

Council Decision of 26 November 2009 on the position to be taken  
by the European Community regarding the renegotiation of the  
Monetary Agreement with the Vatican City State (2009/895/EC)

COUNCIL DECISION

of 26 November 2009

on the position to be taken by the European Community regarding the  
renegotiation of the Monetary Agreement with the Vatican City State  
(2009/895/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 111(3) thereof,

Having regard to the recommendation from the Commission,

Having consulted the European Central Bank,

Whereas:

- (1) The Community has the competence for monetary and exchange rate matters as of the date of the introduction of the euro.
- (2) The Council is to determine the arrangements for the negotiation and conclusion of agreements concerning monetary or foreign exchange regime matter.
- (3) The Italian Republic, on behalf of the Community, concluded on 29 December 2000 a Monetary Agreement with the Vatican City State.
- (4) In its conclusions on 10 February 2009 the Council invited the Commission to review the functioning of the existing monetary agreements and to consider possible increases in the ceilings for coin issuance.
- (5) The Commission concluded in the Communication on the functioning of the Monetary Agreements with Monaco, San Marino and Vatican that the Monetary Agreement with the Vatican City State in its present form needs to be amended with a view to ensuring a more consistent approach in the relations between the Community and the countries having signed a monetary agreement.
- (6) The Monetary Agreement with the Vatican City State should therefore be renegotiated as soon as possible so that the new regime enters into force on 1 January 2010, together with the new rules on the modalities of introduction of euro coins set by the Commission Recommendation of 19 December 2008 on common guidelines for the national side and the issuance of euro coins intended for circulation<sup>(1)</sup>, endorsed by the Council in its conclusions of 10 February 2009,

HAS ADOPTED THIS DECISION:

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**Changes to legislation:** There are currently no known outstanding effects for the Council Decision of 26 November 2009 on the position to be taken by the European Community regarding the renegotiation of the Monetary Agreement with the Vatican City State (2009/895/EC). (See end of Document for details)

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### *Article 1*

The Italian Republic shall notify the Vatican City State of the need to amend the existing Monetary Agreement between the Italian Republic, on behalf of the European Community, and the Vatican City State (hereinafter the Agreement) at the earliest possible date and offer renegotiation on the relevant provisions of the Agreement.

### *Article 2*

The Community shall seek the following changes in the renegotiation of the Agreement with the Vatican City State:

- (a) The Agreement shall be concluded between the Community and the Vatican City State. The text of the agreement shall be a codified text of the current agreement with the amendments.
- (b) The Vatican City State shall undertake to adopt all appropriate measures, through direct transpositions or possibly equivalent actions, for the application of all relevant Community legislation on the prevention of money laundering, on the prevention of fraud and counterfeiting of cash and non-cash means of payment. It shall also undertake to adopt all relevant Community banking and financial legislation if and when a banking sector is created in the Vatican City State.
- (c) The method for determining the ceiling of issuance of Vatican euro coins shall be revised. The new ceiling shall be calculated using a method which will combine a fixed part aimed at avoiding excessive numismatic speculation on Vatican coins by satisfying the demand of the collector coin market and a variable part, calculated as the average per capita coin issuance of the Italian Republic in the year  $n-1$  multiplied by the number of inhabitants of the Vatican City State. Without prejudice to the issuance of collector coins, the Agreement shall set the minimum proportion of Vatican euro coins to be introduced at face value at 51 %.
- (d) A Joint Committee shall be established in order to monitor the progress in the implementation of the Agreement. It shall be composed of representatives of the Vatican City State, the Italian Republic, the Commission and the ECB. It shall have the possibility to revise each year the fixed part with a view to taking into account inflation and the evolution of the collector market. It shall examine every 5 years the adequacy of the minimum proportion of coins to be introduced at face value and may decide to increase it. It shall adopt decisions unanimously. The Joint Committee shall adopt its own rules of procedure.
- (e) The euro coins of the Vatican City State shall be minted by the Istituto Poligrafico e Zecca dello Stato. The Vatican City State shall however have the possibility to take another contractor among the European Union mints striking euro coins, with the agreement of the Joint Committee. The volume of coins issued by the Vatican City State shall be added to the volume of coins issued by the Italian Republic for the purpose of the ECB approval of the total volume of the issuance.
- (f) The Court of Justice of the European Communities shall be elected as the body in charge of settling disputes which may arise from the application of the Agreement.

If the Community or the Vatican City State consider that the other Party has not fulfilled an obligation under the Monetary Agreement, it may bring the matter before the Court of Justice. The judgment of the Court of Justice shall be binding on the Parties, which shall take the necessary measures to comply with the judgment within a period to be decided by the Court of Justice in its judgment. In case the Community or the Vatican

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City State fail to take the necessary measures to comply with the judgment within the period, the other Party can terminate immediately the Agreement.

*Article 3*

The negotiations with the Vatican City State shall be conducted by the Italian Republic and the Commission on behalf of the Community. The Italian Republic and the Commission are empowered to initial the Agreement on behalf of the Community. The ECB shall be fully associated with the negotiations and its Agreement shall be required on issues falling in its field of competence. The Italian Republic and the Commission shall submit the draft agreement to the Economic and Financial Committee (EFC) for opinion.

*Article 4*

Upon the initialling of the Agreement, the Commission shall be entitled to conclude the agreement on behalf of the Community, unless the EFC or the ECB is of the opinion that the agreement should be submitted to the Council.

*Article 5*

This Decision is addressed to the Italian Republic, the Commission and the ECB.

Done at Brussels, 26 November 2009.

*For the Council*

*The President*

J. BJÖRKLUND

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- (1) [OJ L 9, 14.1.2009, p. 52.](#)

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