January 2014⁽¹⁾, in accordance with Article 140(2) of the Treaty on the Functioning of the European Union, Latvia fulfils the necessary conditions for adoption of the euro and the derogation granted to it under Article 4 of the 2003 Act of Accession⁽²⁾ will be abrogated with effect from 1 January 2014.

(2) Article 48.1 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the 'Statute of the ESCB') provides that the national central bank (NCB) of a Member State whose derogation has been abrogated must pay up its subscribed share of the capital of the European Central Bank (ECB) to the same extent as the NCBs of the other Member States whose currency is the euro. The weighting of Latvijas Banka in the ECB's capital key is 0,2821 %, pursuant to Article 2 of Decision ECB/2013/28 of 29 August 2013 on the national central banks' percentage shares in the key for subscription to the European Central Bank's capital⁽³⁾. Latvijas Banka has already paid up part of its share in the ECB's subscribed capital, pursuant to Article 1 of Decision ECB/2013/20 of 21 June 2013 on the

(3) Article 48.1, in conjunction with Article 30.1, of the Statute of the ESCB provides that the NCB of a Member State whose derogation has been abrogated must also transfer foreign reserve assets to the ECB. Pursuant to Article 48.1 of the Statute of the ESCB, the sum to be transferred is determined by multiplying the euro value at current exchange rates of the foreign reserve assets which have already been transferred to the ECB in accordance with Article 30.1 of the Statute of the ESCB, by the ratio between the number of shares subscribed by the NCB concerned and the number of shares already paid up by the NCBs of the other Member States whose currency is the euro. When determining the 'foreign reserve assets which have already been transferred to the ECB in accordance with Article 30.1', due account should be taken of previous capital key adjustments⁽⁵⁾ pursuant to Article 29.3 of the Statute of the ESCB and the ECB capital key expansions pursuant to Article 48.3 of the Statute of the ESCB⁽⁶⁾. As a result, pursuant to Decision ECB/2013/26 of 29 August 2013 laying down the measures necessary for the contribution to the European Central Bank's accumulated equity value and for adjusting the national central banks' claims equivalent to the transferred foreign reserve assets⁽⁷⁾, the euro equivalent of the foreign reserve assets which have already been transferred to the ECB under Article 30.1 of the Statute of the ESCB is EUR 50 715 061 570,77.

(4) The foreign reserve assets to be transferred by Latvijas Banka should be in or be denominated in Japanese Yen and gold.

⁽¹⁾ OJ L 195, 18.7.2013, p. 24.

⁽²⁾ Act concerning the conditions of 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 and the adjustments to the Treaties on which the European Union is founded (OJ L 236, 23.9.2003, p. 33).

⁽³⁾ See page 53 of this Official Journal.

⁽⁴⁾ OJ L 187, 6.7.2013, p. 25.

⁽⁵⁾ Decision ECB/2008/23 of 12 December 2008 on the national central banks' percentage shares in the key for subscription to the European Central Bank's capital (OJ L 21, 24.1.2009, p. 66).

⁽⁶⁾ Decision ECB/2013/17 of 21 June 2013 on the national central banks' percentage shares in the key for subscription to the European Central Bank's capital (OJ L 187, 6.7.2013, p. 15).

⁽⁷⁾ See page 47 of this Official Journal.

- (5) Article 30.3 of the Statute of the ESCB provides that the ECB must credit each NCB of a Member State whose currency is the euro with a claim equivalent to the foreign reserve assets that it has transferred to the ECB. The provisions regarding the denomination and remuneration of the claims that have already been credited to the NCBs of the Member States whose currency is the euro ⁽¹⁾ should also apply to the denomination and remuneration of the claims of Latvijas Banka.
- (6) Article 48.2 of the Statute of the ESCB provides that the NCB of a Member State whose derogation has been abrogated must contribute to the ECB's reserves, to those provisions equivalent to reserves, and to the amount still to be appropriated to the reserves and provisions corresponding to the balance of the profit and loss account as at 31 December of the year prior to the abrogation of the derogation. The amount of this contribution is determined in accordance with Article 48.2 of the Statute of the ESCB.
- (7) By analogy with Article 3.5 of the Rules of Procedure of the European Central Bank ⁽²⁾, the Governor of Latvijas Banka has had the opportunity to make observations on this Decision before its adoption,

HAS ADOPTED THIS DECISION:

Article 1

Definitions

For the purposes of this Decision:

- (a) 'foreign reserve assets' means gold or cash;
- (b) 'gold' means fine troy ounces of gold in the form of London Good Delivery bars, as specified by the London Bullion Market Association;
- (c) 'cash' means the lawful currency of Japan (Japanese yen).

Article 2

Extent and form of paid-up capital

1. With effect from 1 January 2014, Latvijas Banka shall pay up the remaining parts of its share in the ECB's subscribed capital, which correspond to EUR 29 424 263,59.

⁽¹⁾ Pursuant to Guideline ECB/2000/15 of 3 November 1998 as amended by the Guideline of 16 November 2000 on the composition, valuation and modalities for the initial transfer of foreign-reserve assets, and the denomination and remuneration of equivalent claims (OJ L 336, 30.12.2000, p. 114).

⁽²⁾ Decision ECB/2004/2 of 19 February 2004 adopting the Rules of Procedure of the European Central Bank (OJ L 80, 18.3.2004, p. 33).

2. Latvijas Banka shall pay the amount specified in paragraph 1 to the ECB on 2 January 2014 by means of a separate transfer via the Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2).

3. Latvijas Banka shall pay to the ECB on 2 January 2014, by a separate TARGET2 transfer, the interest accrued on 1 January 2014 on the amount due to the ECB under paragraph 2. This interest shall be calculated on a daily basis, using the actual over-360-day method of calculation, at a rate equal to the marginal interest rate used by the Eurosystem in its most recent main refinancing operation.

Article 3

Transfer of foreign reserve assets

1. Latvijas Banka shall transfer to the ECB, with effect from 1 January 2014 and in accordance with this Article and the arrangements taken pursuant to it, an amount of foreign reserve assets denominated in Japanese yen and gold that is equivalent to EUR 205 272 581,13 as follows:

Euro-equivalent amount of Japanese yen in cash	Euro-equivalent amount of gold	Aggregate euro-equivalent amount
174 481 693,96	30 790 887,17	205 272 581,13

2. The euro-equivalent amount of foreign reserve assets to be transferred by Latvijas Banka under paragraph 1 shall be calculated on the basis of the exchange rates between the euro and the Japanese yen established as a result of the 24-hour written consultation procedure on 31 December 2013 between the Eurosystem and Latvijas Banka and, in the case of gold, on the basis of the US dollar price of gold per fine troy ounce established in the London gold fixing at 10.30 a.m., London time, on 31 December 2013.

3. The ECB shall confirm to Latvijas Banka as soon as possible the amount calculated in accordance with paragraph 2.

4. Latvijas Banka shall transfer to the ECB Japanese yen in cash.

5. The transfer of cash shall take place to such accounts as are specified by the ECB. The settlement date for the cash to be transferred to the ECB shall be 6 January 2014. Latvijas Banka shall give instructions to execute such transfer to the ECB.

6. The value of the gold which Latvijas Banka transfers to the ECB in accordance with paragraph 1 shall be as close as possible to, but no more than, EUR 30 790 887,17.

7. Latvijas Banka shall transfer the gold referred to in paragraph 1 in uninvested form to such accounts and such locations as are specified by the ECB. The settlement date for the gold to be transferred to the ECB shall be 3 January 2014. Latvijas Banka shall give instructions to execute such transfer to the ECB.

8. If Latvijas Banka transfers gold to the ECB with a value of less than the amount specified in paragraph 1, then on 6 January 2014 it shall transfer an amount of Japanese yen cash equivalent to the shortfall to an account of the ECB as specified by the ECB. Any such Japanese yen cash shall not form part of the foreign reserve assets denominated in Japanese yen, which Latvijas Banka transfers to the ECB in accordance with the left column of the table included in paragraph 1.

9. The difference, if any, between the aggregate euro-equivalent amount mentioned in paragraph 1 and the amount mentioned in Article 4(1) shall be settled in accordance with the Agreement of 31 December 2013 between Latvijas Banka and the European Central Bank regarding the claim credited to Latvijas Banka by the European Central Bank under Article 30.3 of the Statute of the European System of Central Banks and of the European Central Bank ⁽¹⁾.

Article 4

Denomination, remuneration and maturity of the claim equivalent to the contribution

1. With effect from 1 January 2014, and subject to the specifications in Article 3 regarding the settlement dates of the transfers of foreign reserve assets, the ECB shall credit Latvijas Banka with a claim denominated in euro, equivalent to the aggregate euro amount of its contribution of foreign reserve assets. This claim corresponds to EUR 163 479 892,24.

2. The claim credited by the ECB to Latvijas Banka shall be remunerated from the settlement date. The interest accruing shall be calculated on a daily basis, using the actual over-360-day method of calculation, at a rate equivalent to 85 % of the marginal interest rate used by the Eurosystem in its most recent main refinancing operation.

3. The accrued interest calculated in accordance with paragraph 2 shall be paid to Latvijas Banka at the end of

each financial year. Each quarter the ECB shall inform Latvijas Banka of the cumulative amount.

4. The claim shall not be redeemable.

Article 5

Contributions to the ECB's reserves and provisions

1. With effect from 1 January 2014 and in accordance with Article 3(5) and (6), Latvijas Banka shall contribute to the ECB's reserves, to those provisions equivalent to reserves, and to the amount still to be appropriated to the reserves and provisions corresponding to the balance of the profit and loss account at 31 December 2013.

2. The amounts to be contributed by Latvijas Banka shall be determined in accordance with Article 48.2 of the Statute of the ESCB. The references in Article 48.2 to 'the number of shares subscribed by the central bank concerned' and 'the number of shares already paid up by the other central banks' shall refer to the weighting of Latvijas Banka, and the NCBs of the other Member States whose currency is the euro in the ECB's capital key, pursuant to Decision ECB/2013/26.

3. For the purposes of paragraph 1, 'the ECB's reserves' and 'provisions equivalent to reserves' shall include the ECB's general reserve fund, balances on revaluation accounts and provisions for foreign exchange rate, interest rate, credit, market price and gold price risks.

4. At the latest on the first working day following the Governing Council's approval of the ECB's annual accounts for the year 2013, the ECB shall calculate and confirm to Latvijas Banka the amount to be contributed by Latvijas Banka under paragraph 1.

5. On the second working day following the Governing Council's approval of the ECB's annual accounts for the year 2013, Latvijas Banka shall, via TARGET2, pay to the ECB:

(a) the amount due to the ECB under paragraph 4, less any amount transferred in excess of the claim referred to in Article 4(1) on the settlement dates laid down in Articles 3(5) and 3(7) (advance contribution), if any; and

(b) the interest accrued from 1 January 2014 until the payment date on the amount due to the ECB under paragraph 4, less any advance contribution.

⁽¹⁾ Not yet published in the Official Journal.

6. Any interest accruing under paragraph 5(b) shall be calculated on a daily basis, using the actual over-360-day method of calculation, at a rate equal to the marginal interest rate used by the Eurosystem in its most recent main refinancing operation.

Article 6

Competencies

1. To the extent necessary, the ECB's Executive Board shall issue instructions to Latvijas Banka to further specify and give effect to any provision of this Decision and to provide for appropriate remedies to address any problems that may arise.
2. Any instruction issued by the Executive Board under paragraph 1 shall be promptly notified to the Governing

Council, and the Executive Board shall comply with any decision of the Governing Council thereon.

Article 7

Final provision

This Decision shall enter into force on 1 January 2014.

Done at Frankfurt am Main, 31 December 2013.

The President of the ECB
Mario DRAGHI
