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Confidential

Final

MINUTES
OF THE 254th MEETING OF THE COMMITTEE OF GOVERNORS
OF THE CENTRAL BANKS OF THE MEMBER STATES
OF THE EUROPEAN ECONOMIC COMMUNITY
HELD IN BASLE ON TUESDAY, 9th APRIL 1991 AT 10.00 a.m.

Table of contents

	<u>Page</u>
I. Approval of the minutes of the 253rd meeting	1
II. Monitoring of economic and monetary developments and policies in the EEC based on:	1
1. Statement by Mr. Dalgaard, Chairman, Foreign Exchange Policy Sub-Committee (Monitoring)	1
2. Discussion by the Committee	2
III. Adoption of the Committee's report to the EEC Ministers of Finance on developments on the foreign exchange markets of the nineteen countries participating in the concertation procedure during March and the first few days of April 1991	3
IV. Economic and Monetary Union	3
1. Statement by Mr. Rey, Chairman, Committee of Alternates	3
2. Statement by the Secretary General, Chairman of the ad hoc working group on income allocation	4
3. Examination of Chapter VI (Financial provisions of the System)	4
4. Examination of Chapter VII (General Provisions)	7
5. Examination of Chapter IX (Amendment of the Statute and complementary legislation)	8
V. Principles governing prior agreement on intervention in Community currencies	8
VI. Other matters falling within the competence of the Committee	8
1. Appointment of members to the EC Commission's Consultative Group	8
2. Ad hoc group on note printing in the light of EMU	9
VII. Date and place of next meeting.	9
Annex: Draft Statute of the European System of Central Banks and of the European Central Bank, Chapters VI, VII and IX.	

I. Approval of the minutes of the 253rd meeting

The Committee approved the minutes of the 253rd meeting on the understanding that the editorial amendment suggested would be incorporated into the final text.

II. Monitoring of economic and monetary developments and policies in the EEC based on:

- Preparation by the Foreign Exchange Policy Sub-Committee (Monitoring) and discussion by the Committee of Alternates;
- Statistical charts and tables.

1. Statement by Mr. Dalgaard, Chairman, Foreign Exchange Policy Sub-Committee (Monitoring)

Mr. Dalgaard reported that the most noteworthy events of the last month had been the significant appreciation of the US dollar and developments involving the French franc and Spanish peseta.

The US dollar had started to rise in mid-February and had continued to do so until Easter; in Deutsche Mark terms it had appreciated by about 17%. The major factors behind the rise in the dollar had been expectations of a turn-round in the US economy following the Gulf war and a general weakening of European currencies, in particular the Deutsche Mark. The Deutsche Mark had been affected by developments in the Soviet Union and growing problems in eastern Germany, with associated repercussions on the German budget. The appearance of a current-account deficit and the relatively high wage demands had also been relevant factors. Concerned about the sharp rise in the US dollar, the Deutsche Bundesbank had sought to organise concerted interventions. However, despite significant sales, the US dollar had continued to rise. The interventions might not have been fully effective because it was felt that the market had not perceived the dollar to be overvalued; furthermore, a number of European central banks had felt that it was too early to stem the rise and either did not participate in the interventions or participated with only token amounts. Nor did the Federal Reserve Board participate wholeheartedly. Finally, a number of official statements, on both sides of the Atlantic, had helped to firm markets' opinion that the central banks had not acted in a concerted manner in their attempt to stem the dollar's rise. The Monitoring Group had felt that it was particularly difficult to gauge the future path of the

dollar as it would depend on a number of imponderables; however, the risk of a sizable decline was small. The possibility of materially influencing the US dollar exchange rate through interventions was considered unlikely in present circumstances.

The main development in the ERM had been a further widening of the spread between the French franc and the Spanish peseta, which had reached their intervention limits in the second half of March. The primary reason had been the strength of the peseta, which had been maintained in spite of a sharp decline in domestic market interest rates. The source of the peseta's strength had been the attractiveness of Spanish government bonds; since end-January foreign investors had purchased about US\$ 8.5 billion of bonds, doubling the amount owned by non-residents. It was possible that the sizable capital inflows were a one-off adjustment to the abolition of Spanish withholding tax in January, although it was too early to be certain. The French franc had strengthened against most other ERM currencies, especially in the second half of March, and had become less isolated at the bottom of the narrow band. Market interest rates had remained stable and with respect to the Deutsche Mark there had been a slight narrowing in the differential.

2. Discussion by the Committee

The Chairman said that it would be interesting to note the market's reaction to the steep decline in the Deutsche Bundesbank's reserves, which would fall primarily and exceptionally as a result of Gulf war contributions. Whilst acknowledging that the interventions had so far not been fully concerted, he wondered what the central banks' reactions would be should the US dollar rise beyond, say, DM 1.70. He suggested that in the present situation further intervention by the Deutsche Bundesbank might be counterproductive as it could risk weakening the Deutsche Mark still more because of the view the market might take with regard to the apparent and continued loss of reserves.

Mr. Rey said that the Committee of Alternates had had an extensive discussion on this issue and that it had been of the opinion that there remained a lack of consensus on the appropriate course for the dollar as well as on the dollar's impact on European economies. This had complicated the organisation of successful concerted interventions. It had been stressed that, especially in a situation of volatile US dollar markets and uncertainties about US interest rate policies, any official action

should be carefully co-ordinated. It would also be important to ascertain whether action should be geared towards a particular level of the dollar or merely towards promoting orderly markets.

Mr. Rubio said that the recent circumstances with regard to the peseta had been exceptional and had been related primarily to the abolition of the withholding tax in January 1991. Monetary policy had remained tight and the currency had also strengthened because of the recent inflow of funds from Germany. He noted that inflation had not fallen as rapidly as had been expected and that money supply growth had accelerated of late. The Banco de España had not participated in the recent interventions because it had felt that the appreciation of the US dollar had not been sufficient to warrant such action. He considered that the Committee should agree on a level at which interventions should be undertaken; for instance, he was of the opinion that interventions would be entirely justified if the dollar rose above the level of DM 1.70.

Mr. de Larosière said that it was doubtful whether interventions could be successfully organised without the support of the major issuing countries. The attitude of the US authorities remained unclear.

III. Adoption of the Committee's report to the EEC Ministers of Finance on developments on the foreign exchange markets of the nineteen countries participating in the concertation procedure during March and the first few days of April 1991

The Committee adopted the report, which would be sent to the EEC Ministers of Finance in the usual way.

IV. Economic and Monetary Union

- Completion of the draft Statute of the ESCB and of the ECB,
see Annex attached

1. Statement by Mr. Rey, Chairman, Committee of Alternates

It had been agreed to conclude the task of completing the draft Statute at the April meeting of the Committee of Governors. The general approach proposed by the working group, chaired by the Secretary General, had been broadly accepted by the Alternates, although there had been no unanimity regarding the text.

Mr. Rey gave a brief resumé of the salient elements of the revised sections of the draft Chapters relating to Financial provisions and General provisions and pointed out that the proposed texts contained a number of reservations and alternative suggestions.

2. Statement by the Secretary General, Chairman of the ad hoc working group on income allocation

Mr. Baer summarised the conclusions of the working group. The group had primarily addressed the questions of the concept of income subject to allocation, the measurement of that income, the criteria for establishing a key which would determine the allocation of such income and the need for transitional arrangements.

Despite the analytical and conceptual progress that had been achieved concerning the foundations of the income allocation system, two reservations had been expressed by some members of the working party. Firstly, consideration could be given to the possibility of transferring income to the Community budget and, secondly, it could be regarded as premature, at this stage, to describe specifically arrangements for future income allocation in a System that might not be implemented for a number of years. In this case, a procedural solution had been preferred, which would allow, at a later stage, the involvement of the political authorities but which left the issue of devising the appropriate scheme essentially in the hands of the central banks.

Agreement had been reached that the concept of income would be based on seignorage. The allocation should be undertaken on the basis of a key determined according to objective criteria, and it had been agreed that this should be a single key which would also apply to all other financial provisions. Allocation should be transparent and based on objective formulae which would imply a high degree of automaticity with little scope for discretion. Provision should be made for transitional arrangements which would smooth any abrupt reallocation of income following implementation of the scheme.

The working group had not reached full agreement on two technical aspects. Firstly, the method for measuring the income of monetary origin and, secondly, which criteria should be chosen for establishing a key.

3. Examination of Chapter VI (Financial provisions of the System)
Articles 26 and 27 were not examined.

Article 28 (Capital of the ECB)

This Article was agreed without amendment.

Article 29 (Key for capital subscription)

Following a brief introduction by Mr. Rey summarising the discussion of the Committee of Alternates in which he also referred to Article 32, Mr. Duisenberg said that it was not the purview of the Governors alone to reach agreement about the determination of income and its distribution within the System. The issue would be particularly relevant to national budgets and would also be the subject of negotiations between Ministers. He could therefore not prejudice the decision of the Ministers. He considered that the Governors would transgress the Committee's competence should rules on the distribution of income arising out of seignorage income be laid down. Furthermore, the Governors should not impose a distribution key on a scheme which would not be introduced for some time. In this context he was of the view that the criteria for establishing the key should also include financial indicators. He would be prepared to endorse Articles 29 and 32 as drafted on the understanding that the Commentary fully explained and described the suggested alternative approach.

Mr. de Larosière said that the Committee of Governors should submit Articles that reflected its views rather than a solution based on apparent political compromise; the Governors should retain the purity of the concept and principles enshrined in the draft Statute, which should not be tainted by political considerations. What had been proposed was entirely in line with Stage Three and EMU.

This stance was supported by Mr. Leigh-Pemberton, who said that it was important for the Committee to have a clear, unambiguous and integrated approach to present to the Ministers. The Committee should not be influenced by political considerations. He would, however, be willing for the Commentary to describe the alternative proposal.

Mr. Verplaetse said that he broadly endorsed Mr. Duisenberg's opinion with regard to the financial key and hoped that the Commentary would explain the differing views that existed.

Mr. Rubio said the issues raised in Articles 29 and 32 should be clarified. His preferred solution would be to leave the question of income allocation to a decision by the Ministers, although he would be prepared to follow the suggested approach. To the Spanish Government, seignorage income

was extremely important, especially from the budgetary point of view. If it were decided to elaborate these Articles further or to propose alternative Articles, he would ask that reference be made to the Spanish proposal, which referred to allocating the income to the Community budget.

Mr. Ciampi said that where agreement could not be reached, alternative versions should be placed in square brackets alongside the existing text together with an explanatory memorandum in the Commentary; this would apply particularly to the issue of financial criteria and would help promote discussion in the IGC.

Mr. Doyle said that the Commentary should contain a broad description of the technical considerations supporting the draft Articles. He felt that if no explanations were provided, the IGC might be misled as to the complexity of the arguments underlying the proposed consensus.

The Chairman concluded that Article 29 would remain as drafted but that the Commentary would take into consideration the points raised by Mr. Duisenberg and other Governors during the course of the discussion, especially with regard to the key and the possible inclusion of selected financial criteria. However, he would wish to avoid giving the impression that the draft did not represent a broad consensus of the Committee.

Article 29a (Voting on financial matters)

This Article was agreed without amendment.

Article 30 (Transfer of foreign reserve assets to the ECB)

This Article was agreed without amendment.

Article 31 (Foreign reserve assets held by national central banks)

This Article was unchanged.

Article 32 (Allocation of monetary income)

Following an introduction by Mr. Rey summarising the discussion of the Committee of Alternates, where the difference of opinion of the majority of Alternates had related only to the detail of the transitional arrangements in Article 32.3, Mr. Leigh-Pemberton argued in favour of retaining the text as presented. The draft adopted a proven method of income allocation, but he acknowledged that it would require a set of clear and unambiguous rules - to be provided by the Council - on the segregation of assets from the outset of the System. He recommended that the transitional period should be as short as possible.

Mr. Duisenberg said that he wished to see the Article reflect a more procedural approach, especially given the present lack of clarity with regard to the eventual outcome of the EMU debate. However, provided that the Commentary made adequate reference to a suggested alternative approach, he would be willing for Article 32 to be submitted to the IGC as drafted.

Mr. de Larosière said that the Committee should be positive in its approach and in this respect he recommended adopting the Article as proposed. With respect to Article 32.3, he favoured a decision being taken by the Council, acting by qualified majority, with a transitional period of three years.

Mr. Doyle, adverting to his earlier remarks on the importance of not misleading the IGC, said that a case in point arose in the final sentence of comment (c) where it was stated that the application of the method in question "could be hampered" if there is not a broadly similar balance sheet structure of the NCBs. He submitted that the application of the method could be impossible in the absence of such balance sheet structure.

Mr. Ciampi said that it would appear to be difficult to compromise on the Article's contents. He suggested, therefore, that the Commentary should describe fully the reasons for proposing the provisions contained in this Article and outline the alternative texts considered by the Committee.

The Chairman recommended that the Committee should adopt Article 32 as drafted and that mention should be made in the Commentary that differing opinions existed. This would limit the impression that there was disagreement with regard to its contents. He would not be keen on submitting alternative proposals to the IGC in order to avoid providing any evidence of a lack of consensus within the Committee.

The Committee agreed to include Article 32 as drafted and to explain the reasons for its decisions in the Commentary, see also the discussions under Article 29.

4. Examination of Chapter VII (General Provisions)

The contents of Articles 33 to 40 were adopted without amendment.

The Committee agreed that to avoid conflict with Article 39, Article 13.2 should be amended as follows:

"Without prejudice to Article 39, the President or his nominee shall present the views of the ECB externally".

Mr. Rey confirmed that the suggested amendments had been checked with legal experts.

5. Examination of Chapter IX (Amendment of the Statute and complementary legislation)

It was noted that the Committee of Alternates had agreed upon a simplified amendment procedure as well as on the list of provisions which could be subject to this procedure. A procedure for enacting complementary Community legislation had also been agreed.

The Committee agreed to delete the square brackets around the reference to Article 32. The contents of the remaining Articles were endorsed without amendment.

In conclusion, the Chairman, on behalf of the Committee of Governors, thanked the Committee of Alternates, the special working group on income allocation and the Secretariat for their work.

V. Principles governing prior agreement on intervention in Community currencies.

Mr. Rey, Chairman of the Committee of Alternates, said that the Alternates had approved the proposal of the Monitoring Group in its report dated 22nd February 1991 and the supplementary note from the Chairman of 4th April 1991. The Committee of Governors was recommended to implement the proposed arrangement for a trial period of six months, after which time its functioning would be reviewed in the light of experience. The French Alternate had envisaged the need for a higher bilateral amount and expressed the hope that the review would provide an opportunity to revert to this issue. Provided the trial period proved satisfactory, the adoption of the proposed rules should be followed by the formalisation of the extended use of official ecus in intra-Community settlements through an amendment of Article 16.1 of the EMS Agreement.

The Committee endorsed the proposal.

VI. Other matters falling within the competence of the Committee

1. Appointment of members to the EC Commission's Consultative Group

The Committee approved the nomination of the representatives of the Committee of Governors to the EC Commission's Consultative Group as

described in the letter dated 8th April 1991 to the Chairman from Mr. Padoa-Schioppa, Chairman of the ad hoc working group on payment systems, and Mr. Quinn, Chairman of the Banking Supervisory Sub-Committee.

The Chairman said that the Committee of Governors should pay special attention to the proliferation of sub-committees and ad hoc groups that had recently been established.

2. Ad hoc group on note printing in the light of EMU

Mr. Duisenberg said that a letter had been distributed to all central banks about the role of bank-notes in the light of EMU. Although not requiring urgent consideration, steps should be taken soon to undertake a survey in order to obtain an insight into what would be required and the problems that might arise. The group should study these issues and propose solutions regarding the future design and handling of bank-notes throughout the Community. He suggested that Mr. Van Droogenbroeck of the Banque Nationale de Belgique should be the Chairman of this working group.

The Chairman said that, although action in this area seemed a little premature, he understood the practical considerations. The establishment of such a group was endorsed by Mr. de Larosière who, however, wished to reflect further on the mandate and the format of the group. Mr. Leigh-Pemberton hoped that the work of this group would remain low-key and at a technical level, especially given its fundamental nature and implications.

The Committee agreed to discuss the matter again at the next meeting.

VII. Date and place of next meeting.

The next meeting of the Committee of Governors would take place in Basle on Tuesday, 14th May 1991 at 9.30 am.

254th MEETING OF THE COMMITTEE OF GOVERNORS

9th APRIL 1991

Those present were:

Chairman of the Committee of Governors	Mr. Pöhl
Banque Nationale de Belgique	Mr. Verplaetse Mr. Rey* Mr. Michielsen
Danmarks Nationalbank	Mr. Hoffmeyer Mrs. Andersen
Deutsche Bundesbank	Mr. Tietmeyer Mr. Kloft
Bank of Greece	Mr. Chalikias Mr. Papademos Mr. Karamouzis
Banco de España	Mr. Rubio Mr. Linde Mr. Durán
Banque de France	Mr. de Larosière Mr. Lagayette Mr. Cappanera
Central Bank of Ireland	Mr. Doyle Mr. Coffey Mr. Reynolds
Banca d'Italia	Mr. Ciampi Mr. Dini Mr. Santini
Institut Monétaire Luxembourgeois	Mr. Jaans
Nederlandsche Bank	Mr. Duisenberg Mr. Szász Mr. Wansen
Banco de Portugal	Mr. Tavares Moreira Mr. Borges Mr. Bento
Bank of England	Mr. Leigh-Pemberton Mr. Crockett Mr. Foot
Commission of the European Communities	Mr. Pons
Chairman of the Foreign Exchange Sub-Committee	Mr. Dalgaard
Secretariat of the Committee of Governors	Mr. Baer Mr. Giles Mr. Jenkinson

* Chairman of the Committee of Alternates

Secretariat

DRAFT STATUTE OF THE EUROPEAN SYSTEM OF CENTRAL BANKS
AND OF THE EUROPEAN CENTRAL BANK

CHAPTERS VI, VII AND IX

CHAPTER VI - FINANCIAL PROVISIONS OF THE SYSTEM

Article 26 - Financial accounts

Unchanged.

Article 27 - Auditing

Unchanged.

Article 28 - Capital of the ECB

28.1. The capital of the ECB shall, upon its establishment, be ecu [x] million. The capital may be increased from time to time by such amounts as may be decided by the Council acting by qualified majority.

28.2. The national central banks shall be the sole subscribers to and holders of the capital of the ECB. The subscription of capital shall be according to the key established pursuant to Article 29.

28.3. The Council, acting by qualified majority, shall determine the extent to which and the form in which capital shall be paid up.

28.4. The shares of the national central banks in the subscribed capital of the ECB may not be transferred, pledged or attached other than in accordance with a decision taken by the Council.

28.5. If the key referred to in Article 29 is revised, the national central banks shall transfer among themselves capital shares to the extent necessary to ensure that the distribution of capital shares

corresponds to the revised key. The Council shall determine the terms and conditions of such transfers.

Article 29 - Key for capital subscription

29.1. At the entry into force of this Statute, the key for subscription of the ECB's capital shall be established. Each national central bank shall be assigned a weight in this key which shall be equal to the sum of:

- ..% of the share of its respective country in the population of the Community in the penultimate year preceding the entry into force of the Statute;
- ..% of the share of its respective country in the gross domestic product at market prices of the Community as recorded in the last five years preceding the penultimate year before the entry into force of the Statute.

29.2. The statistical data to be used for the application of this Article shall be calculated by the Statistical Office of the European Communities in accordance with Community legislation.

29.3. The weights assigned to the national central banks shall be adjusted every five years after the entry into force of this Statute in analogy to the provisions laid down in Article 29.1. The revised key shall apply with effect from the first day of the following year.

29.4. The Council shall take all other measures necessary for the application of this Article.

Article 29a - Voting on financial matters

Text of Article 28.1 of the draft Statute dated 27th November 1990 except that the expression "key attached to the Statute" should be changed into "according to their subscribed shares in the capital of the ECB".

Article 30 - Transfer of foreign reserve assets to the ECB

Unchanged except for the same drafting amendment as in Article 29a.

Article 31 - Foreign reserve assets held by national central banks

Unchanged.

Alternative 1

Article 32 - Allocation of monetary income of national central banks

32.1. The income accruing to the national central banks in the performance of the System's monetary policy function (called hereafter "monetary income") shall be allocated at the end of each financial year in accordance with the provisions hereafter.

32.2. Subject to Article 32.3 the amount of each national central bank's monetary income shall be equal to its annual income derived from its assets held against notes in circulation and deposit liabilities vis-à-vis credit institutions. These assets shall be earmarked by each national central bank in accordance with guidelines to be established by the Council.

32.3. If at the entry into force of this Statute, in the judgement of the Council, the balance sheet structures of the national central banks do not permit the application of Article 32.2, the Council, acting by qualified majority, may decide that, by way of derogation to Article 32.2, the monetary income shall be measured according to an alternative method for a period of not more than five years.

32.4. The amount of each national central bank's monetary income shall be reduced by an amount equivalent to any interest paid by that central bank on its deposit liabilities vis-à-vis credit institutions in accordance with Article 19.

The Council may decide that national central banks shall be indemnified for cost incurred in connection with the issuance of bank notes or in exceptional circumstances for specific losses arising from monetary policy operations undertaken for the System. The indemnification shall be in the form deemed appropriate in the judgment of the Council; these amounts may be offset against the national central banks' monetary income.

32.5. The sum of the national central banks' monetary income shall be allocated to the national central banks in proportion to their subscribed shares in the capital of the ECB, subject to any decision taken by the Council pursuant to Article 32a.2.

32.6. The clearing and settlement of the balances arising from the allocation of monetary income shall be carried out by the ECB in accordance with the guidelines established by the Council.

32.7. The Council shall determine all other conditions required for the application of this Article.

Article 32a - Allocation of net profits and losses of the ECB

32a.1. The net profit of the ECB shall be transferred in the following order:

- (a) an amount to be determined by the Council shall be transferred to the general reserve fund;
- (b) the remaining net profit shall be distributed to the shareholders of the ECB in proportion to their subscribed shares.

32a.2. In the event of a loss incurred by the ECB, the shortfall may be offset against the own funds of the ECB or, following a decision by the Council, against contributions from national central banks, in proportion to their subscribed shares.

Alternative 2

Article 32 - Income of the national central banks and allocation of net profits and losses of the ECB

32.1. Upon a proposal of the Council, the Council of the European Communities, acting by a qualified majority, shall establish uniform guidelines to determine the income of the national central banks in their performance of functions under this Statute and to allocate this income to the national central banks.

32.2. The income of national central banks received on functions which are performed under Article 14.5 shall not be regarded as income for the purpose of Article 32.1.

32.3. The net profit of the ECB shall be transferred in the following order:

- (a) an amount to be determined by the Council shall be transferred to the general reserve fund;
- (b) the remaining net profit shall be distributed to the shareholders of the ECB in proportion to their subscribed shares.

32.4. In the event of a loss incurred by the ECB, the shortfall may be offset against the own funds of the ECB or, following a decision by the Council, against contributions from national central banks, in proportion to their subscribed shares.

CHAPTER VII - GENERAL PROVISIONS

Article 33 - Regulatory power

33.1. The ECB shall make the regulations and take the decisions, necessary for the performance of tasks entrusted to the System under the present Statute.

33.2. A regulation shall have general application. It shall be binding in its entirety and directly applicable. A decision shall be binding in its entirety upon those to whom it is addressed. Articles 191 and 192 of the Treaty establishing the EEC are applicable in all respects to the regulations made and decisions taken by the ECB.

Article 34 - Enforcement

According to Community legislation, the ECB and national central banks shall be entitled to impose sanctions on market participants and other economic agents which fail to comply with their obligations vis-à-vis regulations and decisions.

Article 35 - Judicial control and related matters

35.1. The acts of the ECB shall be open to review and interpretation by the Court of Justice under the conditions laid down for the legal control of the acts of Community institutions. The ECB may institute proceedings under the same conditions as Community institutions. Articles 173 to 176, 178, 183 and 184 of the EEC Treaty shall be applicable accordingly.

35.2. The ECB shall be subject to the liability regime as provided for in Article 215 of the EEC Treaty.

35.3. The Court of Justice shall have jurisdiction to give judgement pursuant to any arbitration clause contained in a contract

concluded by or on behalf of the ECB, whether that contract be governed by public or private law.

35.4. The decision of the ECB to bring an action before the Court of Justice shall be taken by the Council.

35.5. The national central banks shall be liable according to their respective national laws.

35.6. The Court of Justice shall have jurisdiction in disputes concerning the fulfilment by a national central bank of obligations under this Statute. If the ECB considers that a national central bank has failed to fulfil an obligation under this Statute, it may bring the matter before the Court of Justice.

Article 36 - Staff

36.1. The Council of the ECB, on a proposal from the Executive Board, shall lay down the conditions of employment of the staff of the ECB.

36.2. Disputes between the ECB and its staff may be brought before the Court of Justice which shall have jurisdiction.

Article 37 - Seat

The seat of the ECB shall be established at (....).

Article 38 - Professional secrecy

38.1. The members of the governing bodies and the staff of the ECB and the national central banks shall be required, even after their duties have ceased, not to disclose information of the kind covered by the obligation of professional secrecy.

38.2. Persons having access to data covered by specific secrecy Community legislation shall be subject to such legislation.

Article 39 - Signatories

The ECB shall be legally committed vis-à-vis third parties by the signature of the President or by the signatures of two members of the Executive Board or by those of two members of the staff of the ECB who have been duly authorised by the President to sign on behalf of the ECB.

Article 40 - Privileges and immunities

The Protocol on the privileges and immunities of the European Communities shall apply to the ECB, the members of its decision-making bodies and its staff to the extent necessary for the performance of the ECB's tasks.

CHAPTER IX - AMENDMENT OF THE STATUTE AND COMPLEMENTARY LEGISLATION

Article 41 - Simplified amendment procedure

41.1. By way of derogation to Article 236 of the EEC Treaty and subject to Article 41.2, Articles 5, 17, 18, 19, 21.2, 21.3, 21.4, 21.5, 22, 23, 24, 26, [32] and 36 may be amended by the Council of the European Communities, at the request of the ECB, after consulting the European Parliament and the Commission. The approval of the ECB's request for amendment requires a decision of the Council of the European Communities acting by qualified majority.

41.2. Article 3 shall be amended by the Council of the European Communities in accordance with the procedure referred to in Article 41.1 only to the extent necessary to confer upon the System additional tasks which are not at variance with the System's objectives stated in Article 2 and do not impinge on the System's basis tasks defined in Article 3.

41.3. A request made by the ECB under Article 41.1 shall require a unanimous decision by the Council.

Article 42 - Complementary legislation

The Council of the European Communities, acting by a qualified majority on a proposal from the Commission and after consulting the ECB and the European Parliament, shall enact the legislation necessary for the application of Articles 4.1, 5.3, 16.2, 25.2, 29.2, 30.4 and 34.