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(Information)

COUNCIL

(TRANSLATION)

MONETARY AGREEMENT**BETWEEN THE ITALIAN REPUBLIC, ON BEHALF OF THE EUROPEAN COMMUNITY, AND THE
REPUBLIC OF SAN MARINO**

(2001/C 209/01)

THE ITALIAN REPUBLIC, on behalf of the EUROPEAN COMMUNITY,

and

THE REPUBLIC OF SAN MARINO

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

Having regard to the Council Decision of 31 December 1998 on the position to be taken by the Community regarding an agreement concerning the monetary relations with the Republic of San Marino,

- (1) Considering the principles established in the existing Agreements between the Italian Republic and the Republic of San Marino.
- (2) Considering the provisions of bilateral agreements on monetary matters, and most recently the *Convenzione monetaria tra la Repubblica Italiana e la Repubblica di San Marino*, concluded on 21 December 1991.
- (3) Considering that pursuant to Council Regulation (EC) No 974/98 of 3 May 1998, since 1 January 1999 the euro, at the fixed conversion rate, has been substituted for the currency of each Member State participating in the third stage of Economic and Monetary Union.
- (4) Considering that the Decision of the Council of the European Union, meeting in the composition of Heads of State or Government, of 3 May 1998 laid down that Italy was one of the Member States of the European Community that would adopt the euro.
- (5) Considering that since 1 January 1999 the European Community has been competent for monetary matters relating to Member States which adopt the euro.
- (6) Considering that under Declaration No 6 annexed to the Final Act of the Treaty on European Union, the Community undertook to facilitate such renegotiations of existing arrangements with the Republic of San Marino as might become necessary as a result of the introduction of the single currency.
- (7) Considering that as a result of the introduction of the euro it has become necessary to renegotiate the current *Convenzione monetaria tra la Repubblica Italiana e la Repubblica di San Marino*, concluded on 21 December 1991.
- (8) Considering that in its Decision of 31 December 1998, the Council laid down arrangements for negotiating and concluding the Agreement concerning monetary relations with the Republic of San Marino.
- (9) Considering that under Decision the Italian Republic is to conduct the negotiations with the Republic of San Marino on behalf of the Community, that the Commission is to be fully associated with the negotiations, and that the European Central Bank is to be fully associated with the negotiations in its field of competence.

- (10) Considering that under that Decision one of the principles on which the Community's position in the negotiations is based is that the Republic of San Marino shall undertake not to issue any banknotes, coins or monetary surrogates of any kind unless the conditions for such issuance have been agreed with the Community, and that this does not prejudice the right of the Republic of San Marino to continue issuing gold coins denominated in scudi.
- (11) Considering that the Republic of San Marino may be authorised to issue euro collector coins.
- (12) Considering that in its Decision of 31 December 1998 the Council laid down that financial institutions located in the Republic of San Marino may have access to payment systems within the euro area under appropriate conditions to be determined with the agreement of the European Central Bank. Considering that, in view of the close ties between the Italian Republic and the Republic of San Marino, that access should be ensured through Italian payment systems,

HAVE AGREED AS FOLLOWS:

Article 1

As from 1 January 1999 the Republic of San Marino shall be entitled to use the euro as its official currency in accordance with Regulations (EC) No 1103/97 and (EC) No 974/98.

The Republic of San Marino shall grant legal tender status to euro banknotes and coins as from 1 January 2002.

The Republic of San Marino undertakes to make Community rules on euro banknotes and coins applicable in the Republic of San Marino and to align itself to the Italian Republic's timetable for the introduction of euro banknotes and coins.

The Republic of San Marino also undertakes to follow the Italian Republic's timetable for the withdrawal of San Marino lira coins.

Article 2

The Republic of San Marino shall not issue any banknotes, coins or monetary surrogates of any kind unless the conditions for such issuance have been agreed with the Community. The conditions for issuing a limited quantity of euro coins as from 1 January 2002 and of lira coins until 31 December 2001 are laid down in the following Articles.

Article 3

As from 1 January 2002 the Republic of San Marino may issue euro coins for a maximum annual face value of EUR 1 944 000.

Euro coins issued by the Republic of San Marino shall be identical to those issued by the Member States of the European Community which have adopted the euro as far as the face value, legal tender status, technical characteristics, artistic features of the common side and the shared artistic features of the national side are concerned.

The Republic of San Marino shall notify in advance the artistic features of the national side to the competent Community authorities.

Article 4

The annual face value of the euro coins issued by the Republic of San Marino shall be added to the volume of the coins issued by the Italian Republic for the purposes of European Central Bank approval of the total volume of the issue by the Italian Republic in accordance with Article 106(2) of the Treaty establishing the European Community.

No later than 1 September each year the Republic of San Marino shall notify the Italian Republic of the face value of the euro coins that it intends to issue during the following year.

Article 5

This Agreement does not prejudice the right of the Republic of San Marino to continue issuing gold coins denominated in scudi.

The Republic of San Marino may issue euro collector coins. They shall be included in the annual face value referred to in Article 3. The issue of euro collector coins by the Republic of San Marino shall be in accordance with the guidelines laid down for collector coins issued by the Member States of the European Community, which, *inter alia*, prohibit the issue of euro collector coins until 1 January 2002 and require the adoption of technical characteristics, artistic features and denominations that enable euro collector coins to be distinguished from coins intended for circulation.

Collector coins and gold coins denominated in scudi issued by the Republic of San Marino shall not be legal tender in the European Community.

Article 6

The Italian Republic shall put the Istituto Poligrafico e Zecca dello Stato at the disposal of the Republic of San Marino for the minting of San Marinese coins.

The Republic of San Marino undertakes to use the Istituto Poligrafico e Zecca dello Stato and no other establishment to mint its coins as long as this Agreement remains in force.

Article 7

The Republic of San Marino may not issue euro coins until 1 January 2002.

The Republic of San Marino may issue lira coins until 31 December 2001. The following provisions shall apply to such lira issues:

- lira coins, in the denominations that the Republic of San Marino intends to mint, shall be identical to Italian lira coins as regards the metal, chemical composition, face value, dimensions and intrinsic value of the individual coins;
- coins of the Italian Republic and coins of the Republic of San Marino shall have identical status as legal tender in each other's territories in relations between private individuals and organisations and in relations with public institutions;
- either State may request that San Marinese coins accumulating in the Italian Treasury vaults be exchanged into Italian currency;
- no limit shall be set on the value of gold coins that may be minted; such coins shall be legal tender in the territory of the Republic of San Marino only; the face value of the non-gold coin issue may not exceed a total of LIT 3 677 805 000 each year;
- the annual face value of the lira coins issued by the Republic of San Marino shall be added to the volume of coins issued by the Italian Republic for the purposes of European Central Bank approval of the total volume of the issue by the Italian Republic in accordance with Article 106(2) of the Treaty establishing the European Community;
- each State undertakes to suppress and punish any counterfeiting of the other's coins that may take place on its territory.

Article 8

The Republic of San Marino shall cooperate closely with the European Community with regard to measures against counterfeiting of euro banknotes and coins and in order to suppress and punish any counterfeiting of euro coins and banknotes that may take place in its territory.

Article 9

Financial institutions located in the Republic of San Marino may have access to payment systems within the euro area under appropriate terms and conditions determined by the Banca d'Italia with the agreement of the European Central Bank.

Article 10

The Parties agree that the Convenzione monetaria tra la Repubblica Italiana e la Repubblica di San Marino, concluded on 21 December 1991, will expire once this Agreement enters into force.

Article 11

This Agreement shall enter into force on the first day of the month following the date on which the Parties have notified each other that their ratification, conclusion or adoption procedures have been completed in accordance with the rules applicable to each Party.

Every two years the competent financial bodies of the Italian Republic and of the Republic of San Marino shall by common agreement revise by way of administrative procedure the amount referred to in Article 3, on the basis of the ISTAT index of changes in consumer prices over the previous two years. The first such revision shall be carried out from 1 January 2004.

Each Party and the bodies participating in the procedure leading to the conclusion of this Agreement may request a review of the provisions thereof. If, following such review, it should prove desirable to amend the provisions of this Agreement, current procedures and current Community law shall apply.

Either Party may withdraw from this Agreement by giving one year's notice.

In witness whereof, the undersigned Plenipotentiaries, vested with full powers, have signed this Agreement and thereunto set their seals.
