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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee (Part 2)/Council

Subject: COUNCIL DECISION amending the Council Decision of 23 November 1998 concerning exchange rate matters relating to the CFA franc and the Comorian franc (98/683/EC)
- Adoption

1. Council Decision of 23 November 1998 concerning exchange rate matters relating to the CFA franc and the Comorian franc (98/683/EC) authorised France, upon the substitution of the euro for the French franc, to continue its present agreements concerning exchange rate matters with the UEMOA (Union économique et monétaire ouest-africaine), the CEMAC (Communauté économique et monétaire de l'Afrique Centrale) and the Comores.
2. On 20 October 2020, the Commission submitted a recommendation for a Council Decision amending the Council Decision of 23 November 1998 concerning exchange rate matters relating to the CFA franc and the Comorian franc (98/683/EC) (ST 12269/20). The Commission recommendation provides for the amendments to the title and to Articles 3, 4 and 5 of the Council's Decision of 23 November 1998, to reflect the potential evolution in the future of re-naming the CFA franc and Comorian franc and authorise France to replace its existing agreements with the UEMOA, CEMAC and the Comores, in addition to the authorisation to negotiate and conclude modifications to the agreements provided in Council Decision 98/683/EC.

3. The legal basis for the adoption of Council Decision 98/683/EC was Article 109(3) of the Treaty establishing the European Community, now Article 219(3) TFEU. The abovementioned Commission Recommendation is based on the same legal basis and was discussed at the Eurogroup Working Group on 23 October and at the Financial Counsellors Working Party on 25 November 2020.
4. On 3 November 2020, the Council of the European Union requested an opinion to the European Central Bank on the Commission Recommendation for Council Decision amending the Council Decision of 23 November 1998 concerning exchange rate matters relating to the CFA franc and the Comorian franc (98/683/EC). The opinion of the European Central Bank was adopted on 1 December 2020 (ST 13739/20).
5. Against this background, the Permanent Representatives Committee is invited to confirm its agreement on the text of the draft Council Decision amending the Council Decision of 23 November 1998 concerning exchange rate matters relating to the CFA franc and the Comorian franc (98/683/EC) (ST 12269/20 REV 1).
6. Further to endorsement by the Permanent Representatives Committee, the draft Council Decision will be sent for adoption to the Foreign Affairs Council of 25 January.
