



Council of the
European Union

**Brussels, 18 December 2020
(OR. en)**

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REV 1**

**ECOFIN 967
UEM 349**

LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: COUNCIL DECISION amending Decision 98/683/EC concerning exchange rate matters relating to the CFA franc and the Comorian franc

COUNCIL DECISION (EU) .../...

of ...

**amending Decision 98/683/EC
concerning exchange rate matters
relating to the CFA franc and the Comorian franc**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 219(3) thereof,

Having regard to the recommendation from the European Commission,

Having regard to the opinion of the European Central Bank¹,

¹ Opinion of 1 December 2020 (not yet published in the Official Journal).

Whereas:

- (1) The Union has exclusive competence in respect of monetary and exchange rate matters for the Member States whose currency is the euro. When the Treaties confer on the Union exclusive competence in a specific area, only the Union may legislate and adopt legally binding acts, the Member States being able to do so themselves only if so empowered by the Union.
- (2) In accordance with Article 219(3) of the Treaty on the Functioning of the European Union, the Council is to determine the appropriate arrangements for the negotiation and for the conclusion of agreements concerning monetary or foreign exchange regime matters.

- (3) Before the introduction of the euro, France had concluded agreements concerning exchange rate matters with the West African Economic and Monetary Union (*Union économique et monétaire ouest-africaine*, ‘UEMOA’), the Economic and Monetary Community of Central Africa (*Communauté économique et monétaire de l’Afrique Centrale*, ‘CEMAC’) and the Comores, which were intended to guarantee the convertibility of the CFA franc and the Comorian franc into the French franc at a fixed parity¹. Upon the substitution of the French franc by the euro on 1 January 1999, the Council authorised France to continue such agreements in force at that date (‘present agreements’) pursuant to the framework laid down in Decision 98/683/EC².

¹ *Convention de coopération monétaire du 23 novembre 1972 entre les États membres de la Banque des États de l’Afrique centrale (BEAC) et la République française, as amended; Convention de compte d’opérations du 13 mars 1973 entre le ministre de l’Économie et des Finances de la République Française et le Président du Conseil de l’administration de la Banque des États de l’Afrique Centrale, as amended; Accord de coopération du 4 décembre 1973 entre la République française et les Républiques membres de l’union monétaire ouest-africaine, as amended; Convention de compte d’opérations du 4 décembre 1973 entre le ministre de l’Économie et des Finances de la République Française et le Président du conseil des ministres de l’Union monétaire ouest-africaine, as amended; Accord de coopération monétaire du 23 novembre 1979 entre la République française et la République fédérale islamique des Comores, as amended; Convention de compte d’opérations du 23 novembre 1979 entre le ministre de l’Économie et des Finances de la République Française et le ministre des Finances, de l’Économie et du Plan de la République fédérale des Comores, as amended.*

² Council Decision 98/683/EC of 23 November 1998 concerning exchange rate matters relating to the CFA Franc and the Comorian Franc (OJ L 320, 28.11.1998, p. 58).

- (4) Articles 4 and 5 of Decision 98/683/EC lay down different procedures concerning the negotiation and modification of the present agreements depending on whether or not the nature or scope of those agreements is to be changed.
- (5) France and the UEMOA States are in the process of replacing the present agreement between them of 4 December 1973 by a new cooperation agreement concerning exchange rate matters. That new cooperation agreement was signed on 21 December 2019 and is accompanied by a new guarantee agreement to be concluded with the Central Bank of the UEMOA States. On 22 May 2020 the French Government put forward a bill to the French National Assembly to ratify the new cooperation agreement.
- (6) The replacement of present agreements concerning exchange rate matters between France and the UEMOA, the CEMAC and the Comores is not covered by the scope of Articles 4 and 5 of Decision 98/683/EC. This is the case even though the nature and scope of such new cooperation agreements remain unchanged, namely to ensure a convertibility between the euro and the currencies of the UEMOA, the CEMAC and the Comores at a fixed parity supported by a budgetary commitment from France.

- (7) France should be empowered to replace the present agreements with the UEMOA, the CEMAC and the Comores. In accordance with Decision 98/683/EC, the different procedures should continue to apply depending on whether or not the replacement affects the nature or scope of those agreements. In relation to both procedures it will be necessary to involve the competent Union bodies in accordance with the existing information sharing and approval regime, as the case may be, before replacing the present agreements with new cooperation agreements.
- (8) Decision 98/683/EC should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Decision 98/683/EC is amended as follows:

(1) The title is replaced by the following:

‘Council Decision 98/683/EC of 23 November 1998 concerning exchange rate matters relating to the currencies of the UEMOA, the CEMAC and the Comores’;

(2) Articles 3 to 5 are replaced by the following:

Article 3

The competent French authorities shall keep the Commission, the European Central Bank and the Economic and Financial Committee informed on a regular basis about the implementation of the agreements. The French authorities shall inform the Economic and Financial Committee prior to changes of the parity between the euro and the currencies of the UEMOA, the CEMAC or the Comores.

Article 4

France may negotiate and conclude modifications to the present agreements, or replace them, provided that the nature or scope of the agreements is not changed. It shall inform in advance the Commission, the European Central Bank and the Economic and Financial Committee of such modifications.

Article 5

Any plans to change the nature or scope of the present agreements, either by amending or by replacing them, shall be submitted by France to the Commission, the European Central Bank and the Economic and Financial Committee. Such plans shall require the approval of the Council on the basis of a recommendation from the Commission and after consultation of the European Central Bank.’.

Article 2

This Decision shall take effect on the date of its notification.

Article 3

This Decision is addressed to the French Republic.

Done ...,

For the Council

The President
