

AMENDMENT FORM

Suggestion for amendment of Article : III -74

By Mr : Esko Helle

Status : - Alternate

Article III-74 (ex Article 105)

1. The primary objective of the European System of Central Banks shall be to maintain price stability. **This objective shall be one means, through which** the European System of Central Banks shall support the general economic policies in the Union in order to contribute to the achievement of its objectives as laid down in Article 3 of Part One. The European System of Central Banks shall act in accordance with the principle of an open market economy with free competition, favouring an efficient allocation of resources, and in compliance with the principles set out in [ex Article 4].
2. The basic tasks to be carried out through the European System of Central Banks shall be:
 - (a) to define and implement the Union's monetary policy;
 - (b) to conduct foreign exchange operations consistent with the provisions of [Article III-223 (ex 111)];
 - (c) to hold and manage the official foreign reserves of the Member States;
 - (d) to promote the smooth operation of payment systems.
3. Paragraph 2(c) shall be without prejudice to the holding and management by the governments of Member States of foreign-exchange working balances.
4. The European Central Bank shall be consulted:
 - (a) on any proposed Union act in its fields of competence;
 - (b) by national authorities regarding any draft legislative provision in its fields of competence, but within the limits and under the conditions set out by the Council in accordance with the procedure laid down in [Article III-76(6) (ex 107(6))].

The European Central Bank may submit opinions to the Union Institutions or bodies or to national authorities on matters in its fields of competence.

5. The European System of Central Banks shall contribute to the smooth conduct of policies pursued by the competent authorities relating to the prudential supervision of credit institutions and the stability of the financial system.

6. A European law or framework law **of the Council** may confer upon the European Central Bank specific tasks concerning policies relating to the prudential supervision of credit institutions and other financial institutions with the exception of insurance undertakings. ~~Such law or framework law shall be adopted~~ **The Council shall act unanimously** after consultation of the **European Parliament and the** European Central Bank.

Explanation (if any) :

Price stability should be one of the ways through which the European System of Central Banks supports the objectives of the Constitutional Treaty.

The ordinary legislative procedure should not be used in Article 74, paragraph 6. Given the nature of the tasks involved, a centralisation of the prudential supervision would not be appropriate, nor is the ECB a suitable body in which to centralise the supervision.