II

(Information)

INFORMATION FROM EUROPEAN UNION INSTITUTIONS, BODIES, OFFICES AND AGENCIES

EUROPEAN COMMISSION

MONETARY AGREEMENT
between the European Union and the Principality of Monaco
(2012/C 310/01)

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

and

THE PRINCIPALITY OF MONACO,

Whereas:

(1) On 1 January 1999, the euro replaced the currency of each Member State participating in the third stage of Economic and Monetary Union, among which France, pursuant to Council Regulation (EC) No 974/98 of 3 May 1998.

(2) The French Republic and the Principality of Monaco were linked before the creation of the euro by bilateral agreements in the monetary and banking fields, most notably through the Franco-Monegasque Agreement of 14 April 1945 concerning foreign exchange control and by the Neighbourhood Agreement of 18 May 1963.

(3) The Principality of Monaco has been authorised to use the euro as its official currency since 1 January 1999 by virtue of the Council Decision of 31 December 1998 (1).

(4) The European Union, represented by the French Republic in association with the European Commission and the ECB, concluded, on 24 December 2001, a Monetary Agreement with the Principality of Monaco. Said Agreement resulted in an amendment of the previously established Neighbourhood Agreement between the French Republic and the Principality of Monaco.

(5) In accordance with the present Monetary Agreement, the Principality of Monaco has the right to continue using the euro as its official currency and to grant legal tender status to euro banknotes and euro coins. The rules of the European Union listed in Annex of the present Agreement shall be applied within the territory of the Principality of Monaco under the conditions and within the limitations foreseen under the present Agreement.

(6) The Principality of Monaco should ensure that European Union rules on banknotes and coins denominated in euros are applicable within its territory; these coins and banknotes shall be appropriately protected against counterfeiting; it is important that the Principality of Monaco undertakes all measures necessary to combat counterfeiting and cooperates with the European Commission, the ECB, the French Republic and the European Police Office (Europol) in this domain.

The present Agreement shall not confer any right upon credit institutions or, where appropriate, any other financial institutions authorised to carry out their activities in the territory of the Principality of Monaco in matters related to the freedom of establishment or the provision of services in the European Union. The present Agreement shall not confer any right upon credit institutions or, where appropriate, any other financial institutions authorised to carry out their activities in the territory of the European Union in matters related to the freedom of establishment or the provision of services in the Principality of Monaco.

This Agreement does not impose any obligation on the ECB or national central banks to include the financial instruments of the Principality of Monaco in the list(s) of securities eligible for monetary policy operations of the European System of Central Banks.

Without prejudice to Article 11, paragraph six of this Agreement, the Principality of Monaco maintains certain institutions exclusively involved in portfolio management for third parties or the transmission of instructions within its territory whose services are exclusively regulated by Monegasque legislation. These institutions shall not have access to the payment and securities settlement systems.

In the interest of maintaining the historical links existing between the French Republic and the Principality of Monaco and the principles set forth on the Monetary Agreement of 24 December 2001, the European Union and the Principality of Monaco shall cooperate in good faith to ensure the effective implementation of the present Agreement in its entirety.

A Joint Committee composed of representatives of the Principality of Monaco, the French Republic, the European Commission, and the ECB has been established in order to examine the application of this Agreement; decide, under the conditions presented in Article 3, the annual ceiling for coin issuance; examine the adequacy of the minimum proportion of coins to be introduced at the face value; and assess the measures taken by the Principality of Monaco for implementing relevant EU legislation.

The Court of Justice of the European Union shall be the body in charge of settling any disputes which may arise from the application of this Agreement, in cases in which no agreement has been reached by the parties to this Agreement.

HAVE AGREED AS FOLLOWS:

Article 1
The Principality of Monaco shall be entitled to use the euro as its official currency in accordance with Regulations (EC) No 1103/97 and (EC) No 974/98 as amended. The Principality of Monaco shall grant legal tender status to euro banknotes and coins.

Article 2
The Principality of Monaco shall issue neither banknotes nor coins, as long as the conditions for issuance have not been agreed to with the European Union. The conditions for issuing euro coins as from 1 January 2011 are laid down in the following Articles.

Article 3
1. The annual ceiling (in value terms) for the issuance of euro coins by the Principality of Monaco shall include:

   A fixed part, whose initial amount for 2011 is set at EUR 2 340 000.

   A variable part, corresponding in value terms to the average per capita coin issuance of the French Republic in the year n-1 multiplied by the number of inhabitants of the Principality of Monaco.

   The Joint Committee may revise annually the fixed part with a view to taking into account both inflation — on the basis of HICP inflation of France in the year n-1 — and possible significant trends affecting the euro coins collector market.

2. The Principality of Monaco may also issue a special commemorative coin and/or collector coins to commemorate special or important events for the Principality. In case this special issuance brings the overall issuance above the ceiling laid down in paragraph 1, the value of that issuance shall be accounted for using the remaining part of the ceiling of the previous year and/or deducted from the ceiling of the following year.

Article 4
1. Euro coins issued by the Principality of Monaco shall be identical to those issued by the Member States of the European Union which have adopted the euro as far as the face value, legal tender status, technical characteristics, artistic features of the common side and shared artistic features of the national side are concerned.

2. The Principality of Monaco shall communicate, in advance, a draft of the national sides of its euro coins to the European Commission, which shall check their compliance with the EU rules.
Article 5

The French Republic shall place the Hôtel de la Monnaie de Paris at the disposal of the Principality of Monaco to conduct the minting of coins by the Principality of Monaco, in accordance with Article 18 of the Neighbourhood Agreement established between the French Republic and the Principality of Monaco on 18 May 1963.

Article 6

1. The volume of euro coins issued by the Principality of Monaco shall be added to the total volume of euro coins issued by the French Republic for the purposes of approval by the European Central Bank of the total volume issued by the French Republic, in accordance with Article 128(2) of the Treaty on the Functioning of the European Union.

2. No later than 1 September each year, the Principality of Monaco shall notify the French Republic of the total volume and face value of the euro coins that it intends to issue during the following year. The Principality of Monaco shall also inform the Commission of the intended conditions of issuance of these coins.

3. The Principality of Monaco shall communicate the information referred to in paragraph 2 for the year 2011 as of the signing of this Agreement.

4. Without prejudice to the issuance of collector coins, at least 80% of euro coins intended for circulation shall be put into circulation at face value each year by the Principality of Monaco. The Joint Committee shall evaluate the adequacy of this proportion every five years and may decide to increase this proportion.

Article 7

1. The Principality of Monaco may issue euro collector coins. These coins shall be included in the annual ceiling stipulated in Article 3. The issuance of euro collector coins by the Principality of Monaco shall be in accordance with the European Union 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 Principality of Monaco shall not be legal tender in the European Union.

Article 8

The Principality of Monaco shall take all necessary measures to combat the counterfeiting of euro banknotes and coins and cooperate with the European Commission, the ECB, the French Republic and the European Police Office (Europol) in this domain.

Article 9

The Principality of Monaco shall undertake to:

(a) Apply all appropriate EU legal acts or rules listed in Annex A relevant to the application of Article 11(2), including those which are directly applied by the French Republic or those measures taken by the French Republic for the transposition of the relevant legal acts or rules in accordance with the modalities set out in Articles 11(2) and 11(3);

(b) Adopt measures to comply with the legal acts or rules listed in Annex B, which are either directly applied or transposed by the Member States, in accordance with the modalities set out in Articles 11(4), 11(5), and 11(6) of this Agreement, in the following fields:

— banking and financial legislation, as well as the prevention of money laundering in the domains and in accordance with the modalities set out in Article 11,

— prevention of fraud and counterfeiting of cash and non-cash means of payment, medals and tokens.

(c) Apply directly on its territory all legal acts and rules of the European Union related to euro banknotes and coins as well as those measures necessary for the use of the euro as a single currency adopted under Article 133 of the Treaty on the Functioning of the European Union, except in those cases for which this Agreement foresees different rules. The European Commission, via the Joint Committee, shall keep the Monegasque authorities informed of legal acts or rules relevant hereto.

Article 10

1. Credit institutions and, where appropriate, other financial institutions authorised to carry out their activities in the territory of the Principality of Monaco may, under the conditions stipulated in Article 11, participate in the interbank settlement and payment and securities settlement systems of the European Union under the same terms and conditions as credit institutions and other financial institutions located in the territory of the French Republic, under the proviso that said institutions fulfil the conditions required for access to those systems.

2. Credit institutions and, where appropriate, other financial institutions located in the territory of the Principality of Monaco are subject, under the conditions stipulated in Article 11, to the same measures adopted by the Banque de France in implementation of ECB provisions laying down the monetary policy instruments and procedures as those credit institutions and other financial institutions located in the territory of the French Republic.

Article 11

1. The legal acts adopted by the Council for the application of Article 129(4) of the Treaty on the Functioning of the
European Union, in conjunction with Articles 5(4), 19(1), or 34(3) of the Statutes of the European System of Central Banks and the European Central Bank (hereinafter: the Statutes), by the ECB in application of the above-mentioned legal acts adopted by the Council or pursuant to Articles 5, 16, 18, 19, 20, 22, or 34(3) of the Statutes, or by the Banque de France for the purpose of implementing the legal acts adopted by the ECB, shall apply to the territory of the Principality of Monaco. This shall also apply to all possible amendments of these acts.

2. The Principality of Monaco shall apply the same rules as those established in the French Republic for the purposes of transposing European Union legal acts concerning the activities and prudential regulation of credit institutions and the prevention of systemic risks to payment and securities settlement systems contained in Annex A. To that effect, the Principality of Monaco shall apply, firstly, the provisions of the French Monetary and Financial Code relative to the activities and monitoring of credit institutions, in addition to implementing regulations in accordance with the Franco-Monegasque Agreement of 14 April 1945 concerning foreign exchange control and to the Exchanges of Letters between the Government of the French Republic and the Government of His Serene Highness the Prince of Monaco of 18 May 1963, 10 May 2001, 8 November 2005, and 20 October 2010, concerning banking regulations, and, secondly, the provisions of the French Monetary and Financial Code concerning the prevention of systemic risks to payment and securities settlement systems.

3. The list of texts contained in Annex A shall be amended by the Commission upon amendment of any relevant texts and also each time a new text is adopted by the European Union, taking into account the date of entry into force and of transposition of the texts. The legal acts and rules enumerated in Annex A shall be applied by the Principality of Monaco as of the date of their inclusion in French law, pursuant to the provisions mentioned in paragraph 2. At the time of each amendment, the Commission shall publish the updated list of texts in the Official Journal of the European Union (OJEU).

4. The Principality of Monaco shall adopt measures equivalent to those adopted by the Member States to apply the legal acts of the European Union enumerated in Annex B necessary for the implementation of this Agreement. The Joint Committee referred to in Article 13, via a procedure to be defined by the Joint Committee, shall examine the equivalence between the measures adopted by the Principality of Monaco and those adopted by Member States in the application of the above-mentioned acts.

5. Notwithstanding the procedure foreseen in paragraph 9 of this Article, the list of texts contained in Annex B shall be amended by a decision of the Joint Committee. To this effect, the Commission shall inform the Principality of Monaco as soon as it adopts a new piece of legislation in one of the domains covered by this Agreement and if it determines that said legislation should be included in the list of acts contained in Annex B. The Principality of Monaco will receive a copy of the proposals made by the institutions of the European Union during the various stages of the legislative process. The Commission shall publish the updated Annex B in the Official Journal of the European Union (OJEU).

The Joint Committee shall also decide on appropriate and reasonable deadlines for implementation, by the Principality of Monaco, of new legal acts and rules added in Annex B.

6. The Principality of Monaco shall adopt measures equivalent in effect to the Directives of the European Union contained in Annex B in relation to the combat of money laundering pursuant to the recommendations of the Financial Action Task Force (FATF). The Joint Committee shall decide, on a case-by-case basis, whether regulations of the European Union related to the combat of money laundering should be included in Annex B. The financial intelligence unit of the Principality of Monaco and those of the Member States of the European Union should actively pursue and coordinate their efforts to combat money laundering.

7. Credit institutions and, where appropriate, other financial institutions and reporting agents located within the territory of the Principality of Monaco shall be subject to sanctions and disciplinary procedures in case of infringement of the legal acts and rules referred to in the preceding paragraphs. The Principality of Monaco shall oversee the enforcement of sanctions imposed by the competent authorities, in accordance with the provisions of the present Article.

8. The legal acts referred to in the first paragraph of this Article shall enter into force in the Principality of Monaco on the same day as in the European Union for those acts published in the OJEU, and on the same day as in France for those acts that are published in the Official Journal of the French Republic (OJFR). The legal acts of general application referred to in the first paragraph of the present Article and not published in the OJEU or of the OJFR shall enter into force as of communication to the relevant Monegasques authorities. The legal acts of an individual nature referred to in the first paragraph of the present Article shall apply as of the date of notification to the party concerned.

9. Before granting authorisation to investment firms seeking to establish themselves in the territory of the Principality of Monaco for the purposes of offering investment services other than investment management for third parties and the transmission of orders, and without prejudice to the obligations laid down in paragraph 6 of the present Article, the Principality of Monaco shall undertake measures equivalent in effect to existing European Union legal acts governing these services. By way of derogation from the procedure laid down in paragraph 5 of the present Article, these acts shall be integrated into the list of acts contained in Annex B by the Commission.

Article 12

1. The Court of Justice of the European Union shall have exclusive competence for settling any dispute between the parties of this Agreement which may arise from any infringement of this Agreement, and which has not been solved within the Joint Committee. The parties to this
Agreement commit to do whatever is necessary to first resolve any dispute within the confines of the Joint Committee.

2. If no amicable conclusion can be reached, the European Union — acting on a recommendation from the Commission, after consultation with the French Republic and the ECB on matters falling within its field of competence — or the Principality of Monaco may bring the matter before the Court of Justice, if the Joint Committee determines that one of the parties has not fulfilled an obligation or provision under the present Agreement. 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.

3. In the event that the European Union or the Principality of Monaco fails to take the necessary measures to comply with the judgment within the specified period, the other Party may immediately terminate the Agreement.

4. All questions concerning the validity of decisions of the institutions or bodies of the European Union implemented by virtue of this Agreement shall fall within the exclusive competence of the Court of Justice. In particular, any natural or legal person domiciled in the territory of the Principality of Monaco may exercise any right of appeal available to any natural or legal person located in the territory of the French Republic against legal acts addressed to them, whatever their form or nature.

Article 13

1. The Joint Committee shall be composed of representatives of the Principality of Monaco and of the European Union. It shall exchange views and information and adopt decisions under Articles 3, 6, and 11. It shall similarly examine the measures taken by the Principality of Monaco and try to resolve any disputes arising from the application of this Agreement. It shall adopt its own Rules of Procedure.

2. The delegation of the European Union shall be composed of representatives of the French Republic (holding the chairmanship), the European Commission, together with representatives of the European Central Bank. The delegation of the European Union shall adopt its rules and procedures by consensus.

3. The Monegasque delegation shall be composed of representatives designated by the Ministry of State and shall be presided by the Counsellor of Government for Finance and the Economy or his/her representative.

4. The Joint Committee shall meet at least once a year, as well as at such time as one of the members determines a meeting is necessary to ensure the functioning of the present Agreement, notably taking into account the relevant European, French, or Monegasque legislative developments. The chair of the Joint Committee shall rotate on an annual basis between the chair of the delegation of the European Union and the chair of the delegation of Monaco. The Joint Committee shall adopt its decisions unanimously.

5. The Secretariat of the Joint Committee shall be composed of two persons appointed, one by the chair of the delegation of Monaco, and the other by the chair of the delegation of the European Union. The Secretariat shall also participate in meetings of the Joint Committee.

Article 14

Each Party may terminate this Agreement subject to one year's notice.

Article 15

This Agreement shall be concluded and signed in French and, where necessary, may be translated into other languages of the European Union. Only the French version shall be considered authentic.

Article 16

The present Monetary Agreement shall enter into force on 1 December 2011.

Done at Brussels on in three originals in French.

For the European Union

Olli REHN
Vice-President of the European Commission and responsible for Economic and Monetary Affairs

François BAROIN
Minister of Economic Affairs, Finance Industry for the French Republic

For the Principality of Monaco

Michel ROGER
Minister of State

amended by:


amended by:


amended by:


amended by:


amended by:


amended by:


amended by:


amended by:


supplemented by:


amended by:


ANNEX B

Prevention of money laundering


Amended by:


Supplemented by:


Prevention of fraud and counterfeiting


Amended by:


Amended by:


Amended by:


Amended by:


Banking and Financial Legislation