

BANK OF GREECE
ECONOMIC ADVISER

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20 March 1991

Mr. Gunter D. Baer
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**Re: Simplified Procedure for Amending the Statute of the ESCB
and Complementary Community Legislation.**

Dear Mr. Baer,

In response to your telefax dated 12th of March please find below some comments on the issues raised in the Secretariat's note on the procedure for amending the Statute of the ESCB.

1. The ECB should be given the exclusive right of initiative because the simplified amendment procedure would mostly apply to provisions that are of a technical nature concerning the implementation of monetary policy and financial matters of the ECB. If, however, it were considered desirable for the Commission to have a competing right of initiative, the ECB should be consulted and its opinion should be given special status.

2. Since most articles subject to the simplified amendment procedure are of a technical nature (except for articles 3, 20, 28), it seems sufficient that amendments to these articles should be decided by the Council alone by qualified majority. Involvement of the European Parliament in the amendment procedure could unduly delay the decision-making process on issues not pertaining to fundamental principles. Excluding the European Parliament from the amendment procedure would not violate the principle of democratic accountability.

3. We agree with the list of Articles which would be subject to the simplified amendment procedure stated in the Secretariat's note. It would be useful, however, to distinguish between two categories of provisions subject to amendment. Articles 3, 20 and 28 are more important and, consequently,

amendments to these articles should be decided by the Council on the basis of stricter procedures (requiring unanimity). In this case the question of consulting the European Parliament could also be considered.

4. The procedure for enacting complementary Community legislation should not be the same as the one applying to the simplified amendment procedure. The proposed articles of the Statute to be subject to complementary Community legislation involve the interpretation and application of provisions relating to issues that are not exclusively in the sphere of competence of the ECB (e.g. articles 4.1, 6.2) and other Community institutions should participate.

5. It would seem preferable if the Committee of Governors were to prepare draft Articles rather than state the general lines on the simplified amendment procedure and complementary Community legislation. Submission of a complete draft Statute is likely to reduce the room for interventions and possible changes by the IGC. The timing of submission of additional draft articles should be discussed taking into account developments in the IGC concerning the role of and interaction between decision-making bodies.

Yours sincerely,



Lucas Papademos