

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(89) 467 final

Brussels, 13 October 1989

Recommendation for a

## COUNCIL DECISION

amending Decision 64/300/EEC on co-operation between the Central Banks  
of the Member States of the European Economic Community

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(presented by the Commission)

Recommendation for a

COUNCIL DECISION

amending Decision 64/300/EEC  
on co-operation between the Central Banks of the Member States  
of the European Economic Community

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular to Article 105(1) and to the first indent of Article 145 thereof,

Having regard to the Recommendation from the Commission dated ..... 1989,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

Whereas the European Council, at its meeting in Madrid on 26 and 27 June 1989, decided that the first stage of the implementation of Economic and Monetary Union is to begin on 1 July 1990;

Whereas Article 102a of the Treaty as well as the implementation of the first stage of the Economic and Monetary Union calls for an increased degree of convergence in economic performance towards non-inflationary growth and of economic and social cohesion between the Member States;

Whereas greater convergence should be promoted with a view to achieving domestic price stability, which is at the same time a necessary condition for stable exchange rates, in accordance with the requirements of the European Monetary System;

Whereas the implementation of the first stage of Economic and Monetary Union will focus on completing the internal market and in particular removing all obstacles to financial integration, on strengthening the process of co-ordination of monetary policies, on intensifying co-operation between Central Banks on other matters falling within their competence and, in this connection, should give consideration to extending the scope of the Central Banks' autonomy;

Whereas arrangements for the formulation of monetary policy in an Economic and Monetary Union should provide for adequate autonomy for the institutions and for commitment to price stability, which is essential to the success of that Union;

Whereas, in view of the objective of Economic and Monetary Union, the tasks and role of the Committee of Governors of the Central Banks of the Member States of the European Community should be extended and reinforced,

HAS DECIDED AS FOLLOWS:

Sole Article

Decision 64/300/EEC<sup>1</sup> is hereby amended as follows:

1. Article 2 is replaced by the following:

"Article 2

The Committee shall be composed of the Governors of the Central Banks of the Member States and the Director General of the Luxembourg Monetary Institute. If they are unable to attend, they may nominate another representative of their institution.

The Commission shall, as a general rule, be invited to send one of its members as a representative to the meetings of the Committee.

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<sup>1</sup> OJ No 77, 21.5.1964, p. 1206/64.

The Committee may, furthermore, if it considers it necessary, invite qualified persons to attend and in particular the Chairman of the Monetary Committee."

2. The following Article 2a is inserted:

"Article 2a

The Chairman of the Committee shall be invited to participate in the meetings of the Council of Ministers."

3. Article 3 is replaced by the following:

"Article 3

The tasks of the Committee shall be:

- (1) to hold consultations concerning the general principles and the broad lines of policy of the Central Banks, in particular as regards credit, money and foreign exchange markets and including, within their competences, issues affecting the stability of financial institutions and markets;
- (2) to exchange information regularly about the most important measures that fall within the competence of the Central Banks, and to examine those measures. The Committee shall normally be consulted in advance of national decisions on the course of monetary policy, such as the setting of annual domestic monetary and credit targets;
- (3) to promote the co-ordination of the monetary policies of the Member States with a view to the proper functioning of the European Monetary System and the realisation of its objective of monetary stability;
- (4) to formulate opinions on the overall orientation of monetary and exchange rate policy as well as on the respective measures introduced in individual Member States with the aim of ensuring convergent monetary policies in the Community directed towards price stability;

(5) to express opinions to individual governments and the Council of Ministers on policies which might affect the internal and external monetary situation in the Community and, in particular, the functioning of the European Monetary System.

In carrying out its tasks, the Committee shall keep under review the trend of the monetary situation both inside and outside the Community.

The Committee shall prepare an annual report on its activities and on the monetary and financial conditions in the Community, which will be transmitted to the Council of Ministers, the European Parliament, and the European Council.

The Committee may authorise its Chairman to make the outcome of its deliberations public."

4. The following Article 3a is inserted:

"Article 3a

The members of the Committee, who are the representatives of their institutions, shall act, with respect to their activities on the Committee, according to their own responsibilities and having due regard to Community objectives".

5. Article 5 is replaced by the following:

"Article 5

The Committee shall adopt its own rules of procedure. It may create sub-committees and provide its own Secretariat and research services."

Done at .....

For the Council

The President

DRAFT CONSOLIDATED COUNCIL DECISION

of 8 May 1964

on co-operation between the Central Banks of the Member States  
of the European Economic Community  
(64/300/EEC)

(as amended by Council Decision .... of ....)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular to Article 105(1) and to the first indent of Article 145 thereof,

Having regard to the Recommendation of the Commission dated ..... 1989,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

Whereas the European Council, at its meeting in Madrid on 26th and 27th June 1989, decided that the first stage of the implementation of Economic and Monetary Union shall begin on 1st July 1990;

Whereas Article 102(A) of the Treaty as well as the implementation of the first stage of the Economic and Monetary Union calls for an increased degree of convergence in economic performance towards non-inflationary growth and of economic and social cohesion between the Member States;

Whereas greater convergence should be promoted with a view to achieving domestic price stability, which is at the same time a necessary condition for stable exchange rates, in accordance with the requirements of the European Monetary System;

Whereas the implementation of the first stage of Economic and Monetary Union will focus on completing the internal market and in particular removing all obstacles to financial integration, on strengthening the process of co-ordination of monetary policies, on intensifying co-operation between Central Banks on other matters falling within their competence and, in this connection, should give consideration to extending the scope of the Central Banks' autonomy;

Whereas arrangements for the formulation of monetary policy in an Economic and Monetary Union should provide for adequate autonomy for the institutions and for commitment to price stability, which is essential to the success of that Union;

Whereas, in view of the objective of Economic and Monetary Union, the tasks and role of the Committee of Governors of the Central Banks of the Member States of the European Community should be extended and reinforced;

HAS DECIDED AS FOLLOWS:

#### Article 1

For the purpose of promoting co-operation between the Central Banks of the Member States, a Committee of the Governors of the Central Banks of the Member States of the European Community (hereinafter called the "Committee") is hereby set up.

#### Article 2

The Committee shall be composed of the Governors of the Central Banks of the Member States and the Director General of the Luxembourg Monetary Institute. If they are unable to attend, they may nominate another representative of their institution.



The Commission shall, as a general rule, be invited to send one of its members as a representative to the meetings of the Committee.

The Committee may, furthermore, if it considers it necessary, invite qualified persons to attend and in particular the Chairman of the Monetary Committee.

#### Article 2a

The Chairman of the Committee shall be invited to participate in the meetings of the Council of Ministers.

#### Article 3

The tasks of the Committee shall be:

- (1) to hold consultations concerning the general principles and the broad lines of policy of the Central Banks, in particular as regards credit, money and foreign exchange markets and including, within their competences, issues affecting the stability of financial institutions and markets;
- (2) to exchange information regularly about the most important measures that fall within the competence of the Central Banks, and to examine those measures. The Committee shall normally be consulted in advance of national decisions on the course of monetary policy, such as the setting of annual domestic monetary and credit targets;
- (3) to promote the co-ordination of the monetary policies of the Member States with a view to the proper functioning of the European Monetary System and the realisation of its objective of monetary stability;
- (4) to formulate opinions on the overall orientation of monetary and exchange rate policy as well as on the respective measures introduced in individual Member States with the aim of ensuring convergent monetary policies in the Community directed towards price stability;

(5) to express opinions to individual governments and the Council of Ministers on policies which might affect the internal and external monetary situation in the Community and, in particular, the functioning of the European Monetary System.

In carrying out its tasks, the Committee shall keep under review the trend of the monetary situation both inside and outside the Community.

The Committee shall prepare an annual report on its activities and on the monetary and financial conditions in the Community, which will be transmitted to the Council of Ministers, the European Parliament and the European Council.

The Committee may authorise its Chairman to make the outcome of its deliberations public.

#### Article 3a

The members of the Committee, who are the representatives of their institutions, shall act, with respect to their activities on the Committee, according to their own responsibilities and having due regard to Community objectives.

#### Article 4

The Committee shall meet at regular intervals and whenever circumstances so require. The Commission may, if it considers the situation necessitates such a step, request an emergency meeting of the Committee.

Article 5

The Committee shall adopt its own rules of procedure. It may create sub-committees and provide its own Secretariat and research services.

Done at Brussels, 8 May 1964

For the Council

The President

H. FAYAT



COM(89) 467 final

# DOCUMENTS

**EN**

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Catalogue number : CB-CO-89-423-EN-C

ISBN 92-77-53165-7

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Office for Official Publications of the European Communities

L-2985 Luxembourg