II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 15 March 1976

concerning a Community loan in favour of the Italian Republic and of Ireland

(76/322/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 397/75 of 17 February 1975 concerning Community loans [1], and in particular the second paragraph of Article 2, and Article 3 thereof,

Having regard to the proposal from the Commission, which has for this purpose consulted the Monatary Committee,

Whereas the Italian Republic and Ireland have each requested a Community loan under Council Regulation (EEC) No 397/75;

Whereas the conditions laid down by the abovementioned Regulation for these two Member States to be eligible to receive a Community loan are fulfilled;

Whereas the negotiations opened with the authorization of the Council have resulted in a package of loan agreements comprising for one part three issues of bonds and notes underwritten by syndicates of banks, two of which are for a total sum of US $ 800 million and one of DM 500 million, and for the other part a variable interest bank loan amounting to US $ 300 million; whereas these loans have a variable life, the average being over five years; whereas the Commission should be authorized to conclude these agreements on behalf of the Community;

Whereas the conditions of the loan from the Community to the Italian Republic and Ireland must correspond to those of the loan concluded by the Community so that the Community shall not have to bear loss, expenditure or other cost arising out of the financial operations consequent upon it;

Whereas since the terms of each of the four loans to the Community are not identical the amount raised by each loan should be divided between the two Member States; whereas this division, taking into account the amounts they have respectively requested, shall be made in the proportions ten-thirteenths for the Italian Republic and three-thirteenths for Ireland,

HAS ADOPTED THIS DECISION:

Article 1

The Commission shall be authorized to conclude, on behalf of the Community, the following loan contracts, which form a package, and to subscribe and execute all appropriate documents in that connection.

[1] OJ No L 46, 20. 2. 1975, p. 1.

1. A public issue of bonds denominated in US dollars underwritten by a syndicate of banks on the following major terms :

Form of loan :	bearer bonds for US $ 1 000 each,
Total amount :	US $ 300 million,
Redemption :	at par after six years,
Payment of interest :	annually,
Leading bank :	Deutsche Bank AG.

The rate of interest and issue price will be fixed by agreement between the Commission and the lenders at the best market rates on the date of issue.

2. A public issue of bonds denominated in Deutsch marks underwritten by a syndicate of banks on the following major terms :

Form of loan :	bearer bonds for DM 1 000 each,
Total amount :	DM 500 million,
Redemption :	at par after seven years,
Payment of interest :	annually,
Leading bank :	Deutsche Bank AG.

The rate of interest and issue price will be fixed by agreement between the Commission and the lenders at the best market rates on the date of issue.

3. A private agreement for a loan in US dollars with a syndicate of banks on the following major terms :

Form of loan :	notes in dollars,
Total amount :	US $ 500 million,
Redemption :	at three years and seven months at the earliest and at the latest four years,
Payment of interest :	annually,
Leading bank :	Deutsche Bank AG.

The rate of interest and issue price will be fixed by agreement between the Commission and the lenders at the best market rates on the date of issue.

4. An agreement for a loan in US dollars with a syndicate of banks on the following major terms :

Form of loan :	a single indivisible loan contract,
Total amount :	$ 300 million to be made available within four weeks from signature of the contract in three instalments each of $ 100 million with five business days between each instalment,
Life :	five years,
Redemption :	in one sum at the end of the loan's life with an option for earlier redemption,
Interest rate :	variable rate of interest calculated at one point over average London interbank rate for dollar deposits for the same term using steps of three months or six months at the Community's option,
Payment of interest :	Quarterly or half yearly according to when the interest rate changes,
Leading banks :	European Banking Company. Orion Bank Limited. Banque de la Société financière européenne. Europartners Bank (Nederland) N.V. Morgan Guaranty Trust Company of New York.

Article 2

The Community shall grant to the Italian Republic a loan corresponding to ten-thirteenths of the sum raised by each of the borrowing transactions carried out under the terms of Article 1 and in the same currencies and on the same terms as the said transactions.

The amount of the loan shall be paid to the Banca d'Italia.

The Commission shall be authorized to conclude the loan agreement on behalf of the Community.

Article 3

The Italian Republic shall bear proportionally all losses of interest, commission and other outlays which the Community may incur as a result of the financial operations involved in the conduct and administration of the Community loans and the whole of the losses, commission and other outlays arising from the operation and management of the loan to Italy.

Article 4

The loan to the Italian Republic shall be subject to the economic policy conditions laid down in Decision 76/324/EEC [1].

[1] See page 16 of this Official Journal.

Article 5

The Community shall grant to Ireland a loan equal to three-thirteenths of the sum raised by each of the borrowing transactions carried out under Article 1 and in the same currencies and on the same terms as the said transactions.

The amount of the loan shall be paid to the Central Bank of Ireland.

The Commission shall be authorized to conclude the loan agreement on behalf of the Community.

Article 6

Ireland shall bear proportionally all losses of interest, commission and other outlays which the Community may incur as a result of the financial operations involved in the conduct and administration of the Community loans and the whole of the losses, commission and other outlays arising from the operation and management of the loan to Ireland.

Article 7

The loan to Ireland shall be subject to the economic policy conditions laid down in Decision 76/323/EEC [1].

Article 8

The financial operations concerning both the loans concluded by the Community and the loans granted to the Italian Republic and Ireland shall be carried out by the European Monetary Cooperation Fund.

Article 9

This Decision is addressed to the Member States.

Done at Brussels, 15 March 1976.

For the Council

The President

R. VOUEL

[1] See page 15 of this Official Journal.