COUNCIL DECISION

of 12 March 1990

amending Council Decision 64/300/EEC on cooperation between the central banks of the Member States of the European Economic Community

(90/142/EEC)

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,

Having regard to the opinion of the European Parliament (1),

Having regard to the opinion of the Economic and Social Committee (2),

Whereas the European Council, at its meeting in Madrid on 26 and 27 June 1989, decided that the first stage of the realization of economic and monetary union should begin on 1 July 1990;

Whereas Article 102a of the Treaty together with the rationalization of the first stage of the economic and monetary union call 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 realization of the first stage of economic and monetary union will focus on completing the internal market and in particular on removing all obstacles to financial integration, on strengthening the process of coordination of monetary policies, on intensifying cooperation between central banks on other matters falling within their competence and whereas, in this connection, consideration should be given to extending the scope of the central banks' autonomy;

Whereas arrangements for the formulation of monetary policy within the framework of 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 the progressive realization of economic and monetary union, the tasks should be extended and the tasks and role of the Committee of Governors of the Central Banks of the Member States of the European Community should be reinforced;

Whereas Decision 64/300/EEC (3) should be amended in consequence,

HAS DECIDED AS FOLLOWS:

Sole Article

Decision 64/300/EEC is 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.

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 is inserted:

'*Article 2a*

The chairman of the Committee shall be invited to participate in the meetings of the Council of Ministers whenever it deals with issues involving the tasks of the Committee of Governors.'

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 monetary policy, in particular as regards credit, the money and foreign exchange markets as well as issues falling within the competence of the central banks and 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

(1) OJ No C 68, 19. 3. 1990.
(2) OJ No C 56, 7. 3. 1990, p. 47.
(3) OJ No 77, 21. 5. 1964, p. 1206/64.

consulted before the national authorities take decisions on the course of monetary policy, such as the setting of annual money supply and credit targets;

(3) to promote the coordination of the monetary policies of the Member States with the aim of achieving price stability as a necessary condition for the proper functioning of the European Monetary System and the realization 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;

(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 monetary situation and prospects 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 European Parliament, the Council of Ministers, and the European Council. The President of the Committee may be invited to appear before the European Parliament on this occasion and also before the competent committee of the European Parliament where the circumstances so justify.

The Committee may authorize its chairman to make the outcome of its deliberations public.'

4. The following Article 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 set up subcommittees and provide its own secretariat and research services.'

Done at Brussels, 12 March 1990.

For the Council

The President

A. REYNOLDS