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*(Information)***COUNCIL**

(TRANSLATION)

MONETARY AGREEMENT**BETWEEN THE ITALIAN REPUBLIC, ON BEHALF OF THE EUROPEAN COMMUNITY, AND THE
VATICAN CITY STATE AND, ON ITS BEHALF, THE HOLY SEE**

(2001/C 299/01)

THE ITALIAN REPUBLIC, on behalf of the EUROPEAN COMMUNITY,

and

THE VATICAN CITY STATE, represented by the Holy See within the meaning of Article 3 of the Lateran Treaty,

Having regard to the Treaty establishing the European Community, and 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 monetary relations with the Vatican City State,

- (1) Considering the principles established in the existing Agreements between the Vatican City State and the Italian Republic and in particular in the Treaty between the Holy See and Italy of 11 February 1929 and amendments thereto.
- (2) Considering the provisions of bilateral agreements on monetary matters, and most recently the *Convenzione monetaria tra la Repubblica Italiana e lo Stato della Città del Vaticano*, concluded on 3 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 Vatican City State 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 lo Stato della Città del Vaticano*, concluded on 3 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 Vatican City State.

- (9) Considering that under that Decision the Italian Republic is to conduct the negotiations with the Vatican City State on behalf of the European 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 Vatican City State shall undertake not to issue any banknotes, coins or monetary surrogates of any kind unless the conditions for such issuance has been agreed with the Community, and that this does not prejudice the right of the Vatican City State to issue collector coins.
- (11) Considering that the issue of euro collector coins by the Vatican City State must 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.
- (12) Considering that in its Decision of 31 December 1998 the Council laid down that financial institutions located in Vatican City may have access to payment systems within the euro area under appropriate conditions to be determined with the agreement of the European Central Bank.
- (13) Considering that, in view of the close ties between the Italian Republic and the Vatican City, that access should be ensured through Italian payment systems,

HAVE AGREED AS FOLLOWS:

Article 1

As from 1 January 1999 the Vatican City State 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 Vatican City State shall grant legal tender status to euro banknotes and coins as from 1 January 2002.

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

The Vatican City State also undertakes to follow the Italian Republic's timetable for the withdrawal of Vatican lira coins.

Article 2

The Vatican City State 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 Vatican City State may issue euro coins for a maximum annual face value of EUR 670 000.

Euro coins issued by the Vatican City State 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 Vatican City State 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 Vatican City State 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 Vatican City State 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 Vatican City State to mint collector coins. In the event of the issue of euro collector coins, these shall be included in the annual face value referred to in Article 3.

Collector coins issued by the Vatican City State 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 Vatican City State for the minting of Vatican coins and pontifical medals.

The Vatican City State 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

When the Holy See is vacant, in the year when such vacancy occurs, the Vatican City State may issue coins, in addition to the maximum amount laid down in Article 3, totalling EUR 201 000.

In each Holy Jubilee Year the Vatican City State may issue coins, in addition to the maximum amount laid down in Article 3, totalling EUR 201 000.

In the year of the opening of a Ecumenical Council the Vatican City State may issue coins, in addition to the maximum amount laid down in Article 3, totalling EUR 201 000.

Article 8

The Vatican City State may not issue euro coins until 1 January 2002.

The Vatican City State may issue lira coins until 31 December 2001. The following provisions shall apply to such lira issues:

- lira coins, in the denominations that the Vatican City State 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;
- Vatican coins and Italian coins shall have identical status as legal tender in Italian territory and in Vatican City respectively in relations between private individuals and organisations and in relations with public institutions;
- the Vatican City State and the Italian Republic may request that Vatican 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 Vatican City State only; the face value of the non-gold coin issue may not exceed a total of one billion Italian lire each year and, in any case, the quantity may not exceed one hundred million coins.
- when the Holy See is vacant, in the year when such vacancy occurs, in each Holy Jubilee Year and in the year of the opening of an Ecumenical Council, the Vatican City State may issue coins, in addition to the maximum amount laid down in the preceding subparagraph, totalling three hundred million Italian lire and in respect of a quantity not exceeding thirty million coins.
- the annual face value of the lira coins issued by the Vatican City State 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.

Article 9

The Vatican City State 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 10

Financial institutions located in the Vatican City State 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 11

The Parties agree that the *Convenzione monetaria tra la Repubblica Italiana e lo Stato della Città del Vaticano*, concluded on 3 December 1991, will expire once this Agreement enters into force.

Article 12

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 Vatican City State shall by common agreement revise by way of administrative procedure the amounts referred to in Articles 3 and 7, 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.

Done in two originals in Rome on 29 December 2000.

*For the Government of the Italian Republic, on behalf
of the European Community*

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*For the Vatican City State and, on its behalf, the Holy
See*

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