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CONTENTS

STATUTE OF THE ESCB AND OF THE ECB	5
RULES OF PROCEDURE OF THE ECB	29
RULES OF PROCEDURE OF THE EXECUTIVE BOARD OF THE ECB	41
RULES OF PROCEDURE OF THE GENERAL COUNCIL OF THE ECB	45

PROTOCOL ON THE STATUTE OF THE EUROPEAN SYSTEM OF CENTRAL BANKS AND OF THE EUROPEAN CENTRAL BANK*

THE HIGH CONTRACTING PARTIES,

DESIRING to lay down the Statute of the European System of Central Banks and of the European Central Bank provided for in Article 8 of the Treaty establishing the European Community,

HAVE AGREED upon the following provisions, which shall be annexed to the Treaty establishing the European Community.

CHAPTER I

CONSTITUTION OF THE ESCB

Article 1

The European System of Central Banks

1.1. The European System of Central Banks (ESCB) and the European Central Bank (ECB) shall be established in accordance with Article 8 of this Treaty; they shall perform their tasks and carry on their activities in accordance with the provisions of this Treaty and of this Statute.

1.2. In accordance with Article 107(1) of this Treaty, the ESCB shall be composed of the ECB and of the central banks of the Member States ('national central banks'). The Institut monétaire luxembourgeois will be the central bank of Luxembourg.

CHAPTER II

OBJECTIVES AND TASKS OF THE ESCB

Article 2

Objectives

In accordance with Article 105(1) of this Treaty, the primary objective of the ESCB shall be to maintain price stability. Without prejudice to the objective of price

* Protocol annexed to the Treaty establishing the European Community (OJ C 191, 29.7.1992, p. 68), as amended by the Treaty of Amsterdam (OJ C 340, 10.11.1997, p.1), the Treaty of Nice (OJ C 80, 10.3.2001, p. 1), Council Decision 2003/223/EC (OJ L 83, 1.4.2003, p. 66) and the 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) – unofficial consolidated version.

stability, it shall support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community as laid down in Article 2 of this Treaty. The ESCB shall act in accordance with the principle of an open market economy with free competition, favouring an efficient allocation of resources, and in compliance with the principles set out in Article 4 of this Treaty.

Article 3

Tasks

3.1. In accordance with Article 105(2) of this Treaty, the basic tasks to be carried out through the ESCB shall be:

- to define and implement the monetary policy of the Community;
- to conduct foreign-exchange operations consistent with the provisions of Article 111 of this Treaty;
- to hold and manage the official foreign reserves of the Member States;
- to promote the smooth operation of payment systems.

3.2. In accordance with Article 105(3) of this Treaty, the third indent of Article 3.1 shall be without prejudice to the holding and management by the governments of Member States of foreign-exchange working balances.

3.3. In accordance with Article 105(5) of this Treaty, the ESCB shall contribute to the smooth conduct of policies pursued by the competent authorities relating to the prudential supervision of credit institutions and the stability of the financial system.

Article 4

Advisory functions

In accordance with Article 105(4) of this Treaty:

(a) the ECB shall be consulted:

- on any proposed Community act in its fields of competence;
- by national authorities regarding any draft legislative provision in its fields of competence, but within the limits and under the conditions set out by the Council in accordance with the procedure laid down in Article 42;

(b) the ECB may submit opinions to the appropriate Community institutions or bodies or to national authorities on matters in its fields of competence.

Article 5

Collection of statistical information

5.1. In order to undertake the tasks of the ESCB, the ECB, assisted by the national central banks, shall collect the necessary statistical information either from the competent national authorities or directly from economic agents. For these purposes it shall cooperate with the Community institutions or bodies and with the competent authorities of the Member States or third countries and with international organizations.

5.2. The national central banks shall carry out, to the extent possible, the tasks described in Article 5.1.

5.3. The ECB shall contribute to the harmonization, where necessary, of the rules and practices governing the collection, compilation and distribution of statistics in the areas within its fields of competence.

5.4. The Council, in accordance with the procedure laid down in Article 42, shall define the natural and legal persons subject to reporting requirements, the confidentiality regime and the appropriate provisions for enforcement.

Article 6

International cooperation

6.1. In the field of international cooperation involving the tasks entrusted to the ESCB, the ECB shall decide how the ESCB shall be represented.

6.2. The ECB and, subject to its approval, the national central banks may participate in international monetary institutions.

6.3. Articles 6.1 and 6.2 shall be without prejudice to Article 111(4) of this Treaty.

CHAPTER III

ORGANIZATION OF THE ESCB

Article 7

Independence

In accordance with Article 108 of this Treaty, when exercising the powers and carrying out the tasks and duties conferred upon them by this Treaty and this Statute, neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Community institutions or bodies, from any government of a Member State or from any other body. The Community institutions and bodies and the governments of the Member States undertake to respect this principle and not to seek to influence the members of the

decision-making bodies of the ECB or of the national central banks in the performance of their tasks.

Article 8

General principle

The ESCB shall be governed by the decision-making bodies of the ECB.

Article 9

The European Central Bank

9.1. The ECB which, in accordance with Article 107(2) of this Treaty, shall have legal personality, shall enjoy in each of the Member States the most extensive legal capacity accorded to legal persons under its law; it may, in particular, acquire or dispose of movable and immovable property and may be a party to legal proceedings.

9.2. The ECB shall ensure that the tasks conferred upon the ESCB under Article 105(2), (3) and (5) of this Treaty are implemented either by its own activities pursuant to this Statute or through the national central banks pursuant to Articles 12.1 and 14.

9.3. In accordance with Article 107(3) of this Treaty, the decision making bodies of the ECB shall be the Governing Council and the Executive Board.

Article 10

The Governing Council

10.1. In accordance with Article 112(1) of this Treaty, the Governing Council shall comprise the members of the Executive Board of the ECB and the governors of the national central banks.

10.2. ¹ Each member of the Governing Council shall have one vote. As from the date on which the number of members of the Governing Council exceeds 21, each member of the Executive Board shall have one vote and the number of governors with a voting right shall be 15. The latter voting rights shall be assigned and shall rotate as follows:

- as from the date on which the number of governors exceeds 15, until it reaches 22, the governors shall be allocated to two groups, according to a ranking of the size of the share of their national central bank's Member State in the aggregate gross domestic product at market prices and in the total aggregated balance sheet of the monetary financial institutions of the Member States which have adopted

¹ As amended by Council Decision 2003/223/EC.

the euro. The shares in the aggregate gross domestic product at market prices and in the total aggregated balance sheet of the monetary financial institutions shall be assigned weights of 5/6 and 1/6, respectively. The first group shall be composed of five governors and the second group of the remaining governors. The frequency of voting rights of the governors allocated to the first group shall not be lower than the frequency of voting rights of those of the second group. Subject to the previous sentence, the first group shall be assigned four voting rights and the second group eleven voting rights;

- as from the date on which the number of governors reaches 22, the governors shall be allocated to three groups according to a ranking based on the above criteria. The first group shall be composed of five governors and shall be assigned four voting rights. The second group shall be composed of half of the total number of governors, with any fraction rounded up to the nearest integer, and shall be assigned eight voting rights. The third group shall be composed of the remaining governors and shall be assigned three voting rights;
- within each group, the governors shall have their voting rights for equal amounts of time;
- for the calculation of the shares in the aggregate gross domestic product at market prices Article 29.2 shall apply. The total aggregated balance sheet of the monetary financial institutions shall be calculated in accordance with the statistical framework applying in the European Community at the time of the calculation;
- whenever the aggregate gross domestic product at market prices is adjusted in accordance with Article 29.3, or whenever the number of governors increases, the size and/or composition of the groups shall be adjusted in accordance with the above principles;
- the Governing Council, acting by a two-thirds majority of all its members, with and without a voting right, shall take all measures necessary for the implementation of the above principles and may decide to postpone the start of the rotation system until the date on which the number of governors exceeds 18.

The right to vote shall be exercised in person. By way of derogation from this rule, the Rules of Procedure referred to in Article 12.3 may lay down that members of the Governing Council may cast their vote by means of teleconferencing. These rules shall also provide that a member of the Governing Council who is prevented from attending meetings of the Governing Council for a prolonged period may appoint an alternate as a member of the Governing Council.

The provisions of the previous paragraphs are without prejudice to the voting rights of all members of the Governing Council, with and without a voting right, under Articles 10.3, 10.6 and 41.2.

Save as otherwise provided for in this Statute, the Governing Council shall act by a simple majority of the members having a voting right. In the event of a tie, the President shall have the casting vote.

In order for the Governing Council to vote, there shall be a quorum of two-thirds of the members having a voting right. If the quorum is not met, the President may convene an extraordinary meeting at which decisions may be taken without regard to the quorum.

10.3. For any decisions to be taken under Articles 28, 29, 30, 32, 33 and 51, the votes in the Governing Council shall be weighted according to the national central banks' shares in the subscribed capital of the ECB. The weights of the votes of the members of the Executive Board shall be zero. A decision requiring a qualified majority shall be adopted if the votes cast in favour represent at least two thirds of the subscribed capital of the ECB and represent at least half of the shareholders. If a Governor is unable to be present, he may nominate an alternate to cast his weighted vote.

10.4. The proceedings of the meetings shall be confidential. The Governing Council may decide to make the outcome of its deliberations public.

10.5. The Governing Council shall meet at least 10 times a year.

10.6.² Article 10.2 may be amended by the Council meeting in the composition of the Heads of State or Government, acting unanimously either on a recommendation from the ECB and after consulting the European Parliament and the Commission, or on a recommendation from the Commission and after consulting the European Parliament and the ECB. The Council shall recommend such amendments to the Member States for adoption. These amendments shall enter into force after having been ratified by all the Member States in accordance with their respective constitutional requirements.

A recommendation made by the ECB under this paragraph shall require a decision by the Governing Council acting unanimously.

Article 11

The Executive Board

11.1. In accordance with Article 112(2)(a) of this Treaty, the Executive Board shall comprise the President, the Vice-President and four other members.

The members shall perform their duties on a full-time basis. No member shall engage in any occupation, whether gainful or not, unless exemption is exceptionally granted by the Governing Council.

² As inserted by Article 5 of the Treaty of Nice.

11.2. In accordance with Article 112(2)(b) of this Treaty, the President, the Vice-President and the other members of the Executive Board shall be appointed from among persons of recognized standing and professional experience in monetary or banking matters by common accord of the governments of the Member States at the level of the Heads of State or Government, on a recommendation from the Council after it has consulted the European Parliament and the Governing Council.

Their term of office shall be eight years and shall not be renewable.

Only nationals of Member States may be members of the Executive Board.

11.3. The terms and conditions of employment of the members of the Executive Board, in particular their salaries, pensions and other social security benefits shall be the subject of contracts with the ECB and shall be fixed by the Governing Council on a proposal from a Committee comprising three members appointed by the Governing Council and three members appointed by the Council. The members of the Executive Board shall not have the right to vote on matters referred to in this paragraph.

11.4. If a member of the Executive Board no longer fulfils the conditions required for the performance of his duties or if he has been guilty of serious misconduct, the Court of Justice may, on application by the Governing Council or the Executive Board, compulsorily retire him.

11.5. Each member of the Executive Board present in person shall have the right to vote and shall have, for that purpose, one vote. Save as otherwise provided, the Executive Board shall act by a simple majority of the votes cast. In the event of a tie, the President shall have the casting vote. The voting arrangements shall be specified in the Rules of Procedure referred to in Article 12.3.

11.6. The Executive Board shall be responsible for the current business of the ECB.

11.7. Any vacancy on the Executive Board shall be filled by the appointment of a new member in accordance with Article 11.2.

Article 12

Responsibilities of the decision-making bodies

12.1. The Governing Council shall adopt the guidelines and take the decisions necessary to ensure the performance of the tasks entrusted to the ESCB under this Treaty and this Statute. The Governing Council shall formulate the monetary policy of the Community including, as appropriate, decisions relating to intermediate monetary objectives, key interest rates and the supply of reserves in the ESCB, and shall establish the necessary guidelines for their implementation.

The Executive Board shall implement monetary policy in accordance with the guidelines and decisions laid down by the Governing Council. In doing so the

Executive Board shall give the necessary instructions to national central banks. In addition the Executive Board may have certain powers delegated to it where the Governing Council so decides.

To the extent deemed possible and appropriate and without prejudice to the provisions of this Article, the ECB shall have recourse to the national central banks to carry out operations which form part of the tasks of the ESCB.

12.2. The Executive Board shall have responsibility for the preparation of meetings of the Governing Council.

12.3. The Governing Council shall adopt Rules of Procedure which determine the internal organization of the ECB and its decision-making bodies.

12.4. The Governing Council shall exercise the advisory functions referred to in Article 4.

12.5. The Governing Council shall take the decisions referred to in Article 6.

Article 13

The President

13.1. The President or, in his absence, the Vice-President shall chair the Governing Council and the Executive Board of the ECB.

13.2. Without prejudice to Article 39, the President or his nominee shall represent the ECB externally.

Article 14

National central banks

14.1. In accordance with Article 109 of this Treaty, each Member State shall ensure, at the latest at the date of the establishment of the ESCB, that its national legislation, including the statutes of its national central bank, is compatible with this Treaty and this Statute.

14.2. The statutes of the national central banks shall, in particular, provide that the term of office of a Governor of a national central bank shall be no less than five years.

A Governor may be relieved from office only if he no longer fulfils the conditions required for the performance of his duties or if he has been guilty of serious misconduct. A decision to this effect may be referred to the Court of Justice by the Governor concerned or the Governing Council on grounds of infringement of this Treaty or of any rule of law relating to its application. Such proceedings shall be instituted within two months of the publication of the decision or of its notification to the plaintiff or, in the absence thereof, of the day on which it came to the knowledge of the latter, as the case may be.

14.3. The national central banks are an integral part of the ESCB and shall act in accordance with the guidelines and instructions of the ECB. The Governing Council shall take the necessary steps to ensure compliance with the guidelines and instructions of the ECB, and shall require that any necessary information be given to it.

14.4. National central banks may perform functions other than those specified in this Statute unless the Governing Council finds, by a majority of two thirds of the votes cast, that these interfere with the objectives and tasks of the ESCB. Such functions shall be performed on the responsibility and liability of national central banks and shall not be regarded as being part of the functions of the ESCB.

Article 15

Reporting commitments

15.1. The ECB shall draw up and publish reports on the activities of the ESCB at least quarterly.

15.2. A consolidated financial statement of the ESCB shall be published each week.

15.3. In accordance with Article 113(3) of this Treaty, the ECB shall address an annual report on the activities of the ESCB and on the monetary policy of both the previous and the current year to the European Parliament, the Council and the Commission, and also to the European Council.

15.4. The reports and statements referred to in this Article shall be made available to interested parties free of charge.

Article 16

Banknotes

In accordance with Article 106(1) of this Treaty, the Governing Council shall have the exclusive right to authorize the issue of banknotes within the Community. The ECB and the national central banks may issue such notes. The banknotes issued by the ECB and the national central banks shall be the only such notes to have the status of legal tender within the Community.

The ECB shall respect as far as possible existing practices regarding the issue and design of banknotes.

CHAPTER IV

MONETARY FUNCTIONS AND OPERATIONS OF THE ESCB

Article 17

Accounts with the ECB and the national central banks

In order to conduct their operations, the ECB and the national central banks may open accounts for credit institutions, public entities and other market participants and accept assets, including book entry securities, as collateral.

Article 18

Open market and credit operations

18.1. In order to achieve the objectives of the ESCB and to carry out its tasks, the ECB and the national central banks may:

- operate in the financial markets by buying and selling outright (spot and forward) or under repurchase agreement and by lending or borrowing claims and marketable instruments, whether in Community or in non-Community currencies, as well as precious metals;
- conduct credit operations with credit institutions and other market participants, with lending being based on adequate collateral.

18.2. The ECB shall establish general principles for open market and credit operations carried out by itself or the national central banks, including for the announcement of conditions under which they stand ready to enter into such transactions.

Article 19

Minimum reserves

19.1. Subject to Article 2, the ECB may require credit institutions established in Member States to hold minimum reserve on accounts with the ECB and national central banks in pursuance of monetary policy objectives. Regulations concerning the calculation and determination of the required minimum reserves may be established by the Governing Council. In cases of non-compliance the ECB shall be entitled to levy penalty interest and to impose other sanctions with comparable effect.

19.2. For the application of this Article, the Council shall, in accordance with the procedure laid down in Article 42, define the basis for minimum reserves and the maximum permissible ratios between those reserves and their basis, as well as the appropriate sanctions in cases of non-compliance.

Article 20

Other instruments of monetary control

The Governing Council may, by a majority of two thirds of the votes cast, decide upon the use of such other operational methods of monetary control as it sees fit, respecting Article 2.

The Council shall, in accordance with the procedure laid down in Article 42, define the scope of such methods if they impose obligations on third parties.

Article 21

Operations with public entities

21.1. In accordance with Article 101 of this Treaty, overdrafts or any other type of credit facility with the ECB or with the national central banks in favour of Community institutions or bodies, central governments, regional, local or other public authorities, other bodies governed by public law, or public undertakings of Member States shall be prohibited, as shall the purchase directly from them by the ECB or national central banks of debt instruments.

21.2. The ECB and national central banks may act as fiscal agents for the entities referred to in Article 21.1.

21.3. The provisions of this Article shall not apply to publicly owned credit institutions which, in the context of the supply of reserves by central banks, shall be given the same treatment by national central banks and the ECB as private credit institutions.

Article 22

Clearing and payment systems

The ECB and national central banks may provide facilities, and the ECB may make regulations, to ensure efficient and sound clearing and payment systems within the Community and with other countries.

Article 23

External operations

The ECB and national central banks may:

- establish relations with central banks and financial institutions in other countries and, where appropriate, with international organizations;
- acquire and sell spot and forward all types of foreign exchange assets and precious metals; the term ‘foreign exchange asset’ shall include securities and all other assets in the currency of any country or units of account and in whatever form held;

- hold and manage the assets referred to in this Article;
- conduct all types of banking transactions in relations with third countries and international organizations, including borrowing and lending operations.

Article 24

Other operations

In addition to operations arising from their tasks, the ECB and national central banks may enter into operations for their administrative purposes or for their staff.

CHAPTER V

PRUDENTIAL SUPERVISION

Article 25

Prudential supervision

25.1. The ECB may offer advice to and be consulted by the Council, the Commission and the competent authorities of the Member States on the scope and implementation of Community legislation relating to the prudential supervision of credit institutions and to the stability of the financial system.

25.2. In accordance with any decision of the Council under Article 105(6) of this Treaty, the ECB may perform specific tasks concerning policies relating to the prudential supervision of credit institutions and other financial institutions with the exception of insurance undertakings.

CHAPTER VI

FINANCIAL PROVISIONS OF THE ESCB

Article 26

Financial accounts

26.1. The financial year of the ECB and national central banks shall begin on the first day of January and end on the last day of December.

26.2. The annual accounts of the ECB shall be drawn up by the Executive Board, in accordance with the principles established by the Governing Council. The accounts shall be approved by the Governing Council and shall thereafter be published.

26.3. For analytical and operational purposes, the Executive Board shall draw up a consolidated balance sheet of the ESCB, comprising those assets and liabilities of the national central banks that fall within the ESCB.

26.4. For the application of this Article, the Governing Council shall establish the necessary rules for standardizing the accounting and reporting of operations undertaken by the national central banks.

Article 27

Auditing

27.1. The accounts of the ECB and national central banks shall be audited by independent external auditors recommended by the Governing Council and approved by the Council. The auditors shall have full power to examine all books and accounts of the ECB and national central banks and obtain full information about their transactions.

27.2. The provisions of Article 248 of this Treaty shall only apply to an examination of the operational efficiency of the management of the ECB.

Article 28

Capital of the ECB

28.1. The capital of the ECB, which shall become operational upon its establishment, shall be ECU 5 000 million. The capital may be increased by such amounts as may be decided by the Governing Council acting by the qualified majority provided for in Article 10.3, within the limits and under the conditions set by the Council under the procedure laid down in Article 42.

28.2. The national central banks shall be the sole subscribers to and holders of the capital of the ECB. The subscription of capital shall be according to the key established in accordance with Article 29.

28.3. The Governing Council, acting by the qualified majority provided for in Article 10.3, shall determine the extent to which and the form in which the capital shall be paid up.

28.4. Subject to Article 28.5, the shares of the national central banks in the subscribed capital of the ECB may not be transferred, pledged or attached.

28.5. If the key referred to in Article 29 is adjusted, the national central banks shall transfer among themselves capital shares to the extent necessary to ensure that the distribution of capital shares corresponds to the adjusted key. The Governing Council shall determine the terms and conditions of such transfers.

Article 29

Key for capital subscription

29.1. When in accordance with the procedure referred to in Article 123(1) of this Treaty the ESCB and the ECB have been established, the key for subscription of the

ECB's capital shall be established. Each national central bank shall be assigned a weighting in this key which shall be equal to the sum of:

- 50% of the share of its respective Member State in the population of the Community in the penultimate year preceding the establishment of the ESCB;
- 50% of the share of its respective Member State in the gross domestic product at market prices of the Community as recorded in the last five years preceding the penultimate year before the establishment of the ESCB.

The percentages shall be rounded up to the nearest multiple of 0.05 percentage points.

29.2. The statistical data to be used for the application of this Article shall be provided by the Commission in accordance with the rules adopted by the Council under the procedure provided for in Article 42.

29.3. The weightings assigned to the national central banks shall be adjusted every five years after the establishment of the ESCB by analogy with the provisions laid down in Article 29.1. The adjusted key shall apply with effect from the first day of the following year.

29.4. The Governing Council shall take all other measures necessary for the application of this Article.

Article 30

Transfer of foreign reserve assets to the ECB

30.1. Without prejudice to Article 28, the ECB shall be provided by the national central banks with foreign reserve assets, other than Member States' currencies, ECUs, IMF reserve positions and SDRs, up to an amount equivalent to ECU 50 000 million. The Governing Council shall decide upon the proportion to be called up by the ECB following its establishment and the amounts called up at later dates. 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 this Statute.

30.2. The contributions of each national central bank shall be fixed in proportion to its share in the subscribed capital of the ECB.

30.3. Each national central bank shall be credited by the ECB with a claim equivalent to its contribution. The Governing Council shall determine the denomination and remuneration of such claims.

30.4. Further calls of foreign reserve assets beyond the limit set in Article 30.1 may be effected by the ECB, in accordance with Article 30.2, within the limits and under the conditions set by the Council in accordance with the procedure laid down in Article 42.

30.5. The ECB may hold and manage IMF reserve positions and SDRs and provide for the pooling of such assets.

30.6. The Governing Council shall take all other measures necessary for the application of this Article.

Article 31

Foreign reserve assets held by national central banks

31.1. The national central banks shall be allowed to perform transactions in fulfilment of their obligations towards international organizations in accordance with Article 23.

31.2. All other operations in foreign reserve assets remaining with the national central banks after the transfers referred to in Article 30, and Member States' transactions with their foreign exchange working balances shall, above a certain limit to be established within the framework of Article 31.3, be subject to approval by the ECB in order to ensure consistency with the exchange rate and monetary policies of the Community.

31.3. The Governing Council shall issue guidelines with a view to facilitating such operations.

Article 32

Allocation of monetary income of national central banks

32.1. The income accruing to the national central banks in the performance of the ESCB's monetary policy function (hereinafter referred to as 'monetary income') shall be allocated at the end of each financial year in accordance with the provisions of this Article.

32.2. Subject to Article 32.3, the amount of each national central bank's monetary income shall be equal to its annual income derived from its assets held against notes in circulation and deposit liabilities to credit institutions. These assets shall be earmarked by national central banks in accordance with guidelines to be established by the Governing Council.

32.3. If, after the start of the third stage, the balance sheet structures of the national central banks do not, in the judgment of the Governing Council, permit the application of Article 32.2, the Governing Council, acting by a qualified majority, may decide that, by way of derogation from Article 32.2, monetary income shall be measured according to an alternative method for a period of not more than five years.

32.4. The amount of each national central bank's monetary income shall be reduced by an amount equivalent to any interest paid by that central bank on its deposit liabilities to credit institutions in accordance with Article 19.

The Governing Council may decide that national central banks shall be indemnified against costs incurred in connection with the issue of banknotes or in exceptional circumstances for specific losses arising from monetary policy operations undertaken for the ESCB. Indemnification shall be in a form deemed appropriate in the judgment of the Governing Council; these amounts may be offset against the national central banks' monetary income.

32.5. The sum of the national central banks' monetary income shall be allocated to the national central banks in proportion to their paid up shares in the capital of the ECB, subject to any decision taken by the Governing Council pursuant to Article 33.2.

32.6. The clearing and settlement of the balances arising from the allocation of monetary income shall be carried out by the ECB in accordance with guidelines established by the Governing Council.

32.7. The Governing Council shall take all other measures necessary for the application of this Article.

Article 33

Allocation of net profits and losses of the ECB

33.1. The net profit of the ECB shall be transferred in the following order:

- (a) an amount to be determined by the Governing Council, which may not exceed 20% of the net profit, shall be transferred to the general reserve fund subject to a limit equal to 100% of the capital;
- (b) the remaining net profit shall be distributed to the shareholders of the ECB in proportion to their paid-up shares.

33.2. In the event of a loss incurred by the ECB, the shortfall may be offset against the general reserve fund of the ECB and, if necessary, following a decision by the Governing Council, against the monetary income of the relevant financial year in proportion and up to the amounts allocated to the national central banks in accordance with Article 32.5.

CHAPTER VII

GENERAL PROVISIONS

Article 34

Legal acts

34.1. In accordance with Article 110 of this Treaty, the ECB shall:

- make regulations to the extent necessary to implement the tasks defined in Article 3.1, first indent, Articles 19.1, 22 or 25.2 and in cases which shall be laid down in the acts of the Council referred to in Article 42;
- take decisions necessary for carrying out the tasks entrusted to the ESCB under this Treaty and this Statute;
- make recommendations and deliver opinions.

34.2. A regulation shall have general application. It shall be binding in its entirety and directly applicable in all Member States.

Recommendations and opinions shall have no binding force.

A decision shall be binding in its entirety upon those to whom it is addressed.

Articles 253, 254 and 256 of this Treaty shall apply to regulations and decisions adopted by the ECB.

The ECB may decide to publish its decisions, recommendations and opinions.

34.3. Within the limits and under the conditions adopted by the Council under the procedure laid down in Article 42, the ECB shall be entitled to impose fines or periodic penalty payments on undertakings for failure to comply with obligations under its regulations and decisions.

Article 35

Judicial control and related matters

35.1. The acts or omissions of the ECB shall be open to review or interpretation by the Court of Justice in the cases and under the conditions laid down in this Treaty. The ECB may institute proceedings in the cases and under the conditions laid down in this Treaty.

35.2. Disputes between the ECB, on the one hand, and its creditors, debtors or any other person, on the other, shall be decided by the competent national courts, save where jurisdiction has been conferred upon the Court of Justice.

35.3. The ECB shall be subject to the liability regime provided for in Article 288 of this Treaty. The national central banks shall be liable according to their respective national laws.

35.4. The Court of Justice shall have jurisdiction to give judgment pursuant to any arbitration clause contained in a contract concluded by or on behalf of the ECB, whether that contract be governed by public or private law.

35.5. A decision of the ECB to bring an action before the Court of Justice shall be taken by the Governing Council.

35.6. The Court of Justice shall have jurisdiction in disputes concerning the fulfilment by a national central bank of obligations under this Statute. If the ECB considers that a national central bank has failed to fulfil an obligation under this Statute, it shall deliver a reasoned opinion on the matter after giving the national central bank concerned the opportunity to submit its observations. If the national central bank concerned does not comply with the opinion within the period laid down by the ECB, the latter may bring the matter before the Court of Justice.

Article 36

Staff

36.1. The Governing Council, on a proposal from the Executive Board, shall lay down the conditions of employment of the staff of the ECB.

36.2. The Court of Justice shall have jurisdiction in any dispute between the ECB and its servants within the limits and under the conditions laid down in the conditions of employment.

Article 37

Seat

Before the end of 1992, the decision as to where the seat of the ECB will be established shall be taken by common accord of the governments of the Member States at the level of Heads of State or Government.

Article 38

Professional secrecy

38.1. Members of the governing bodies and the staff of the ECB and the national central banks shall be required, even after their duties have ceased, not to disclose information of the kind covered by the obligation of professional secrecy.

38.2. Persons having access to data covered by Community legislation imposing an obligation of secrecy shall be subject to such legislation.

Article 39

Signatories

The ECB shall be legally committed to third parties by the President or by two members of the Executive Board or by the signatures of two members of the staff of

the ECB who have been duly authorized by the President to sign on behalf of the ECB.

*Article 40*³

Privileges and immunities

The ECB shall enjoy in the territories of the Member States such privileges and immunities as are necessary for the performance of its tasks, under the conditions laid down in the Protocol on the privileges and immunities of the European Communities.

CHAPTER VIII

AMENDMENT OF THE STATUTE AND COMPLEMENTARY LEGISLATION

Article 41

Simplified amendment procedure

41.1. In accordance with Article 107(5) of this Treaty, Articles 5.1, 5.2, 5.3, 17, 18, 19.1, 22, 23, 24, 26, 32.2, 32.3, 32.4, 32.6, 33.1(a) and 36 of this Statute may be amended by the Council, acting either by a qualified majority on a recommendation from the ECB and after consulting the Commission, or unanimously on a proposal from the Commission and after consulting the ECB. In either case the assent of the European Parliament shall be required.

41.2. A recommendation made by the ECB under this Article shall require a unanimous decision by the Governing Council.

Article 42

Complementary legislation

In accordance with Article 107(6) of this Treaty, immediately after the decision on the date for the beginning of the third stage, the Council, acting by a qualified majority either on a proposal from the Commission and after consulting the European Parliament and the ECB or on a recommendation from the ECB and after consulting the European Parliament and the Commission, shall adopt the provisions referred to in Articles 4, 5.4, 19.2, 20, 28.1, 29.2, 30.4 and 34.3 of this Statute.

³ As amended by Article 6, point III(4) of the Treaty of Amsterdam.

CHAPTER IX

TRANSITIONAL AND OTHER PROVISIONS FOR THE ESCB

Article 43

General provisions

43.1. A derogation as referred to in Article 122(1) of this Treaty shall entail that the following Articles of this Statute shall not confer any rights or impose any obligations on the Member State concerned: 3, 6, 9.2, 12.1, 14.3, 16, 18, 19, 20, 22, 23, 26.2, 27, 30, 31, 32, 33, 34, 50 and 52.

43.2. The central banks of Member States with a derogation as specified in Article 122(1) of this Treaty shall retain their powers in the field of monetary policy according to national law.

43.3. In accordance with Article 122(4) of this Treaty, ‘Member States’ shall be read as ‘Member States without a derogation’ in the following Articles of this Statute: 3, 11.2, 19, 34.2 and 50.

43.4. ‘National central banks’ shall be read as ‘central banks of Member States without a derogation’ in the following Articles of this Statute: 9.2, 10.1, 10.3, 12.1, 16, 17, 18, 22, 23, 27, 30, 31, 32, 33.2 and 52.

43.5. ‘Shareholders’ shall be read as ‘central banks of Member States without a derogation’ in Articles 10.3 and 33.1.

43.6. ‘Subscribed capital of the ECB’ shall be read as ‘capital of the ECB subscribed by the central banks of Member States without a derogation’ in Articles 10.3 and 30.2.

Article 44

Transitional tasks of the ECB

The ECB shall take over those tasks of the EMI which, because of the derogations of one or more Member States, still have to be performed in the third stage.

The ECB shall give advice in the preparations for the abrogation of the derogations specified in Article 122 of this Treaty.

Article 45

The General Council of the ECB

45.1. Without prejudice to Article 107(3) of this Treaty, the General Council shall be constituted as a third decision-making body of the ECB.

45.2. The General Council shall comprise the President and Vice-President of the ECB and the Governors of the national central banks. The other members of the

Executive Board may participate, without having the right to vote, in meetings of the General Council.

45.3. The responsibilities of the General Council are listed in full in Article 47 of this Statute.

Article 46

Rules of Procedure of the General Council

46.1. The President or, in his absence, the Vice-President of the ECB shall chair the General Council of the ECB.

46.2. The President of the Council and a Member of the Commission may participate, without having the right to vote, in meetings of the General Council.

46.3. The President shall prepare the meetings of the General Council.

46.4. By way of derogation from Article 12.3, the General Council shall adopt its Rules of Procedure.

46.5. The Secretariat of the General Council shall be provided by the ECB.

Article 47

Responsibilities of the General Council

47.1. The General Council shall:

- perform the tasks referred to in Article 44;
- contribute to the advisory functions referred to in Articles 4 and 25.1.

47.2. The General Council shall contribute to:

- the collection of statistical information as referred to in Article 5;
- the reporting activities of the ECB as referred to in Article 15;
- the establishment of the necessary rules for the application of Article 26 as referred to in Article 26.4;
- the taking of all other measures necessary for the application of Article 29 as referred to in Article 29.4;
- the laying down of the conditions of employment of the staff of the ECB as referred to in Article 36.

47.3. The General Council shall contribute to the necessary preparations for irrevocably fixing the exchange rates of the currencies of Member States with a derogation against the currencies, or the single currency, of the Member States without a derogation, as referred to in Article 123(5) of this Treaty.

47.4. The General Council shall be informed by the President of the ECB of decisions of the Governing Council.

Article 48

Transitional provisions for the capital of the ECB

In accordance with Article 29.1 each national central bank shall be assigned a weighting in the key for subscription of the ECB's capital. By way of derogation from Article 28.3, central banks of Member States with a derogation shall not pay up their subscribed capital unless the General Council, acting by a majority representing at least two thirds of the subscribed capital of the ECB and at least half of the shareholders, decides that a minimal percentage has to be paid up as a contribution to the operational costs of the ECB.

Article 49

Deferred payment of capital, reserves and provisions of the ECB

49.1. The central bank of a Member State whose derogation has been abrogated shall pay up its subscribed share of the capital of the ECB to the same extent as the central banks of other Member States without a derogation, and shall transfer to the ECB foreign reserve assets in accordance with Article 30.1. The sum to be transferred shall be determined by multiplying the ECU value at current exchange rates of the foreign reserve assets which have already been transferred to the ECB in accordance with Article 30.1, by the ratio between the number of shares subscribed by the national central bank concerned and the number of shares already paid up by the other national central banks.

49.2. In addition to the payment to be made in accordance with Article 49.1, the central bank concerned shall contribute to the reserves of the ECB, 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 sum to be contributed shall be determined by multiplying the amount of the reserves, as defined above and as stated in the approved balance sheet of the ECB, by the ratio between the number of shares subscribed by the central bank concerned and the number of shares already paid up by the other central banks.

49.3.⁴ Upon one or more countries becoming Member States and their respective national central banks becoming part of the ESCB, the subscribed capital of the ECB and the limit on the amount of foreign reserve assets that may be transferred to the

4 As inserted by Article 17 of the 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.

ECB shall be automatically increased. The increase shall be determined by multiplying the respective amounts then prevailing by the ratio, within the expanded capital key, between the weighting of the entering national central banks concerned and the weighting of the national central banks already members of the ESCB. Each national central bank's weighting in the capital key shall be calculated by analogy with Article 29.1 and in compliance with Article 29.2. The reference periods to be used for the statistical data shall be identical to those applied for the latest quinquennial adjustment of the weightings under Article 29.3.

Article 50

Initial appointment of the members of the Executive Board

When the Executive Board of the ECB is being established, the President, the Vice-President and the other members of the Executive Board shall be appointed by common accord of the governments of the Member States at the level of Heads of State or Government, on a recommendation from the Council and after consulting the European Parliament and the Council of the EMI. The President of the Executive Board shall be appointed for eight years. By way of derogation from Article 11.2, the Vice-President shall be appointed for four years and the other members of the Executive Board for terms of office of between five and eight years. No term of office shall be renewable. The number of members of the Executive Board may be smaller than provided for in Article 11.1, but in no circumstance shall it be less than four.

Article 51

Derogation from Article 32

51.1. If, after the start of the third stage, the Governing Council decides that the application of Article 32 results in significant changes in national central banks' relative income positions, the amount of income to be allocated pursuant to Article 32 shall be reduced by a uniform percentage which shall not exceed 60% in the first financial year after the start of the third stage and which shall decrease by at least 12 percentage points in each subsequent financial year.

51.2. Article 51.1 shall be applicable for not more than five financial years after the start of the third stage.

Article 52

Exchange of banknotes in Community currencies

Following the irrevocable fixing of exchange rates, the Governing Council shall take the necessary measures to ensure that banknotes denominated in currencies with irrevocably fixed exchange rates are exchanged by the national central banks at their respective par values.

Article 53

Applicability of the transitional provisions

If and as long as there are Member States with a derogation Articles 43 to 48 shall be applicable.

DECISION OF THE EUROPEAN CENTRAL BANK

OF 19 FEBRUARY 2004

ADOPTING THE RULES OF PROCEDURE OF THE EUROPEAN CENTRAL BANK (ECB/2004/2)*

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 to Article 12.3 thereof;

HAS DECIDED AS FOLLOWS:

Sole Article

The Rules of Procedure of the European Central Bank as amended on 22 April 1999, as further amended by Decision ECB/1999/6 of 7 October 1999 amending the Rules of Procedure of the European Central Bank¹, shall be replaced by the following which shall enter into force on 1 March 2004.

RULES OF PROCEDURE OF THE EUROPEAN CENTRAL BANK

PRELIMINARY CHAPTER

Article 1

Definitions

These Rules of Procedure shall supplement the Treaty establishing the European Community and the Statute of the European System of Central Banks and of the European Central Bank. The terms in these Rules of Procedure shall have the same meaning as in the Treaty and the Statute. The term ‘Eurosystem’ shall mean the European Central Bank (ECB) and the national central banks of those Member States whose currency is the euro.

CHAPTER I

THE GOVERNING COUNCIL

Article 2

Date and place of Governing Council meetings

2.1 The Governing Council shall decide on the dates of its meetings on a proposal from the President. The Governing Council shall, in principle, meet regularly

* OJ L 80, 18.3.2004, p. 33.

1 OJ L 314, 8.12.1999, p. 32.

following a schedule that it shall determine in good time before the start of each calendar year.

- 2.2 The President shall convene a meeting of the Governing Council if a request for a meeting is submitted by at least three members of the Governing Council.
- 2.3 The President may also convene meetings of the Governing Council whenever he/she deems it necessary.
- 2.4 The Governing Council shall normally hold its meetings on the premises of the ECB.
- 2.5 Meetings may also be held by means of teleconferencing, unless at least three Governors object.

Article 3

Attendance at Governing Council meetings

- 3.1 Except as provided herein, attendance at meetings of the Governing Council shall be restricted to its members, the President of the Council of the European Union and a member of the Commission of the European Communities.
- 3.2 Each Governor may normally be accompanied by one person.
- 3.3 If a Governor is unable to attend, he/she may appoint, in writing, an alternate without prejudice to Article 4. This written communication shall be sent to the President in due time before the meeting. Such an alternate may normally be accompanied by one person.
- 3.4 The President shall appoint a member of staff of the ECB as Secretary. The Secretary shall assist the Executive Board in preparing the meetings of the Governing Council and shall draft the minutes thereof.
- 3.5 The Governing Council may also invite other persons to attend its meetings if it deems it appropriate to do so.

Article 4

Voting

- 4.1 In order for the Governing Council to vote, there shall be a quorum of two-thirds of the members. If the quorum is not met, the President may convene an extraordinary meeting at which decisions may be taken without regard to the quorum.
- 4.2 The Governing Council shall proceed to vote at the request of the President. The President shall also initiate a voting procedure upon request from any member of the Governing Council.

- 4.3 Abstentions shall not prevent the adoption by the Governing Council of decisions under Article 41.2 of the Statute.
- 4.4 If a member of the Governing Council is prevented from voting for a prolonged period (i.e. more than one month), he/she may appoint an alternate as a member of the Governing Council.
- 4.5 In accordance with Article 10.3 of the Statute, if a Governor is unable to vote on a decision to be taken under Articles 28, 29, 30, 32, 33 and 51 of the Statute, his/her appointed alternate may cast his/her weighted vote.
- 4.6 The President may initiate a secret ballot if requested to do so by at least three members of the Governing Council. If members of the Governing Council are personally affected by a proposal for a decision under Articles 11.1, 11.3 or 11.4 of the Statute, a secret ballot shall be held. In such cases the members of the Governing Council concerned shall not participate in the vote.
- 4.7 Decisions may also be taken by written procedure, unless at least three members of the Governing Council object. A written procedure shall require: (i) normally not less than five working days for consideration by every member of the Governing Council; and (ii) the personal signature of each member of the Governing Council (or his/her alternate in accordance with Article 4.4); and (iii) a record of any such decision in the minutes of the subsequent meeting of the Governing Council.

Article 5

Organisation of Governing Council meetings

- 5.1 The Governing Council shall adopt the agenda for each meeting. A provisional agenda shall be drawn up by the Executive Board and shall be sent, together with the related documents, to the members of the Governing Council and other authorised participants at least eight days before the relevant meeting, except in emergencies, in which case the Executive Board shall act appropriately having regard to the circumstances. The Governing Council may decide to remove items from or add items to the provisional agenda on a proposal from the President or from any other member of the Governing Council. An item shall be removed from the agenda at the request of at least three of the members of the Governing Council if the related documents were not submitted to the members of the Governing Council in due time.
- 5.2 The minutes of the proceedings of the Governing Council shall be submitted to its members for approval at the subsequent meeting (or where necessary earlier by written procedure) and shall be signed by the President.
- 5.3 The Governing Council may lay down internal rules on decision-making in emergency situations.

CHAPTER II

THE EXECUTIVE BOARD

Article 6

Date and place of Executive Board meetings

- 6.1 The date of the meetings shall be decided by the Executive Board on a proposal from the President.
- 6.2 The President may also convene meetings of the Executive Board whenever he/she deems it necessary.

Article 7

Voting

- 7.1 In order for the Executive Board to vote, in accordance with Article 11.5 of the Statute, there shall be a quorum of two-thirds of the members. If the quorum is not met, the President may convene an extraordinary meeting at which decisions may be taken without regard to the quorum.
- 7.2 Decisions may also be taken by written procedure, unless at least two members of the Executive Board object.
- 7.3 Members of the Executive Board personally affected by a prospective decision under Articles 11.1, 11.3 or 11.4 of the Statute shall not participate in the vote.

Article 8

Organisation of Executive Board meetings

The Executive Board shall decide on the organisation of its meetings.

CHAPTER III

THE ORGANISATION OF THE EUROPEAN CENTRAL BANK

Article 9

Eurosystem/ESCB Committees

- 9.1 The Governing Council shall establish and dissolve committees. They shall assist in the work of the decision-making bodies of the ECB and shall report to the Governing Council via the Executive Board.
- 9.2 Committees shall be composed of up to two members from each of the Eurosystem NCBs and the ECB, appointed by each Governor and the Executive Board respectively. The Governing Council shall lay down the mandates of the committees and appoint their chairpersons. As a rule, the

chairperson shall be a staff member from the ECB. Both the Governing Council and the Executive Board shall have the right to request studies of specific topics by committees. The ECB shall provide secretarial assistance to the committees.

- 9.3 The national central bank of each non-participating Member State may also appoint up to two staff members to take part in the meetings of a committee whenever it deals with matters falling within the field of competence of the General Council and whenever the chairperson of a committee and the Executive Board deems this appropriate.
- 9.4 Representatives of other Community institutions and bodies and any other third party may also be invited to take part in the meetings of a committee whenever the chairperson of a committee and the Executive Board deems this appropriate.

Article 9a

The Governing Council may decide to establish ad hoc committees in charge of specific advisory tasks.

Article 10

Internal structure

- 10.1 Having consulted the Governing Council, the Executive Board shall decide upon the number, name and respective competence of each of the work units of the ECB. This decision shall be made public.
- 10.2 All work units of the ECB shall be placed under the managing direction of the Executive Board. The Executive Board shall decide upon the individual responsibilities of its members with respect to the work units of the ECB, and shall inform the Governing Council, the General Council and the staff of the ECB thereof. Any such decision shall be taken only in the presence of all the members of the Executive Board, and may not be taken against the vote of the President.

Article 11

Staff of the ECB

- 11.1 Each member of the staff of the ECB shall be informed of his/her position within the structure of the ECB, his/her reporting line and his/her professional responsibilities.
- 11.2 Without prejudice to Articles 36 and 47 of the Statute, the Executive Board shall enact organisational rules (hereinafter referred to as “Administrative Circulars”) which are binding on the staff of the ECB.

- 11.3 The Executive Board shall adopt and up-date a Code of Conduct for the guidance of its members and of the members of staff of the ECB.

CHAPTER IV

INVOLVEMENT OF THE GENERAL COUNCIL IN THE TASKS OF THE EUROPEAN SYSTEM OF CENTRAL BANKS

Article 12

Relationship between the Governing Council and the General Council

- 12.1 The General Council of the ECB shall be given the opportunity to submit observations before the Governing Council adopts:
- opinions under Articles 4 and 25.1 of the Statute,
 - recommendations in the statistical field, under Article 42 of the Statute,
 - the annual report,
 - the rules on the standardisation of accounting rules and reporting of operations,
 - the measures for the application of Article 29 of the Statute,
 - the conditions of employment of the staff of the ECB,
 - in the context of the preparations for the irrevocable fixing of exchange rates, an ECB opinion either under Article 123 (5) of the Treaty or concerning Community legal acts to be adopted when a derogation is abrogated.
- 12.2 Whenever the General Council is requested to submit observations under the first paragraph of this Article, it shall be given a reasonable period of time within which to do so, which may not be less than ten working days. In a case of urgency to be justified in the request, the period may be reduced to five working days. The President may decide to use the written procedure.
- 12.3 The President shall inform the General Council, in accordance with Article 47.4 of the Statute, of decisions adopted by the Governing Council.

Article 13

Relationship between the Executive Board and the General Council

- 13.1 The General Council of the ECB shall be given the opportunity to submit observations before the Executive Board:

- implements legal acts of the Governing Council for which, in accordance with Article 12.1 above, the contribution of the General Council is required;
- adopts, by virtue of powers delegated by the Governing Council in accordance with Article 12.1 of the Statute, legal acts for which, in accordance with Article 12.1 of these Rules, the contribution of the General Council is required.

13.2 Whenever the General Council is requested to submit observations under the first paragraph of this Article, it shall be given a reasonable period of time within which to do so, which may not be less than ten working days. In a case of urgency to be justified in the request, the period may be reduced to five working days. The President may decide to use written procedure.

CHAPTER V

SPECIFIC PROCEDURAL PROVISIONS

Article 14

Delegation of powers

- 14.1 The delegation of powers of the Governing Council to the Executive Board under the last sentence of the second paragraph of Article 12.1 of the Statute shall be notified to the parties concerned, or published if appropriate, where decisions taken by means of delegation have legal effects on third parties. The Governing Council shall be promptly informed of any act adopted by way of delegation.
- 14.2 The Book of Authorised Signatories of the ECB, established pursuant to decisions adopted under Article 39 of the Statute, shall be circulated to interested parties.

Article 15

Budgetary procedure

- 15.1 The Governing Council, acting upon a proposal from the Executive Board in accordance with any principles laid down by the former, shall adopt, before the end of each financial year, the budget of the ECB for the subsequent financial year.
- 15.2 For assistance in matters related to the budget of the ECB, the Governing Council shall establish a Budget Committee and lay down its mandate and composition.

Article 16

Reporting and annual accounts

- 16.1 The Governing Council shall adopt the annual report required under Article 15.3 of the Statute.
- 16.2 The competence to adopt and publish the quarterly reports under Article 15.1 of the Statute, the weekly consolidated financial statements under Article 15.2 of the Statute, the consolidated balance sheets under Article 26.3 of the Statute and other reports shall be delegated to the Executive Board.
- 16.3 The Executive Board shall, in accordance with the principles established by the Governing Council, prepare the annual accounts of the ECB within the first month of the subsequent financial year. These shall be submitted to the external auditor.
- 16.4 The Governing Council shall adopt the annual accounts of the ECB within the first quarter of the subsequent year. The external auditor's report shall be submitted to the Governing Council before their adoption.

Article 17

Legal instruments of the ECB

- 17.1 ECB Regulations shall be adopted by the Governing Council and signed on its behalf by the President.
- 17.2 ECB Guidelines shall be adopted by the Governing Council, and thereafter notified, in one of the official languages of the European Communities, and signed on the Governing Council's behalf by the President. They shall state the reasons on which they are based. Notification of the national central banks may take place by means of telefax, electronic mail or telex or in paper form. Any ECB Guideline that is to be officially published shall be translated into the official languages of the European Communities.
- 17.3 The Governing Council may delegate its normative powers to the Executive Board for the purpose of implementing its regulations and guidelines. The regulation or guideline concerned shall specify the issues to be implemented as well as the limits and scope of the delegated powers.
- 17.4 ECB Decisions and Recommendations shall be adopted by the Governing Council or the Executive Board in their respective domain of competence, and shall be signed by the President. ECB Decisions imposing sanctions on third parties shall be signed by the President, the Vice-President or any two other members of the Executive Board. ECB Decisions and Recommendations shall state the reasons on which they are based. The Recommendations for secondary Community legislation under Article 42 of the Statute shall be adopted by the Governing Council.

- 17.5 Without prejudice to Article 44, second paragraph, and Article 47.1, first indent, of the Statute, ECB Opinions shall be adopted by the Governing Council. However, in exceptional circumstances and unless not less than three Governors state their wish to retain the competence of the Governing Council for the adoption of specific opinions, ECB Opinions may be adopted by the Executive Board, in line with comments provided by the Governing Council and taking into account the contribution of the General Council. ECB Opinions shall be signed by the President.
- 17.6 ECB Instructions shall be adopted by the Executive Board, and thereafter notified, in one of the official languages of the European Communities, and signed on the Executive Board's behalf by the President or any two Executive Board members. Notification of the national central banks may take place by means of telefax, electronic mail or telex or in paper form. Any ECB Instruction that is to be officially published shall be translated into the official languages of the European Communities.
- 17.7 All ECB legal instruments shall be numbered sequentially for ease of identification. The Executive Board shall take steps to ensure the safe custody of the originals, the notification of the addressees or consulting authorities, and the publication in all the official languages of the European Union in the *Official Journal of the European Union* in the case of ECB Regulations, ECB Opinions on draft Community legislation and those ECB legal instruments whose publication has been expressly decided.
- 17.8 The principles of Council Regulation (EC) No 1 determining the language to be used by the European Economic Community² of 15 April 1958 shall apply to the legal acts specified in Article 34 of the Statute.

Article 18

Procedure under Article 106 (2) of the Treaty

The approval provided for in Article 106 (2) of the Treaty shall be adopted for the following year by the Governing Council in a single decision for all participating Member States within the final quarter of every year.

Article 19

Procurement

19.1 Procurement of goods and services for the ECB shall give due regard to the principles of publicity, transparency, equal access, non-discrimination and efficient administration.

² OJ 17, 6.10.1958, p. 385.

- 19.2 Except for the principle of efficient administration, derogations may be made from the above principles in cases of urgency; for reasons of security or secrecy; where there is a sole supplier; for supplies from the national central banks to the ECB; to ensure the continuity of a supplier.

Article 20

Selection, appointment and promotion of staff

- 20.1 All members of staff of the ECB shall be selected, appointed and promoted by the Executive Board.
- 20.2 All members of staff of the ECB shall be selected, appointed and promoted with due regard to the principles of professional qualification, publicity, transparency, equal access and non-discrimination. The rules and procedures for recruitment and for internal promotion shall be further specified by means of Administrative Circulars.

Article 21

Conditions of Employment

- 21.1 The Conditions of Employment and the Staff Rules shall determine the employment relationship between the ECB and its staff.
- 21.2 The Governing Council, upon a proposal from the Executive Board and following consultation of the General Council shall adopt the Conditions of Employment.
- 21.3 The Executive Board shall adopt the Staff Rules, that shall implement the Conditions of Employment.
- 21.4 The Staff Committee shall be consulted before the adoption of new Conditions of Employment or Staff Rules. Its opinion shall be submitted to the Governing Council or the Executive Board respectively.

Article 22

Communications and announcements

General communications and announcements of decisions taken by the decision-making bodies of the ECB may be published on the ECB website, in the *Official Journal of the European Union*, or by means of wire services common to financial markets or any other media.

Article 23

Confidentiality of and access to ECB documents

- 23.1 The proceedings of the decision-making bodies of the ECB and of any committee or group established by them shall be confidential unless the

Governing Council authorises the President to make the outcome of their deliberations public.

- 23.2 Public access to documents drawn up or held by the ECB shall be governed by a decision of the Governing Council.
- 23.3 Documents drawn up by the ECB shall be classified and handled in accordance with the rules laid down in an Administrative Circular. They shall be freely accessible after a period of 30 years unless decided otherwise by the decision making bodies.

CHAPTER VI

FINAL PROVISION

Article 24

Amendments to these Rules of Procedure

The Governing Council may amend these Rules of Procedure. The General Council may propose amendments and the Executive Board may adopt supplementary rules within its field of competence.

Done at Frankfurt am Main on 19 February 2004.

The President of the ECB

Jean-Claude TRICHET

DECISION OF THE EUROPEAN CENTRAL BANK

OF 12 OCTOBER 1999

CONCERNING THE RULES OF PROCEDURE OF THE EXECUTIVE BOARD OF THE EUROPEAN CENTRAL BANK (ECB/1999/7)*

THE EXECUTIVE BOARD OF THE EUROPEAN CENTRAL BANK,

Having regard to the Rules of Procedure of the European Central Bank and in particular to Articles 8 and 24 thereof;

Whereas, with a view to ensuring that ECB Decisions can be adopted by the Executive Board at any time, it is necessary to establish a regime for the adoption of Decisions by means of teleconferencing and a regime for the delegation of powers, both of which preserve the principle of the collective responsibility of the Executive Board;

HAS DECIDED AS FOLLOWS:

Article 1

Supplementary nature

This Decision shall supplement the Rules of Procedure of the European Central Bank. The terms in this Decision shall have the meaning which they have in the Rules of Procedure of the European Central Bank.

Article 2

Attendance at Executive Board meetings

1. The President shall appoint a member of the staff of the European Central Bank (ECB) as Secretary. The Secretary shall be responsible for organising and drafting the summary proceedings of all Executive Board meetings.
2. In the absence of both the President and the Vice-President, the Executive Board will be chaired by the most senior member of the Executive Board in terms of office in the first instance, and by age in the event of two or more members having equal standing in terms of office.
3. The Executive Board may invite members of the staff of the ECB to attend its meetings.

* OJ L 314, 8.12.1999, p. 34.

Article 3

Agenda and proceedings

1. The agenda for each meeting shall be adopted by the Executive Board. A provisional agenda shall be drawn up by the President and shall, in principle, be sent, together with the related documents, to the members of the Executive Board at least two working days before the relevant meeting, except in emergencies, in which case the President shall act appropriately in view of the circumstances.
2. The summary proceedings of Executive Board meetings shall be submitted to the members of the Executive Board for approval at their next meeting (or earlier, if necessary, by written procedure) and shall be signed by the chairman.

Article 4

Teleconference

1. At the request of the President, decisions may be taken by the Executive Board by means of teleconferencing, unless at least two members of the Executive Board object. Special circumstances shall be required for a decision to be taken by means of teleconferencing. The President shall determine the nature of these circumstances and the members of the Executive Board may require prior notice both of the teleconference and of the issue on which a decision is to be taken.
2. The decision reached by the President on the special circumstances and the decisions taken by the Executive Board by means of teleconferencing shall be recorded in the summary proceedings of the Executive Board meetings.

Article 5

Delegation of power

1. The Executive Board may authorise one or more of its members to take, on its behalf and under its responsibility, clearly defined management or administrative measures, including the use of instruments in preparation for a decision to be taken collectively by the members of the Executive Board at a later point in time and instruments implementing final decisions taken by the Executive Board.
2. The Executive Board may also ask one or more of its members, with the agreement of the President, to adopt (i) the definitive text of any instrument as defined in Article 5, paragraph 1, on condition that the substance of such instrument has already been determined in discussion, and/or (ii) final decisions, where such delegation involves limited and clearly defined

executive powers, the exercise of which is subject to strict review in the light of objective criteria established by the Executive Board.

3. The delegations and decisions adopted in accordance with Article 5, paragraphs 1 and 2, shall be recorded in the summary proceedings of the Executive Board meetings.
4. Powers conferred in this manner may be sub-delegated only as and when there is a specific provision to this end in the enabling decision.

Article 6

Publication

This Decision shall be published in the Official Journal of the European Communities.

Done at Frankfurt am Main on 12 October 1999.

The President of the ECB

Willem F. Duisenberg

DECISION OF THE EUROPEAN CENTRAL BANK

OF 17 JUNE 2004

ADOPTING THE RULES OF PROCEDURE OF THE GENERAL COUNCIL OF THE EUROPEAN CENTRAL BANK

(ECB/2004/12)*

THE GENERAL 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 to Article 46.4 thereof,

HAS DECIDED AS FOLLOWS:

Sole Article

The Rules of Procedure of the General Council of the European Central Bank of 1 September 1998 shall be replaced by the following, which shall enter into force on 1 July 2004.

RULES OF PROCEDURE OF THE GENERAL COUNCIL OF THE EUROPEAN CENTRAL BANK

PRELIMINARY CHAPTER

Article 1

Definitions

These Rules of Procedure shall supplement the Treaty establishing the European Community and the Statute of the European System of Central Banks and of the European Central Bank. The terms in these Rules of Procedure shall have the same meaning as in the Treaty and the Statute.

CHAPTER I

THE GENERAL COUNCIL

Article 2

Date and place of General Council meetings

2.1 The General Council shall decide on the dates of its meetings on a proposal from the President.

* OJ L 230, 30.6.2004, p. 61.

- 2.2 The President shall convene a meeting of the General Council if a request for a meeting is submitted by at least three members of the General Council.
- 2.3 The President may also convene meetings of the General Council whenever he/she deems it necessary.
- 2.4 The General Council shall normally hold its meetings on the premises of the European Central Bank (ECB).
- 2.5 Meetings may also be held by means of teleconferencing unless at least three Governors object.

Article 3

Attendance at General Council meetings

- 3.1 Except as provided herein, attendance at meetings of the General Council shall be restricted to its members, the other members of the Executive Board, the President of the Council of the European Union and a member of the Commission of the European Communities.
- 3.2 Each Governor may normally be accompanied by one person.
- 3.3 If a member of the General Council is unable to attend a meeting, he/she may appoint, in writing, an alternate to attend the meeting and vote on his/her behalf. This written communication shall be sent to the President in due time before the meeting. Such an alternate may normally be accompanied by one person.
- 3.4 The President shall appoint a member of staff of the ECB as Secretary. The Secretary shall assist the President in preparing the meetings of the General Council and shall draft the minutes thereof.
- 3.5 The General Council may also invite other persons to attend its meetings, if it deems it appropriate to do so.

Article 4

Voting

- 4.1 In order for the General Council to vote, there shall be a quorum of two-thirds of the members or their alternates. If the quorum is not met, the President may convene an extraordinary meeting at which decisions may be taken without regard to the quorum.
- 4.2 Unless stated otherwise in the Statute, decisions shall be taken by simple majority.
- 4.3 The General Council shall proceed to vote at the request of the President. The President shall also initiate a voting procedure upon request from any member of the General Council.

- 4.4 Decisions may also be taken by written procedure, unless at least three members of the General Council object. A written procedure shall require:
- (i) normally not less than ten working days for consideration by every member of the General Council. In a case of urgency to be justified in the request, the period may be reduced to five working days; and
 - (ii) the personal signature of each member of the General Council; and
 - (iii) a record of any such decision in the minutes of the subsequent meeting of the General Council.

Article 5

Organisation of General Council meetings

- 5.1 The General Council shall adopt the agenda for each meeting. A provisional agenda shall be drawn up by the President and shall be sent, together with the related documents to the members of the General Council and other authorised participants at least eight days before the meeting, except in emergencies, in which case the President shall act appropriately having regard to the circumstances. The General Council may decide to remove items from or add items to the provisional agenda on a proposal from the President or from any other member of the General Council. An item shall be removed from the agenda at the request of at least three of the members of the General Council if the related documents were not submitted to the members of the General Council in due time.
- 5.2 The minutes of the proceedings of the General Council shall be submitted to its members for approval at the subsequent meeting (or where necessary earlier by written procedure) and shall be signed by the President.

CHAPTER II

INVOLVEMENT OF THE GENERAL COUNCIL IN THE TASKS OF THE EUROPEAN SYSTEM OF CENTRAL BANKS

Article 6

Relationship between the General Council and the Governing Council

- 6.1 Without prejudice to the General Council's other responsibilities, including those under Article 44 of the Statute, the General Council shall contribute, in particular, to the tasks listed in Article 6.2 to 6.8.
- 6.2 The General Council shall contribute to the ECB's advisory tasks under Article 4 and Article 25.1 of the Statute.

- 6.3 The contribution of the General Council to the ECB's statistical tasks shall consist in:
- strengthening the cooperation between all the national central banks of the European Union with a view to supporting the ECB's tasks in the field of statistics,
 - contributing to the harmonisation, where necessary, of the rules and practices governing the collection, compilation and distribution of statistics by all the national central banks of the European Union, and
 - providing the Governing Council with observations on draft recommendations in the statistical field, under Article 42 of the Statute, prior to their adoption.
- 6.4 The General Council shall contribute to fulfilling the ECB's reporting commitments under Article 15 of the Statute by providing the Governing Council with observations on the annual report prior to its adoption.
- 6.5 The General Council shall contribute to the standardisation of accounting rules and reporting of operations under Article 26.4 of the Statute by providing the Governing Council with observations on the draft rules prior to their adoption.
- 6.6 The General Council shall contribute to the adoption of other measures in the context of Article 29.4 of the Statute by providing the Governing Council with observations on such draft measures prior to their adoption.
- 6.7 The General Council shall contribute to the Conditions of Employment for the staff of the European Central Bank by providing the Governing Council with observations on the draft prior to its adoption.
- 6.8 The General Council shall contribute to the preparations for the irrevocable fixing of exchange rates under Article 47.3 of the Statute by providing the Governing Council with observations on:
- draft ECB opinions under Article 123(5) of the Treaty, and
 - on any other draft ECB opinions concerning Community legal acts to be adopted when a derogation is abrogated, and
 - on decisions under paragraph 10 of the Protocol on certain provisions relating to the United Kingdom of Great Britain and Northern Ireland.
- 6.9 Whenever the General Council is requested to contribute to the tasks of the ECB under the above paragraphs, it shall be given a reasonable period of time within which to do so, which may not be less than 10 working days. In a case of urgency to be justified in the request, the period may be reduced to five working days. The President may decide to use the written procedure.

- 6.10 The President shall inform the General Council, in accordance with Article 47.4 of the Statute, of decisions adopted by the Governing Council.

Article 7

Relationship between the General Council and the Executive Board

- 7.1 The General Council of the ECB shall be given the opportunity to submit observations before the Executive Board:
- implements legal acts of the Governing Council for which, in accordance with Article 12.1 of the Rules of Procedure of the European Central Bank, the contribution of the General Council is required,
 - adopts, by virtue of powers delegated by the Governing Council in accordance with Article 12.1 of the Statute, legal acts for which, in accordance with Article 12.1 of the Rules of Procedure of the European Central Bank, the contribution of the General Council is required.
- 7.2 Whenever the General Council is requested to submit observations under the first paragraph of this Article, it shall be given a reasonable period of time within which to do so, which may not be less than ten working days. In a case of urgency to be justified in the request, the period may be reduced to five working days. The President may decide to use written procedure.

Article 8

European System of Central Banks Committees

- 8.1 Within its field of competence the General Council may request studies of specific topics by committees established by the Governing Council under Article 9 of the Rules of Procedure of the European Central Bank.
- 8.2 The national central bank of each non-participating Member State may appoint up to two staff members to take part in the meetings of a committee whenever it deals with matters falling within the field of competence of the General Council and whenever the chairperson of a committee and the Executive Board deem this appropriate.

CHAPTER III

SPECIFIC PROCEDURAL PROVISIONS

Article 9

Legal instruments

- 9.1 ECB Decisions under Article 46.4 and Article 48 of the Statute and under these Rules of Procedure, as well as ECB Recommendations and ECB Opinions

adopted by the General Council under Article 44 of the Statute, shall be signed by the President.

- 9.2 All ECB legal instruments are numbered, notified and published in accordance with Article 17.7 of the Rules of Procedure of the European Central Bank.

Article 10

Confidentiality of and access to the ECB's documents

- 10.1 The proceedings of the General Council, and of any committee or group dealing with matters falling within its competence, shall be confidential unless the General Council authorises the President to make the outcome of their deliberations public.
- 10.2 Public access to documents drawn up by the General Council, and by any committee or group dealing with matters falling within its competence, shall be governed by a Governing Council decision adopted under Article 23.2 of the Rules of Procedure of the European Central Bank.
- 10.3 Documents drawn up by the General Council, and by any committee or group dealing with matters falling within its competence, shall be classified and handled in accordance with the rules laid down in the Administrative Circular adopted under Article 23.3 of the Rules of Procedure of the European Central Bank. They shall be freely accessible after a period of 30 years unless decided otherwise by the decision-making bodies.

Article 11

End of applicability

When, in accordance with Article 122(2) of the Treaty, all derogations are abrogated by the Council of the European Union and when the decisions provided for in the Protocol on certain provisions relating to the United Kingdom of Great Britain and Northern Ireland are taken, the General Council shall be dissolved and these Rules of Procedure shall no longer apply.

Done at Frankfurt am Main, 17 June 2004.

The President of the ECB

Jean-Claude TRICHET

