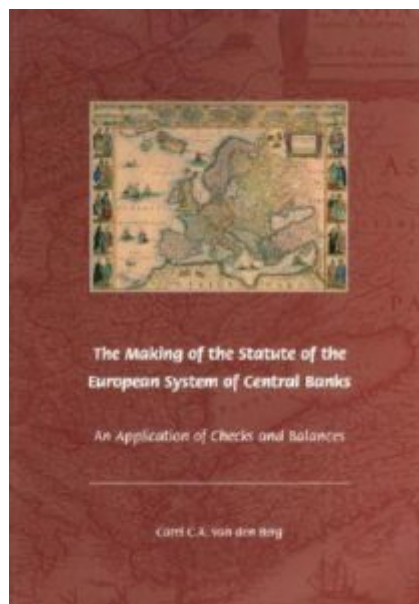


# The Making Of The Statute Of The European System Of Central Banks ~ Contents & Readers' Guide



## *Contents*

List of Acronyms and Abbreviations

*INTRODUCTION*

[Chapter 1: Introductory Chapter](#)

*Zur Thematik - Organization of the book - Methodology and sources  
- Descriptions of the main documents, committees and historical setting*

[Chapter 2: Integration Theory, Federalism and Checks and Balances](#)

*Integration and transfer of power - Federalism - Checks and balances*

*PART I*

Cluster I (Checks and Balances between the ESCB and the Public Authorities)

[Chapter 3: Introduction to Cluster I](#)

*Basic Community structure - Independence - Accountability*

[Chapter 4A: Selected ESCB Articles](#)

4.1 Introduction

4.2 Genesis of Selected Articles

Article 1 (Establishment)

Article 2 (Objectives)

Article 3.1 and 3.2 (Basic Tasks)

*Chapter 4B: Selected ESCB Articles*

Article 7 (Independence)

Article 10.4 (Minutes)

Article 11.2 and 11.7 (Executive Board)

*Chapter 4C: Selected ESCB Articles*

Article 14.1 and 14.2 (National central banks)

Article 21 (Operations with public entities)

Article 27 (Auditing)

Article 28 (ECB's capital)

Article 41 (Simplified amendment procedure) [i]

Article 109-EC (Exchange rate policy) <sup>[ii]</sup>

Article 109b-EC (Institutional dialogue) [iii]

Article 109c, (2) and (3) (Economic and Financial Committee) [iv]

*Chapter 5: Conclusions to Cluster I*

5.1 Introduction

5.2 Checks and balances between the ESCB and the outside world

5.2.1 Short reviews (with the emphasis on checks and balances)

5.2.2 Accountability and independence combined

5.3 Comparison between ESCB, Fed, Bundesbank, Commission and Court of Justice (Independence and Accountability)

Indicators for accountability of the ESCB

Indicators for independence of the ESCB

5.4 Overview of External Checks and Balances and Room for Improvement

5.4.1 Overview

5.4.2 Further room for improvement in terms of checks and balances

Proposed Treaty changes

Treaty changes rejected

Practical improvements

Priorities

*PART II*

*Cluster II (Checks and Balances between the ECB and the NCBs)*

## [Chapter 6: Introduction to Cluster II](#)

*Views of the respective committees - Different degrees of centralization - Federal Reserve*

## [Chapter 7: Selected ESCB articles](#)

7.1 Introduction

7.2 Genesis of selected articles

Article 3.3 and 25 (Prudential supervision and financial stability)

Article 5 (Statistical information)

Article 6 (International cooperation)

Article 12.1, third paragraph (Decentralization principle)

Article 14.3 and 14.4 (National central banks)

Article 16 (Banknotes)

Article 17-24 (Monetary functions and operations)

Article 26-33 and 51 (Financial provisions)

## [Chapter 8: Conclusions to Cluster II](#)

8.1 Introduction

8.2 Checks and Balances between the ECB and the NCBs

8.2.1 Short reviews (with the emphasis on checks and balances)

8.2.2 Factors influencing the division of operational powers

8.2.3 Actual situation

8.2.4 Alternative models and possible future trends

8.3 Overview of Checks and Balances between Executive Board and Governors and Possible Improvements

8.3.1 Overview

8.3.2 Possible improvements in terms of checks and balances

## *PART III*

*Cluster III (Checks and Balances between the Executive Board and the Governors)*

## [Chapter 9: Introduction to Cluster III](#)

Relative roles of the committees and the IGC - Federal Reserve and other central banks and federal institutions

## [Chapter 10: Selected ESCB articles](#)

10.1: Introduction

## 10.2 Genesis of selected articles

Article 10.1 and 10.2, first paragraph (Governing Council composition)

Article 10.2, second and third paragraph (Voting)

Article 10.3 (Weighted voting)

Article 12.1, first and second paragraph (Responsibilities of the decision-making bodies)

Article 11.6 and 12.2 (Other Executive Board tasks)

Article 12.3-5 (Other Governing Council responsibilities)

## [Chapter 11: Conclusions to Cluster III](#)

11.1 Introduction

11.2 Checks and Balances between the Executive Board and the Governors

11.2.1 Short reviews (with emphasis on checks and balances)

11.2.2 Main motives of the governors with respect to the division of decision-making responsibilities

11.2.3 Actual situation

11.2.4 Possible shifts in power

11.3 Overview of Checks and Balances between Executive Board and NCB Governors, and Possible Improvements

11.3.1 Overview

11.3.2 Possible Improvements

## [Chapter 12: Conclusions](#)

Role of central bank governors - The 'E' of EMU - Checks and balances in the 2004 draft Constitutional Treaty

*Annexes:*

[Annex 1: Selection of articles \(and division over clusters I, II and III\)](#)

[Annex 2: General overview of sources relevant for the genesis of the articles](#)

[Annex 3: Excerpts from speeches by Pöhl and de Larosière \(period 1988-1991\)](#)

[Annex 4: Statute of the ESCB and of the ECB and Selected Treaty articles](#)

[Annex 5: Table of equivalences referred to in Article 12 of the Treaty of Amsterdam \(1997\)](#)

for relevant articles (previous, 'Amsterdam' and current numbering)

## [Bibliography](#)

*List of Acronyms and Abbreviations*

BCE - Banque Centrale Européenne  
BdF - Banque de France  
BdI - Banca d'Italia  
BdL - Bank deutscher Laender  
BIS - Bank for International Settlements  
BoE - Bank of England  
BSSC - Banking Supervisory Sub-Committee of the Committee of Governors  
CdG - Comité des Gouverneurs (Committee of Governors of the central banks of the EC Member States)  
CoJ - Court of Justice  
Coreper - Committee of Permanent Representatives (Ambassadors of EU Member States at the EU in Bruxelles)  
DNB - De Nederlandsche Bank  
EC - European Communities  
ECA - European Court of Auditors  
ECB - European Central Bank  
Ecofin - Council of Ministers consisting of finance ministers  
ECSC - European Coal and Steel Community  
Ecu - European Currency Unit/écu  
EEC - European Economic Community  
EFC - Economic and Financial Committee  
EIB - European Investment Bank  
EMCF - European Monetary Cooperation Fund  
EMI - European Monetary Institute  
EMS - European Monetary System  
EMU - Economic and Monetary Union  
ERM - Exchange Rate Mechanism of the EMS  
ELA - Emergency Liquidity Assistance  
EP - European Parliament  
ESF - Exchange Stabilization Fund (US)  
ESCB - European System of Central Banks  
EU - European Union  
Euratom - European Atomic Energy Community  
Fed - Federal Reserve  
FOMC - Federal Open Market Committee  
FRA - Federal Reserve Act  
FRB - Federal Reserve Bank

FRS - Federal Reserve System  
GAO - General Accounting Office (established by US Congress)  
GD - General Documentation on ESCB monetary policy instruments and procedures  
GovC - Governing Council of the E(S)CB  
HICP - Harmonized Index of Consumer Prices  
HWWA - HWWA-Institut fuer Wirtschaftsforschung - Hamburg  
IGC - Intergovernmental Conference  
ILO - International Labour Organization  
IMF - International Monetary Fund  
LCB - Land Central Bank  
LZB - Landeszentralbank  
MCA - Depository Institutions Deregulation and Monetary Control Act (1980)  
NCB - National Central Bank  
NBB - National Bank of Belgium  
OCC - Office of the Controller of the Currency of the Department of the Treasury (US)  
OMOs - Open Market Operations  
RoP - Rules of Procedure  
RTGS - Real-Time Gross Settlement (system)  
SEA - Single European Act (1985)  
SEBC - Système Européen de Banques Centrales  
SOMA - System Open Market Account  
TARGET - Trans-european Automated Real-time Gross settlement Express Transfer system  
TEU - Treaty on European Union  
ZBO - Zelfstandig Bestuursorgaan  
ZBR - Zentralbankrat

[i] See Annex 4 for new numbering of Art. 41.

[ii] See Annex 5 for new numbering of EC Treaty articles.

[iii] See Annex 5 for new numbering of EC Treaty articles.

[iv] See Annex 5 for new numbering of EC Treaty articles.

#### *Readers' guide:*

For both the specialist and the generally interested reader it is recommended to start with chapters 1, 2 and 3, which provide a background and general

information about this book. Chapter 4 to 11 deal with the individual articles of the ESCB Statute and some related Treaty articles. Topics which are often referred to like the objective and independence of the ECB and the set-up of the ESCB are dealt with in the first part of chapter 4.

It is worth recalling that the content of the ESCB Statute has never been amended since its inception in 1992 (as part of the Treaty of Maastricht), except for the addition in 2001 of Art. 10.6-ESCB (procedural article) and the concomitant change in 2003 of Art. 10.2-ESCB (rotation of voting rights). And in 2003 a technical article was added, i.e. Art. 49.3 dealing with the amount of subscribed capital and the cap for the pooled reserves in case the EU is enlarged with new members. Articles 37, 50 and 51 (all related to the start of EMU) were deleted in 2009 as being technically superfluous.<sup>[1]</sup> As a result articles 38 to 49 (mostly relating to general and transitional provisions) were renumbered into articles 37 to 48, while the last two articles 52 and 53 became articles 49 and 50: see for a clear overview Annex 4. (The renumbering is a pity, because one could have kept Art. 37 followed by the words 'deleted' etc., like is done in the Federal Reserve Act.) As this study relies on original documents, we use - for consistency reasons - throughout the study the article numbers as used during the drafting of the Statute and the Treaty of Maastricht. References to the 'Community' (a phrase still used during Maastricht) were changed into references the 'Union'.

In this study the numbers of the articles of the **EC** Treaty correspond to the numbers used in Title II of the Treaty of Maastricht of 1992. In 1997 most EC Treaty articles were renumbered in accordance with Article 12 of the Treaty of Amsterdam and later again due to the Treaty of Lisbon (signed 2007 and effective 2009) - see Annex 5.

Articles referred to as Art. 103-**EC** refer technically to the 'Treaty establishing the **European Community**' (as agreed at Maastricht). Articles referred to as Art. 102-*EEC* refer to the older 'Treaty of the **European Economic Community**' (one of two so-called Treaties of Rome) - see also chapter 3. At Maastricht the EEC Treaty was amended and the term 'European Economic Community' was replaced by the term **European Community**. Articles referred to as Art. 7-**ESCB** refer to the Protocol on the Statute of the **European System of Central Banks** and of the **European Central Bank**, which was annexed to the Treaty of Maastricht.

*Search guide*

In this digital version the Subject Index contains important search words and includes cross-references to related search words. The Name Index and Article Index lost their function in the digital version and we deleted them. When searching for e.g. Article 24 of the ESCB Statute please also search for Art. 24 or Art.24-ESCB. As mentioned above, the study uses the numbering of the articles as was used during the drafting of the Statute and the Treaty of Maastricht. The study provides references to all articles of the Statute, also articles which are less often referred to. For an overview of all articles see Annex 4.

[\[i\]](#) Due to technical nettoyage after the Treaty of Lisbon.