



EUROPEAN CENTRAL BANK

EUROSYSTEM

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ECB-PUBLIC

## OPINION OF THE EUROPEAN CENTRAL BANK

of 29 November 2022

on the ownership of a special purpose entity for manufacturing euro banknotes  
(CON/2022/41)

### **Introduction and legal basis**

On 25 October the European Central Bank (ECB) received a request for an opinion from the Spanish Ministry of Finance and Public Administration on a specific provision contained in the draft law on the General State Budget for 2023 (hereinafter the 'draft law').

The ECB's competence to deliver an opinion is based on Articles 127(4) and 282(5) TFEU and the third indent of Article 2(1) of Council Decision 98/415/EC<sup>1</sup>, as the draft law relates to the Banco de España. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

### **1. Purpose of the draft law**

- 1.1 Under current Spanish law<sup>2</sup> the Fábrica Nacional de Moneda y Timbre – Real Casa de la Moneda (FNMT-RCM, Royal Mint) is required to sell within six months its 20 % stake in the Imprenta de Billetes S.A. Medio Propio del Banco de España (IMBISA), a company which serves as the Banco de España's printing works for euro banknotes, to the Banco de España once IMBISA's activities at the Royal Mint's facilities cease. As a result of this divestment, the Banco de España would have 100 % ownership of IMBISA. In particular, current Spanish law provides that as long as IMBISA carries out its euro banknote production activities in the Royal Mint's facilities, the Royal Mint may hold an ownership interest of up to 20 % in IMBISA. Once IMBISA's activities at the Royal Mint's facilities cease, the Royal Mint must within six months transfer to the Banco de España its shares in IMBISA. During this period, the two entities may share the common services necessary for the development of their activities. In addition, the Royal Mint may produce banknotes other than euro banknotes and, subject to current procurement legislation, provide to IMBISA such services ancillary to the production of euro banknotes as IMBISA may request.
- 1.2 The draft law proposes to repeal the requirement that the Royal Mint must transfer to the Banco de España its 20 % stake in IMBISA within six months from the cessation of IMBISA's activities on the Royal Mint's premises. The draft law repeats that the Royal Mint may produce banknotes other than euro banknotes and provide IMBISA with such services ancillary to the production of euro banknotes

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<sup>1</sup> Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions (OJ L 189, 3.7.1998, p. 42).

<sup>2</sup> Twenty-ninth final provision of Law No 3/2017 on the General State Budget for 2017.

as IMBISA may request, in accordance with the provisions of current procurement legislation<sup>3</sup>.

## 2. General observations

- 2.1 Following the adoption of the draft law, the cessation of IMBISA's activities at the Royal Mint's facilities will no longer trigger the transfer of the Royal Mint's shares in IMBISA to the Banco de España. Hence, the draft law consolidates the current ownership structure of IMBISA, which was foreseen to be transitory, in which the Banco de España owns 80 % of the shares while the Royal Mint owns 20 % of the shares.
- 2.2 Contrary to the Royal Mint, IMBISA is the accredited manufacturer for euro banknotes. Moreover, as established by current Spanish law and pursuant to IMBISA's by-laws, the exclusive social purpose of IMBISA is to produce and print euro banknotes at the Banco de España's request, and the company is described as an instrument and technical service of the Banco de España<sup>4</sup>. In a previous opinion<sup>5</sup> on the existing provisions of Spanish law governing IMBISA's ownership structure the ECB noted that the then transitional arrangement during which IMBISA's new facilities were being built in order to take over the entire production of euro banknotes did not affect the Banco de España's decisive influence over IMBISA's strategic objectives and significant decisions. IMBISA's governance arrangements also reflect the distribution of ownership and do not grant power to the Royal Mint to negatively impact the control exercised by the Banco de España<sup>6</sup>. In particular, the Royal Mint does not have any blocking minority or veto rights. On the basis of these facts, it appears that the Banco de España exercises sole control over the company and that IMBISA may be considered to be an in-house printing works of the Banco de España pursuant to Article 1(2) of Guideline (EU) 2015/280 of the European Central Bank (ECB/2014/44)<sup>7</sup>. Furthermore, the ECB recalls that Union procurement rules apply to the ownership model and the activities of IMBISA and the Royal Mint.

This opinion will be published on EUR-Lex.

Done at Frankfurt am Main, 29 November 2022.

[signed]

*The President of the ECB*

Christine LAGARDE

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<sup>3</sup> See the twenty-second final provision of the draft law.

<sup>4</sup> See Article 3 of IMBISA's by-laws, available on IMBISA's website at <https://www.imprentadebilletes.es/transparencia/>.

<sup>5</sup> See paragraph 2 of Opinion CON/2017/25. See also Opinion CON/2014/82 in which the ECB set out the legal requirements for the interim ownership model established by the 95th Additional Provision of Law 36/2014. All ECB opinions are available on EUR-Lex.

<sup>6</sup> See Title III of IMBISA's by-laws.

<sup>7</sup> Guideline (EU) 2015/280 of the European Central Bank of 13 November 2014 on the establishment of the Eurosystem Production and Procurement System (ECB/2014/44) (OJ L 47, 20.2.2015, p. 29).