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MONETARY AGREEMENT

between the European Union and the Vatican City State

(2010/C 28/05)

(OJ C 28, 4.2.2010, p. 13)

Amended by:

		Official Journal		
		No	page	date
► <u>M1</u>	Commission Decision 2012/355/EU of 2 July 2012	L 174	24	4.7.2012
► <u>M2</u>	Commission Decision 2014/C 73/06 of 6 March 2014	C 73	29	12.3.2014
► <u>M3</u>	Commission Decision (EU) 2015/767 of 12 May 2015	L 120	58	13.5.2015
► <u>M4</u>	Commission Decision (EU) 2016/255 of 23 February 2016	L 47	10	24.2.2016
► <u>M5</u>	Commission Decision (EU) 2017/124 of 24 January 2017	L 19	64	25.1.2017
► <u>M6</u>	Commission Decision (EU) 2018/495 of 22 March 2018	L 81	77	23.3.2018



MONETARY AGREEMENT

between the European Union and the Vatican City State

(2010/C 28/05)

THE EUROPEAN UNION, represented by the European Commission
and by the Italian Republic

and

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

Whereas:

- (1) On 1 January 1999, the euro has replaced the currency of each Member State participating in the third stage of Economic and Monetary Union, among which Italy, pursuant to Council Regulation (EC) No 974/98 of 3 May 1998.
- (2) Italy and the Vatican City State were linked before the creation of the euro by bilateral agreements on monetary matters, and in particular the *Convenzione monetaria tra la Repubblica Italiana e lo Stato della Città del Vaticano*, concluded on 3 December 1991.
- (3) The Declaration No 6 annexed to the Final Act of the Treaty on European Union stated that the Community should facilitate the renegotiation of existing arrangements with the Vatican City State as might become necessary as a result of the introduction of the single currency.
- (4) The European Community, represented by the Italian Republic in association with the Commission and the ECB, concluded on 29 December 2000 a Monetary Agreement with the Vatican City State.
- (5) In accordance with this Monetary Agreement, the Vatican City State uses the euro as its official currency and grants legal tender status to euro banknotes and coins. It should ensure that EU rules on banknotes and coins denominated in euro — including those related to its protection against counterfeiting — are applicable within its territory.
- (6) This Agreement does not impose any obligation on the ECB and national Central Banks to include Vatican City State's financial instruments in the list(s) of securities eligible for monetary policy operations of the European System of Central Banks.
- (7) A Joint Committee composed of representatives of the Vatican City State, the Italian Republic, the Commission and the ECB should be established in order to examine the application of this Agreement, decide the annual ceiling for coin issuance, examine

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the adequacy of the minimum proportion of coins to be introduced at face value and assess the measures taken by the Vatican City State for implementing relevant EU legislations.

- (8) The Court of Justice of the European Union should be the judicial body in charge of settling disputes which may arise from the application of the Agreement,

HAVE AGREED AS FOLLOWS:

Article 1

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.

Article 2

The Vatican City State shall not issue any banknote, coin or monetary surrogate of any kind unless the conditions for such issuance have been agreed with the European Union. The conditions for issuing euro coins as from 1 January 2010 are laid down in the following Articles.

Article 3

1. The annual ceiling (in value terms) for the issuance of euro coins by the Vatican City State shall be calculated by the Joint Committee established by the present Agreement as the addition of:

- *a fixed part*, whose initial amount for 2010 is set at EUR 2 300 000. The Joint Committee may revise annually the fixed part with a view to taking into account both inflation — on the basis of the HICP inflation of Italy in the year n-1 — and the possible significant evolutions affecting the euro coins collector market,
- *a variable part*, corresponding to 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.

2. The Vatican City State may also issue a special commemorative coin and/or collector coins in years when the Holy See is vacant. In case this special issuance brings the overall issuance above the ceiling laid down in paragraph 1, the value of this issuance shall be accounted for using the remaining part of the ceiling of the previous year and/or deduced from the ceiling of the following year.

Article 4

1. Euro coins issued by the Vatican City State shall be identical to those issued by the Member States of the European Union which have

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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.

2. The Vatican City State shall notify in advance the draft national sides of its euro coins to the Commission, which shall check its compliance with the EU rules.

Article 5

1. Euro coins issued by the Vatican City State shall be minted by the Istituto Poligrafico e Zecca dello Stato of the Italian Republic.

2. By derogation to paragraph 1, the Vatican City State may have its coins minted by an EU Mint striking euro coins other than the one mentioned in paragraph 1, with the agreement of the Joint Committee.

Article 6

1. The volume of euro coins issued by the Vatican City State shall be added to the volume of coins issued by Italy for the purposes of European Central Bank approval of the total volume of the issue by that Member State in accordance with Article 128(2) of the Treaty on the functioning of the European Union.

2. No later than 1 September of each year, the Vatican City State shall notify the Italian Republic of the volume and the face value of the euro coins that it intends to issue during the following year. It shall also notify to the Commission the intended conditions of issuance of these coins.

3. The Vatican City State shall communicate the information as mentioned in paragraph 2 for the year 2010 upon signature of this Agreement.

4. Without prejudice to the issuance of collector coins, the Vatican City State shall put in circulation at face value at least 51 % of the euro coins issued each year. The Joint Committee shall examine every five years the adequacy of the minimum proportion of coins to be introduced at face value and may decide to increase it.

Article 7

1. The Vatican City State may issue euro collector coins. They shall be included in the annual ceiling referred to in Article 3. The issuance of euro collector coins by the Vatican City State shall be in accordance with the EU guidelines laid down for euro collector coins, which, inter alia, require the adoption of technical characteristics, artistic features and denominations that enable euro collector coins to be distinguished from coins intended for circulation.

2. Collector coins issued by the Vatican City State shall not be legal tender in the European Union.

▼B*Article 8*

1. The Vatican City State shall undertake to adopt all appropriate measures, through direct transpositions or possibly equivalent actions, with a view to implementing the EU legal acts and rules listed in the Annex to this Agreement, in the field of:

- (a) euro banknotes and coins,
- (b) prevention of money laundering, prevention of fraud and counterfeiting of cash and non-cash means of payment, medals and tokens and statistical reporting requirements.

If and when a banking sector is created in the Vatican City State, the list of legal acts and rules in the Annex shall be extended with a view to including EU banking and financial law and relevant ECB legal acts and rules, in particular on statistical reporting requirements.

2. The legal acts and rules referred to in paragraph 1 shall be implemented by the Vatican City State in accordance with the deadlines specified in the Annex.

3. The Annex shall be amended by the Commission every year, with a view to taking into account the new relevant EU legal acts and rules and the amendments to the existing ones. The Joint Committee shall thereafter decide on appropriate and reasonable deadlines for the implementation by the Vatican City State of the new legal acts and rules added to the Annex.

4. The updated Annex shall be published in the *Official Journal of the European Union*.

Article 9

Financial institutions located in the Vatican City State may have access to interbank settlement and payment and securities settlement systems within the euro area under appropriate terms and conditions determined by the Bank of Italy, in agreement with the European Central Bank.

Article 10

1. The Court of Justice of the European Union shall be the jurisdiction which shall have the exclusive competence for settling any persisting dispute between the parties which may arise from the application of this Agreement and which could not have been solved within the Joint Committee.

2. If the European Union (acting on a recommendation of the EU delegation in the Joint Committee) or the Vatican City State considers that the other Party has not fulfilled an obligation under this Agreement, it may bring the matter before the Court of Justice. The judgment of the Court 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 in its judgment.

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3. In case the European Union or the Vatican City State fails to take the necessary measures to comply with the judgment within the period, the other Party can terminate immediately the Agreement.

Article 11

1. A Joint Committee shall be established. It shall be composed of representatives of the Vatican City State and of the European Union. The delegation of the EU shall be composed of representatives of the Commission and of the Italian Republic, together with the representatives of the European Central Bank. The European Union delegation should adopt its Rules of Procedures by consensus.

2. The Joint Committee shall meet at least once a year. The Chair shall rotate on an annual basis between a representative of the European Union and a representative of the Vatican City State. The Joint Committee shall adopt its decisions unanimously.

3. The Joint Committee shall exchange views and information and adopt the decisions mentioned in the Articles 3, 6 and 8. It shall examine the measures taken by the Vatican City State and shall endeavour to solve potential dispute resulting from the implementation of this Agreement.

4. The European Union shall be the first chair of the Joint Committee upon the entry into force of this Agreement, as laid down in Article 13.

Article 12

Without prejudice to Article 10(3), each Party may terminate this Agreement with notice of one year.

Article 13

This Agreement shall enter into force on 1 January 2010.

Article 14

The Monetary Agreement of 29 December 2000 shall be repealed from the date of entry into force of the present Agreement. References to the Agreement of 29 December 2000 shall be understood as references to the present Agreement.

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ANNEX

	Legal Provisions to be implemented	Deadline for implementing
	Prevention of money laundering	
1	Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (OJ L 309, 25.11.2005, p. 15) (*) Amended by:	31 December 2010
2	Directive 2008/20/EC of the European Parliament and of the Council of 11 March 2008 amending Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, as regards the implementing powers conferred on the Commission (OJ L 76, 19.3.2008, p. 46). Supplemented by:	
3	Council Framework Decision 2001/500/JHA of 26 June 2001 on money laundering, the identification, tracing, freezing, seizing and confiscation of instrumentalities and the proceeds of crime (OJ L 182, 5.7.2001, p. 1).	
4	Regulation (EC) No 1889/2005 of the European Parliament and of the Council of 26 October 2005 on controls of cash entering or leaving the Community (OJ L 309, 25.11.2005, p. 9).	
5	Commission Directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of politically exposed person and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis (OJ L 214, 4.8.2006, p. 29) (**)	
6	Regulation (EC) No 1781/2006 of the European Parliament and of the Council of 15 November 2006 on information on the payer accompanying transfers of funds (OJ L 345, 8.12.2006, p. 1).	
7	Directive 2014/42/EU of the European Parliament and of the Council of 3 April 2014 on the freezing and confiscation of instrumentalities and proceeds of crime in the European Union (OJ L 127, 29.4.2014, p. 39).	31 December 2016 ⁽²⁾
8	Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006 (OJ L 141, 5.6.2015, p. 1).	31 December 2017 ⁽³⁾
9	Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73). Supplemented by:	31 December 2017 ⁽³⁾
10	Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies (OJ L 254, 20.9.2016, p. 1).	31 December 2017 ⁽⁵⁾

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	Legal Provisions to be implemented	Deadline for implementing
	Prevention of fraud and counterfeiting	
11	Council Framework Decision 2001/413/JHA of 28 May 2001 combating fraud and counterfeiting of non-cash means of payment (OJ L 149, 2.6.2001, p. 1).	31 December 2010
12	Council Regulation (EC) No 1338/2001 of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting (OJ L 181, 4.7.2001, p. 6). Amended by:	31 December 2010
13	Council Regulation (EC) No 44/2009 of 18 December 2008 amending Regulation (EC) No 1338/2001 laying down measures necessary for the protection of the euro against counterfeiting (OJ L 17, 22.1.2009, p. 1).	
14	Council Regulation (EC) No 2182/2004 of 6 December 2004 concerning medals and tokens similar to euro coins (OJ L 373, 21.12.2004, p. 1). Amended by:	31 December 2010
15	Council Regulation (EC) No 46/2009 of 18 December 2008 amending Regulation (EC) No 2182/2004 concerning medals and tokens similar to euro coins (OJ L 17, 22.1.2009, p. 5).	
16	Directive 2014/62/EU of the European Parliament and of the Council of 15 May 2014 on the protection of the euro and other currencies against counterfeiting by criminal law, and replacing Council Framework Decision 2000/383/JHA (OJ L 151, 21.5.2014, p. 1).	31 December 2016 ⁽²⁾
	Rules on euro banknotes and coins	
17	Council Conclusions of 10 May 1999 on the quality management system for euro coins	31 December 2010
18	Communication from the Commission 2001/C 318/03 of 22 October 2001 on copyright protection of the common face design of the euro coins (C(2001) 600 final) (OJ C 318, 13.11.2001, p. 3).	31 December 2010
19	Guideline ECB/2003/5 of the European Central Bank of 20 March 2003 on the enforcement of measures to counter non-compliant reproductions of euro banknotes and on the exchange and withdrawal of euro banknotes (OJ L 78, 25.3.2003, p. 20). Amended by:	31 December 2010
20	Guideline ECB/2013/11 of the European Central Bank of 19 April 2013 amending Guideline ECB/2003/5 on the enforcement of measures to counter non-compliant reproductions of euro banknotes and on the exchange and withdrawal of euro banknotes (OJ L 118, 30.4.2013, p. 43).	31 December 2014 ⁽¹⁾
21	Decision ECB/2010/14 of the European Central Bank of 16 September 2010 on the authenticity and fitness checking and recirculation of euro banknotes (OJ L 267, 9.10.2010, p. 1). Amended by:	31 December 2012
22	Decision ECB/2012/19 of the European Central Bank of 7 September 2012 (OJ L 253, 20.9.2012, p. 19).	31 December 2013 ⁽¹⁾
23	Regulation (EU) No 1210/2010 of the European Parliament and of the Council of 15 December 2010 concerning authentication of euro coins and handling of euro coins unfit for circulation (OJ L 339, 22.12.2010, p. 1).	31 December 2012

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	Legal Provisions to be implemented	Deadline for implementing
24	Regulation (EU) No 651/2012 of the European Parliament and of the Council of 4 July 2012 on the issuance of euro coins (OJ L 201, 27.7.2012, p. 135).	31 December 2013 ⁽¹⁾
25	Decision ECB/2013/10 of the European Central Bank of 19 April 2013 on the denominations, specifications, reproduction, exchange and withdrawal of euro banknotes (OJ L 118, 30.4.2013, p. 37).	31 December 2014 ⁽¹⁾
26	Council Regulation (EU) No 729/2014 of 24 June 2014 on denominations and technical specifications of euro coins intended for circulation (Recast) (OJ L 194, 2.7.2014, p. 1).	31 December 2013 ⁽²⁾

Section of the Annex to the Monetary Agreement in accordance with the Ad hoc arrangement of the Joint Committee on a request from the Holy See and Vatican City State on the inclusion of relevant rules applicable to entities carrying out financial activities on a professional basis

	Relevant parts of the following legal instruments	Deadline for implementing
27	Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1). Amended by:	31 December 2016 ⁽²⁾
28	Directive 2001/65/EC of the European Parliament and of the Council of 27 September 2001 (OJ L 283, 27.10.2001, p. 28).	
29	Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003 (OJ L 178, 17.7.2003, p. 16).	
30	Directive 2006/46/EC of the European Parliament and of the Council of 14 June 2006 (OJ L 224, 16.8.2006, p. 1).	
31	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).	31 December 2017 ⁽²⁾
32	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1). Amended by:	31 December 2017 ⁽²⁾
33	Commission Delegated Regulation (EU) 2015/62 of 10 October 2014 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the leverage ratio (OJ L 11, 17.1.2015, p. 37). Supplemented by:	31 December 2017 ⁽³⁾
34	Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions (OJ L 74, 14.3.2014, p. 8), Amended by:	31 December 2017 ⁽³⁾
35	Commission Delegated Regulation (EU) 2015/923 of 11 March 2015 amending Delegated Regulation (EU) No 241/2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions (OJ L 150, 17.6.2015, p. 1).	31 December 2017 ⁽³⁾

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	Relevant parts of the following legal instruments	Deadline for implementing
36	Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions (OJ L 11, 17.1.2015, p. 1).	31 December 2017 ⁽³⁾
37	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173, 12.6.2014, p. 1) and the related level 2 measures as appropriate Amended by:	30 September 2018 ⁽⁴⁾
38	Regulation (EU) 2016/1033 of the European Parliament and of the Council of 23 June 2016 amending Regulation (EU) No 600/2014 on markets in financial instruments, Regulation (EU) No 596/2014 on market abuse and Regulation (EU) No 909/2014 on improving securities settlement in the European Union and on central securities depositories (OJ L 175, 30.6.2016, p. 1). Supplemented by:	30 September 2018 ⁽⁵⁾
39	Commission Implementing Directive (EU) 2015/2392 of 17 December 2015 on Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards reporting to competent authorities of actual or potential infringements of that Regulation (OJ L 332, 18.12.2015, p. 126).	30 September 2018 ⁽⁴⁾
40	Commission Delegated Regulation (EU) 2016/522 of 17 December 2015 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards an exemption for certain third countries public bodies and central banks, the indicators of market manipulation, the disclosure thresholds, the competent authority for notifications of delays, the permission for trading during closed periods and types of notifiable managers' transactions (OJ L 88, 5.4.2016, p. 1).	30 September 2018 ⁽⁴⁾
41	Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (market abuse directive) (OJ L 173, 12.6.2014, p. 179).	30 September 2018 ⁽⁴⁾
	Legislation on collection of statistical information	
42	Guideline ECB/2013/24 of the European Central Bank of 25 July 2013 on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts (OJ L 2, 7.1.2014, p. 34). Amended by:	31 December 2016 ⁽²⁾
43	Guideline (EU) 2016/66 of the European Central Bank of 26 November 2015 amending Guideline ECB/2013/24 on the statistical reporting requirements of the ECB in the field of quarterly financial accounts (ECB/2015/40) (OJ L 14, 21.1.2016, p. 36).	31 March 2017 ⁽⁴⁾
44	Regulation (EU) No 1071/2013 of the European Central Bank of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector (ECB/2013/33) (OJ L 297, 7.11.2013, p. 1). Amended by:	31 December 2016 ⁽²⁾
45	Regulation (EU) No 1375/2014 of the European Central Bank of 10 December 2014 amending Regulation (EU) No 1071/2013 concerning the balance sheet of the monetary financial institutions sector (ECB/2013/33) (ECB/2014/51) (OJ L 366, 20.12.2014, p. 77).	

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	Relevant parts of the following legal instruments	Deadline for implementing
46	Regulation (EU) No 1072/2013 of the European Central Bank of 24 September 2013 concerning statistics on interest rates applied by monetary financial institutions (ECB/2013/34) (OJ L 297, 7.11.2013, p. 51). Amended by:	31 December 2016 ⁽²⁾
47	Regulation (EU) No 756/2014 of the European Central Bank of 8 July 2014 amending Regulation (EU) No 1072/2013 (ECB/2013/34) concerning statistics on interest rates applied by monetary financial institutions (ECB/2014/30) (OJ L 205, 12.7.2014, p. 14).	
48	Guideline ECB/2014/15 of the European Central Bank of 4 April 2014 on monetary and financial statistics (OJ L 340, 26.11.2014, p. 1). Amended by:	31 December 2016 ⁽²⁾
49	Guideline (EU) 2015/571 of the European Central Bank of 6 November 2014 amending Guideline ECB/2014/15 on monetary and financial statistics (ECB/2014/43) (OJ L 93, 9.4.2015, p. 82).	
50	Guideline (EU) 2016/450 of the European Central Bank of 4 December 2015 amending Guideline ECB/2014/15 on monetary and financial statistics (ECB/2015/44) (OJ L 86, 1.4.2016, p. 42).	31 March 2017 ⁽⁴⁾
51	Guideline (EU) 2017/148 of the European Central Bank of 16 December 2016 amending Guideline ECB/2014/15 on monetary and financial statistics (ECB/2016/45) (OJ L 26, 31.1.2017, p. 1).	1 November 2017 ⁽⁵⁾

⁽¹⁾ These deadlines were agreed by the Joint Committee of 2013.

⁽²⁾ These deadlines were agreed by the Joint Committee of 2014.

⁽³⁾ These deadlines were agreed by the Joint Committee of 2015.

⁽⁴⁾ These deadlines were agreed by the Joint Committee of 2016.

⁽⁵⁾ These deadlines were agreed by the Joint Committee of 2017.

(*) Directive 2005/60/EC is repealed by Directive (EU) 2015/849 but remains in the annex until the deadline decided for the transposition of Directive (EU) 2015/849.

(**) Commission Directive 2006/70/EC is repealed by Directive (EU) 2015/849 but remains in the annex until the deadline decided for the transposition of Directive (EU) 2015/849.