



EUROPEAN CENTRAL BANK
EUROSYSTEM

ECB-PUBLIC

COURTESY TRANSLATION

Mario DRAGHI
President

Mr Marco Valli and Mr Marco Zanni
Members of the European Parliament
European Parliament
60, rue Wiertz
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Frankfurt am Main, 27 March 2019

L/MD/19/85

Re: Your letter (QZ-008)

Honourable Members of the European Parliament, dear Mr Valli and Mr Zanni,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 1 February 2019.

The questions of the legal ownership of, and the competences of the ECB with regards to, gold reserves of Member States ultimately relate to the competences of the Eurosystem. The basic points of reference are Article 127(2) of the Treaty on the Functioning of the European Union (TFEU), which provides that one of the basic tasks to be carried out through the ESCB is to “hold and manage the official foreign reserves of the Member States”,¹ and Article 130 of the TFEU, which guarantees the independence of all euro area national central banks (NCBs) and the ECB in performing their Eurosystem tasks. The Treaty on the Functioning of the European Union and the Statute of the ESCB do not determine ESCB and ECB competences with respect to reserves by using the concept of ownership.

In particular, one of the basic tasks of the Eurosystem,² as defined by Article 127(2) of the TFEU, is the holding and management of the official reserves of the Member States.³ This involves making decisions

¹ These include foreign currency, gold and special drawing rights.

² While these provisions refer to the ESCB and to the Member States, their scope in fact is restricted to the Eurosystem and the euro area Member States, since the relevant provisions of the Statute of the ESCB do not apply to Member States with derogation and to their NCBs (Article 42 of the Statute of the ESCB).

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relating to holding, retention, disposal, negotiation and daily management, as well as the long-term management of foreign reserves. Articles 30 and 31 of the Statute of the ESCB provide for further rules, specifically with regard to the competences of the ECB. Article 30 requires all NCBs to transfer a defined amount of foreign reserves, including gold, to the ECB, in proportion to their share in the capital of the ECB,⁴ with the proviso that the ECB may make further calls of foreign reserve assets if required.⁵ Article 30 further establishes that “the ECB shall have the full right to hold and manage the foreign reserves that are transferred to it and to use them for the purposes set out in [the] Statute.” Moreover, on the basis of Article 31 of the Statute of the ESCB, the ECB shall approve both the operations in foreign reserve assets remaining with the NCBs after the transfers referred to in Article 30, and Member States’ transactions with their foreign exchange working balances above a certain threshold. The purpose of this competence is to ensure consistency with the exchange rate and monetary policy of the Union.⁶

As with all other tasks assigned to them under the Statute of the ESCB, both the ECB and the NCBs enjoy independence in all their actions related to holding and managing the official foreign reserves, as required by Article 130 of the TFEU.

Yours sincerely,

[signed]

Mario Draghi

³ Article 127(3) of the TFEU provides that the above task shall be without prejudice to the holding and management by the governments of Member States of foreign-exchange working balances. An almost identical text is found in Article 3.1 and 3.2 of the Statute of the ESCB.

⁴ For the purpose of regulating the transfer of foreign reserve assets by NCBs to the ECB in pursuance to Article 30.1 of the Statute of the ESCB, the ECB adopted Guideline ECB/2000/15, which included gold among the transferable foreign reserves. The amount of gold to be transferred by each NCB to the ECB was established by this legal act and by specific legal acts with respect to NCBs of Member States whose derogation was abrogated at a later stage. In exchange, pursuant to Article 30.3 of the Statute, the ECB has credited each NCB with a claim denominated in euro, equivalent to the transferred foreign reserve assets.

⁵ Article 30.4 of the Statute of the ESCB and Council Regulation (EC) No 1010/2000 of 8 May 2000 concerning further calls of foreign reserve assets by the European Central Bank, OJ L 115, 16.5.2000, p. 2.

⁶ Except for transactions in fulfilment of the NCBs’ obligations towards international organisations (Article 31.1 of the Statute of the ESCB). For the modalities regarding ECB’s approval, see Guideline ECB/2003/12 for participating Member States’ transactions with their foreign exchange working balances pursuant to Article 31.3 of the Statute of the European System of Central Banks and of the European Central Bank, OJ L 283, 31.10.2003, p. 81.

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