COUNCIL DECISION

of 14 March 1977

concerning the changing of a tranche of a Community loan from variable to fixed rates of interest

(77/232/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 for this purpose consulted the Monetary Committee,

Whereas by Council Decision 76/322/EEC of 15 March 1976 concerning a Community loan in favour of the Italian Republic and of Ireland [2], the Commission has been authorized to conclude, on behalf of the Community, a series of borrowing operations which form a package including, in particular, a variable interest rate loan of $ US 300 million for five years from a syndicate of banks, as provided for by Article 1 (4), and whereas this borrowing has been made;

Whereas it is in the interests of both the Community and of the Member States benefiting from the said Decision to change the Community loans from variable to fixed rates of interest;

Whereas the Council has therefore authorized the Commission to initiate negotiations to this end;

Whereas these negotiations have made possible the first funding operation of $US 100 million, which was the subject of Council Decision 76/771/EEC [3]; whereas a further operation, also for an amount of $US 100 million, would seem possible in the form of a fixed interest rate bank loan;

Whereas the financial terms of the loan to Ireland and to the Italian Republic must therefore be altered,

HAS ADOPTED THIS DECISION:

Article 1

The Commission shall be authorized to exercise the right to repay one tranche of $US 100 million of the variable interest rate bank loan referred to in Article 1 (4) of Decision 76/322/EEC, and to take all necessary measures to that end.

Article 2

The Commission shall be authorized to take all actions and execute all documents necessary, proper or desirable to conclude with a syndicate of banks, on behalf of the Community, an agreement for a loan denominated in US dollars on the following major terms:

Form of loan:	a single, overall loan contract.
Total amount:	$US 100 million.
Redemption:	in three tranches: $US 25 million after three and a half years, $US 45 million after four and a half years, $US 30 million after five and a half years.
Payment of interest:	annually.
Leading bank:	Algemene Bank Nederland.

The rate of interest shall be fixed by agreement between the Commission, or such agents as it may designate, and the syndicate of banks.

Article 3

The Commission shall be authorized to conclude the necessary agreements on behalf of the Community with Ireland and the Italian Republic:

— for repayment by these Member States of their portion of the proceeds of the variable interest rate bank loan to be repaid by the Community, and

— to lend Ireland and the Italian Republic respectively three-thirteenths and ten-thirteenths of the proceeds of the borrowing operation carried out in accordance with Article 2, and in the same currencies and on the same terms as the said operation.

[1] OJ No L 46, 20. 2. 1975, p. 1,
[2] OJ No L 77, 24. 3. 1976, p. 12.
[3] OJ No L 265, 29. 9. 1976, p. 27.

Article 4

Council Decisions 76/323/EEC [1] and 76/324/EEC [2] of 15 March 1976 laying down the economic policy conditions to be observed by Ireland and the Italian Republic shall remain in force.

Article 5

The financial operations referred to in this Decision shall be carried out by the European Monetary Cooperation Fund.

Article 6

This Decision is addressed to the Member States.

Done at Brussels, 14 March 1977.

For the Council

The President

D. HEALEY

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[1] OJ No L 77, 24. 3. 1976, p. 15.
[2] OJ No L 77, 24. 3. 1976, p. 16.