REGULATION (EEC) No 907/73 OF THE COUNCIL
of 3 April 1973
establishing a European Monetary Cooperation Fund

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof ;

Having regard to the proposal from the Commission ;

Having regard to the Opinion of the European Parliament ;

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

Whereas the Council Resolution [1] and the Representatives of the Governments of the Member States of 22 March 1971 on the progressive establishment of economic and monetary union in the Community provided for the establishment of a European Monetary Cooperation Fund to be integrated at a later stage into a Community organization of central banks ;

Whereas the Heads of State or of Government meeting in Paris on 19 and 20 October 1972 envisaged that the Fund should be established before 1 April 1973 ;

Whereas the Council has been informed of the Opinions requested on this subject in the Council Resolution [2] and the Representatives of the Member States, of 21 March 1972, from the Monetary Committee and from the Committee of Governors of the Central Banks ;

Whereas the purpose of the Fund must be to contribute to the progressive establishment of an Economic and Monetary Union between the Member States of the European Economic Community, which, in its final stage as regards its monetary aspects will have the following characteristics :

— either the total and irreversible convertibility, at irrevocable parities, of Community currencies against each other,

— or the introduction of a common currency ;

Whereas it is necessary to confer immediately on the Fund the responsibility for facilitating both the concertation necessary for the smooth operation of the exchange arrangements introduced in the Community and for the settlement of the positions resulting from interventions in Community currencies, for assuring thereby the multilateralization of intra-Community settlements, and for administering a financing mechanism which combines the mechanism for short-term monetary support contained in the Agreement of 9 February 1970 between the Central Banks of the Community with the mechanism for very short-term financing which was contained in the Agreement of 10 April 1972 between those same Central Banks ;

Whereas the conferment of these responsibilities constitutes merely a first stage in the progressive development of the Fund ; whereas it is therefore important that the Statutes of the Fund should be drawn up in such a way as to permit the scope of its activities to be gradually extended ;

Whereas it is necessary to establish the Fund if Community objectives are to be attained, in particular as regards the progressive harmonization of the Member States' economic policies, the proper functioning of the common market and the establishment of economic and monetary union ; whereas the Treaty made no provision for the powers essential to the establishment of the Fund ;

Whereas it is appropriate to specify that the general provisions of the Treaties concerning the European Communities as regards privileges and immunities, non-contractual liability and the obligation of professional secrecy are applicable to the Fund ;

HAS ADOPTED THIS REGULATION :

Article 1

A European Monetary Cooperation Fund, hereinafter referred to as 'the Fund', is hereby established ; it shall have legal personality.

Article 2

Within the limits of its powers the Fund shall promote :

— the proper functioning of the progressive narrowing of the margins of fluctuation of the Community currencies against each other ;

— interventions in Community currencies on the exchange markets ;

— settlements between Central Banks leading to a concerted policy on reserves.

[1] OJ No C 28, 27. 3. 1971, p. 1.
[2] OJ No C 38, 18. 4. 1972, p. 3.

Article 3

In the first stage of its functions the Fund shall be responsible for :

— the concerted action necessary for the proper functioning of the Community exchange system ;

— the multilateralization of positions resulting from interventions by Central Banks in Community currencies and the multilateralization of intra-Community settlements ;

— the administration of the very short-term financing provided for by the Agreement between the Central Banks of the enlarged Community of 10 April 1972 and of the short-term monetary support provided for in the Agreement between the Central Banks of the Community of 9 February 1970, to which the Central Banks of Denmark, Ireland and the United Kingdom acceded with effect from 8 January 1973, and the regroupment of these mechanisms in a renewed mechanism.

Article 4

The provisions contained in the Agreements referred to in the third indent of Article 3 shall become the administrative rules of the Fund. The necessary technical adaptations to those provisions shall be made by the Board of Governors of the Fund without however changing the basic nature of those provisions and in particular the consultation procedures contained therein.

Article 5

The Statutes of the Fund are set out in the Annex to this Regulation and form an integral part thereof.

Article 6

This Regulation shall enter into force on 6 April 1973.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 3 April 1973.

For the Council

The President

R. VAN ELSLANDE

ANNEX

STATUTES OF THE EUROPEAN MONETARY COOPERATION FUND

Article 1

The Fund shall be directed and managed by a Board of Governors. The members of the Board of Governors shall be the members of the Committee of Governors of the Central Banks of the Member States of the European Economic Community established by the Council Decision [1] of 8 May 1964 on collaboration between the Central Banks of the Member States of the European Economic Community.

If unable to attend they may be represented by another member of the governing body of their Central Bank.

A member of the Luxembourg currency authorities shall sit on the Board of Governors. He shall take part in decisions whenever the rights and obligations of the Grand Duchy of Luxembourg are not exercised by the National Bank of Belgium on behalf of the two Member States of the Belgo-Luxembourg Economic Union.

A member of the Commission shall take part in the proceedings of the Board of Governors. He may appoint an alternate.

Article 2

The Board of Governors shall, in order to achieve the aims of the Fund, act in accordance with the general economic policy guidelines drawn up under the Treaty by the Council and in accordance with such directives as the Council may adopt acting unanimously on a proposal from the Commission.

On 30 June and 31 December of each year, the Board of Governors shall draw up a report on its activities for submission to the Council and the Commission.

Article 3

The Board of Governors shall represent the Fund. It shall decide on the organization of the Funds, the powers which will be delegated and who may commit the Fund *vis-à-vis* third parties.

The Board of Governors may delegate to an agent the responsibility for the execution of technical aspects of the Fund's operations.

Article 4

In the first stage of its functions, the expenditure incurred in the management of the Fund which is not covered by income shall where necessary be made up by contributions from the Central Banks in accordance with the scale of contributions for short-term monetary support.

Article 5

The Fund's operations in the currencies of the Member States shall be expressed in a European monetary unit of account of a value of 0·88867088 grammes of fine gold.

When all the Member States alter the parity or the central rate of their currency simultaneously in the same direction, the value of the unit of account shall be changed automatically :

— where the parities change in the same proportion : in the same direction and by the same proportion as the changes in parities or in the central rates ;

— where the parities change in different proportions : in the same direction as the change and in the same proportion as the smallest change in parity or central rate, unless the Council decides on a larger change. In such a case the Council shall act within three days from that of the official announcement by the first Member State to change the parity or central rate of its currency, and in accordance with the procedure laid down in the fourth paragraph of this Article.

Simultaneous changes mean changes in the parity or central rate of the currencies of the Member States made within the three-day period referred to above.

Any other changes in the value of the unit of account shall be decided on by the Council, acting unanimously on a proposal from the Commission after consulting the Monetary Committee and the Board of Governors of the Fund.

Article 6

In each of the Member States the Fund shall enjoy the most extensive legal capacity accorded to legal persons under their laws. It may in particular acquire or dispose of moveable or immovable property, open accounts and conclude agreements with the Central Banks of the Member States of the Community, receive and grant credit, invest the funds for whose management it is responsible, recruit personnel and may be a party to legal proceedings.

[1] OJ No 77, 21. 5. 1964, p. 1206/64.

Article 7

The Protocol on the Privileges and Immunities of the European Communities shall apply to the Fund, the Board of Governors and the personnel of the Fund.

Article 8

The obligation of professional secrecy contained in Article 214 of the Treaty shall apply to the members of the Board of Governors, the member of the Commission sitting on the Board and his alternate, and to any other person engaged in the activities of the Fund.

Article 9

In the case of non-contractual liability, the provisions of Article 215 of the Treaty shall apply to damage or loss caused by the Fund or by its servants in the performance of their duties.

Article 10

The Board of Governors shall adopt the rules of procedure of the Fund. These rules of procedure shall require the unanimous approval of the Council, given after consulting the Commission.