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Proposal for a

**COUNCIL DECISION**

**on the signature and conclusion of the monetary agreement between the European  
Union  
and the French Republic on keeping the euro in Saint-Barthélemy following the  
amendment of its status with regard to the European Union**

## **EXPLANATORY MEMORANDUM**

Following a request from the President of the French Republic, the European Council agreed in October 2010 to amend the status of the island of Saint-Barthélemy, currently an outermost region of the EU, so that it has the status of an overseas country or territory, as referred to in Part Four of the Treaty on the Functioning of the European Union, as from 1 January 2012.

The French Republic has informed the institutions of the European Union of its intention to retain the euro as the currency of Saint-Barthélemy even though the island will no longer be part of the territory of the European Union.

In its decision of 13 April 2011, the Council gave the Commission a mandate to negotiate a monetary agreement with the French Republic, acting on behalf of the French overseas collectivity of Saint-Barthélemy, in cooperation with the European Central Bank.

The draft agreement attached to this Decision was negotiated by the parties concerned and initialled on 30 May 2011.

In accordance with Article 4 of the mandate, the Council is requested to adopt the decision on the signature and conclusion of the agreement.

Proposal for a

**COUNCIL DECISION**

**on the signature and conclusion of the monetary agreement between the European Union and the French Republic on keeping the euro in Saint-Barthélemy following the amendment of its status with regard to the European Union**

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 Council Decision on the arrangements for the negotiation of a monetary agreement with the French Republic, acting on behalf of the French overseas collectivity of Saint-Barthélemy<sup>1</sup>, and in particular Article 4 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Under European Council Decision 2010/718/EU of 29 October 2010 amending the status with regard to the European Union of the island of Saint-Barthélemy<sup>2</sup>, the island of Saint-Barthélemy shall cease to be an outermost region of the Union with effect from 1 January 2012 and shall have the status of an overseas country or territory, as referred to in Part Four of the Treaty on the Functioning of the European Union, as from that date. The French Republic has undertaken to conclude the agreements necessary to ensure that the interests of the Union are preserved when this amendment takes place.
- (2) The French Republic has informed the institutions of the Union of its intention to retain the euro as the sole currency in Saint-Barthélemy. A monetary agreement should therefore be concluded.
- (3) On 13 April 2011 the Council authorised the Commission, acting in cooperation with the European Central Bank and with its consent in issues falling within its field of competence, to negotiate with the French Republic, acting on behalf of the French overseas collectivity of Saint-Barthélemy, with a view to concluding a monetary agreement. Such an agreement was initialled on 30 May 2011.

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<sup>1</sup> The Decision was adopted on 13 April 2011.

<sup>2</sup> OJ L 325, 9.12.2010, p. 4.

(4) The agreement should be signed and concluded,

HAS ADOPTED THIS DECISION:

*Article 1*

1. The signature of the monetary agreement between the European Union and the French Republic on keeping the euro in Saint-Barthélemy following the amendment of its status with regard to the European Union (hereinafter 'the Agreement') is hereby approved on behalf of the Union, subject to the conclusion of the Agreement.

2. The text of the Agreement is attached to this Decision.

3. The President of the Council is hereby authorised to designate the person(s) empowered to sign the Agreement on behalf of the Union, subject to the conclusion of the Agreement.

*Article 2*

1. The Agreement is hereby approved on behalf of the Union.

2. The President of the Council is authorised to designate the person empowered, on behalf of the Union, to make the notification provided for in Article 11 of the Agreement.

*Article 3*

This Decision shall enter into force on the date of its adoption.

Done at Brussels,

*For the Council  
The President*

## ANNEX

### MONETARY AGREEMENT

#### **between the European Union and the French Republic on keeping the euro in Saint-Barthélemy following the amendment of its status with regard to the European Union**

The European Union, represented by the European Commission,

and

The French Republic, acting on behalf of the island of Saint-Barthélemy,

Whereas:

(1) Saint-Barthélemy is an integral part of the French Republic but will no longer be part of the European Union as from 1 January 2012, in accordance with European Council Decision 2010/718/EU of 29 October 2010 amending the status of the island of Saint-Barthélemy with regard to the European Union;

(2) The French Republic would like Saint-Barthélemy to retain the same currency as metropolitan France and to this end will continue to grant exclusive legal tender status in the territory of Saint-Barthélemy to euro banknotes and coins issued by the Eurosystem and the Member States that have adopted the euro;

(3) It is necessary to ensure the continuing application in Saint-Barthélemy of existing and future provisions of European Union law necessary for the functioning of the Economic and Monetary Union, in order, in particular, to ensure the unity of the Eurosystem's monetary policy, equalise conditions of competition between financial institutions located in the euro area and prevent fraud and counterfeiting of cash and non-cash means of payment and money laundering;

(4) This monetary agreement is concluded with a Member State acting on behalf of a non-sovereign entity and therefore does not provide for the right to mint coinage. Currency issues and banking and financial law fall within the field of competence of the French State. In matters related to the proper functioning of the Economic and Monetary Union, the legislative and statutory provisions of French law apply automatically to Saint-Barthélemy by virtue of its status.

HAVE AGREED ON THE FOLLOWING PROVISIONS:

### *Article 1*

The euro shall remain the currency of Saint-Barthélemy.

### *Article 2*

The French Republic shall continue to grant legal tender status to euro-denominated banknotes and coins in Saint-Barthélemy.

### *Article 3*

1. The French Republic shall continue to apply in Saint-Barthélemy the EU legal acts and rules necessary for the functioning of the Economic and Monetary Union in the following fields:

- (a) euro banknotes and coins;
- (b) preventing fraud and counterfeiting of cash and non-cash means of payment;
- (c) medals and tokens;
- (d) measures necessary for the use of the euro as a single currency adopted on the basis of Article 133 of the Treaty on the Functioning of the European Union;
- (e) banking and financial legislation, including the legal acts adopted by the European Central Bank;
- (f) preventing money laundering;
- (g) statistical reporting requirements established by the Eurosystem.

2. The French Republic undertakes to cooperate fully with Europol in the territory of Saint-Barthélemy as regards the prevention of fraud and counterfeiting of means of payment and preventing and combating money laundering.

### *Article 4*

The measures taken by the competent French authorities to transpose the acts adopted by the European Union - including those of the European Central Bank - in the fields mentioned in Article 3(1) of this agreement shall apply automatically and under the same conditions in Saint-Barthélemy.

### *Article 5*

Those European Union acts adopted in the fields mentioned in Article 3(1) - including those of the European Central Bank – that are directly applicable in the Member States shall apply automatically and under the same conditions in Saint-Barthélemy.

#### *Article 6*

Credit institutions and, as applicable, other financial institutions authorised to carry out operations in Saint-Barthélemy shall have access to interbank settlement and payment systems and to securities settlement systems in the euro area under the same conditions applied to institutions located in metropolitan France.

#### *Article 7*

Every two years the French Republic shall present a report to the Commission and the European Central Bank on the application in Saint-Barthélemy of the EU legal acts and rules covered by this agreement. The report includes, in particular, a list of the directly applicable EU acts, including those of the European Central Bank, that apply automatically to Saint-Barthélemy by virtue of Article 5 of this agreement. The first report will be communicated by the end of 2012.

#### *Article 8*

1. A joint committee shall be convened when needed. It shall be chaired by the Commission and composed of representatives of the European Union and of the French Republic.
2. The European Union delegation shall be headed by the Commission and include representatives of the European Central Bank.
3. The joint committee shall meet at the request of one of the members of the delegation of the European Union or of France in order to examine any problems that might arise from the application of this agreement.

#### *Article 9*

The Court of Justice of the European Union shall have exclusive competence for settling any dispute between the parties that may arise from the application of this agreement and that has not been settled within the joint committee.

#### *Article 10*

The European Union or the French Republic may terminate this agreement subject to one year's notice.

#### *Article 11*

This agreement shall enter into force on 1 January 2012 after the parties have notified each other of the completion of their own ratification procedures.

*Article 12*

This agreement is drawn up in duplicate in English and French. Both texts are equally authentic.

*For the European Union,*

*For the French Republic,*

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