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**CENTRAL BANK  
OF IRELAND**

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**Facsimile Service Cover Sheet**

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TO	NAME AND ADDRESS Gunter D. Baer, Rapporteur, Committee for the study of Economic and Monetary Union, BIS.				
FROM	NAME OF SENDER Dr. Liam O'Reilly, International Relations Department.				
<u>DESCRIPTION OF MATERIAL OR SPECIAL INSTRUCTIONS</u>  As requested					
SENDING DEPARTMENT			IRD	FACSIMILE NUMBER CENTRAL BANK OF IRELAND	
				716561	
TRANSMITTING OPERATOR					

Major instruments and policy measures to be applied in connection with the gradual realisation of the Economic and Monetary Union

Instrument/policy measure	Can under present provisions policies decisions be: *)				Can the decision-making power be transferred to Community bodies without changes in national legislation?
	Who makes the decision? <sup>1</sup>	communicated prior to implementation	taken after consultation?	Taken after coordination?	
<u>Monetary Policy</u>					
- Change in central bank interest rates	CB	Yes	Yes	Yes	No
- Credit policy	CB	Yes	Yes	Yes	No
- Reserve requirements	CB	Yes	Yes	Yes	No
- Open market operations	CB	Yes	Yes	Yes	No
- Financing of government deficits	Gov <sup>2</sup>	Yes	Yes	Yes	No
- Government debt management	Gov	Yes	Yes	Yes	No
<u>Exchange rate policy</u>					
- Change in central rates	Gov	as a member of EMS these are common decisions			No
- Change in intervention margins	Gov				No
- Change in intervention credit mechanisms	CB				No
- Intervention policy	CB	Yes	Yes	Yes	No
- Management of official reserves	CB	Yes	Yes	Yes	No
<u>Fiscal policy</u>					
Direct taxes	P	Yes	Yes	Yes	No
Taxation of interest and capital income	P	Yes	Yes	Yes	No
- Indirect taxes	P	Yes	Yes	Yes	No
- Budget balance targets	Gov	Yes	Yes	Yes	No
<u>Other policy instruments and measures (specify)</u>					
-					
-					
-					

1 Please specify: Governor, Central Bank Board, Minister, Cabinet, Parliament  
 CB Gov P

2. The financing of Government deficits in Ireland is within the competence of Gov. Participation in the financing by CB is at its own discretion.

\*) In agreement with the Secretariat the following information should be added: Communication, consultation and coordination is assumed to take place between EC-partners in a forum where full confidentiality is maintained.

The concept of an economic union embodies  
the idea of a single economic space in which  
all member states will be able to pursue their  
welfare by freely engaging in investment, production  
exchange + consumption decisions ranging throughout  
the Community under the protection of a unified  
rule of law. In a more technical sense,