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REGULATION No 129 OF THE COUNCIL

on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy

THE COUNCIL OF THE EUROPEAN ECONOMIC COMMUNITY,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Having regard to the Opinion of the Monetary Committee;

Whereas sums should be expressed in a standard unit of account in a number of instruments on the common agricultural policy; whereas the unit of account to be used should be that already applied within the Community under Article 18 of the Financial Regulation on the establishment and implementation of the budget of the European Communities and on the responsibility of authorising and accounting officers;

Whereas it is necessary to fix the rate of exchange to be used for measures taken in pursuance of the common agricultural policy which require sums given in one currency to be expressed in another currency; whereas all Member States and a large number of third countries have communicated par values for their currencies to the International Monetary Fund and whereas the latter has recognised these par values; whereas, under the rules of the Fund, exchange rates which apply to current transactions and are recorded on foreign exchange markets supervised by the monetary authorities of countries the par values of whose currencies have been recognised by the Fund may differ from parity only within narrow limits; whereas, therefore, the use of the exchange rate corresponding to parity normally makes it possible to avoid monetary difficulties which might hinder the implementation of the common agricultural policy;

Whereas, since the unit of account is defined solely as a weight of gold, either the gold parity or the US dollar parity of national currencies as communicated to and recognised by the International Monetary Fund must of necessity be used to express in national currencies sums given in units of account and *vice versa;*

Whereas provision should nevertheless be made, in respect of countries which have communicated a par value for their currency to the International Monetary Fund, for cases where fluctuations in the operative exchange rate in relation to the par value communicated, although within the limits laid down under the rules of that body, might jeopardise the implementation of the common agricultural policy;

Whereas, in such cases, the exchange rate on the most representative foreign exchange market or markets should be used;

Whereas the rate on the most representative foreign exchange market or markets must be chosen also for the currencies of countries which have not communicated par values to the International Monetary Fund or whose par values have not been recognised by the Fund;

Whereas, finally, provision should be made for derogations where monetary circumstances are likely to hinder the satisfactory implementation of the common agricultural policy;

HAS ADOPTED THIS REGULATION:

Article 1

Where, in instruments concerning the common agricultural policy which are adopted by the Council under Article 43 of the Treaty, or in provisions adopted pursuant to those instruments, sums are expressed in units of account, the value of that unit of account shall be 0·88867088 grammes of fine gold.

Article 2

1. Where measures taken in pursuance of the instruments or provisions referred to in Article 1 require sums given in one currency to be expressed in another currency, the exchange rate to be applied shall be that which corresponds to the par value communicated to and recognised by the International Monetary Fund.

2. However, where in one or more countries the exchange rate operative on the foreign exchange market supervised by the monetary authorities fluctuates in relation to the rate which corresponds to the par value communicated to and recognised by the International Monetary Fund, and where in exceptional circumstances such fluctuation, although within the limits set by the rules of the Fund, might jeopardise the implementation of the instruments or provisions referred to in Article 1, the Council or the Commission, acting within their powers under those instruments or provisions and in accordance with the procedures laid down therein for each individual case, may decide that the exchange rates for the currencies in question on the most representative foreign exchange market or markets, as provided by paragraph 4, must be applied temporarily in measures taken in pursuance of those instruments or provisions.

3. The exchange rate to be applied in respect of the currencies of countries which have not communicated par values to the International Monetary Fund or whose par values are not recognised by that body but whose currencies are quoted on the official foreign exchange markets shall be that recorded on the most representative market or markets, as provided by paragraph 4.

4. For the purposes of paragraphs 2 and 3, the exchange rates on the most representative market or markets shall be those in force on the last working day of the market(s) preceding the date on which the measures referred to in this Article are taken.

Article 3

1. Where monetary practices of an exceptional nature are likely to jeopardise the implementation of the instruments or provisions referred to in Article 1, the Council or the Commission, acting within their powers under those instruments or provisions and in accordance with the procedures laid down therein for each individual case, may, after consulting the Monetary Committee, make derogations from this Regulation, in particular in the following cases:

(a) when a member country of the International Monetary Fund, having communicated a par value and had it recognised by the Fund, allows the value of its currency to fluctuate beyond the limits laid down under the rules of the Fund;

(b) when a country resorts to abnormal exchange techniques such as floating or multiple exchange rates or applies a barter agreement;

(c) in the case of countries whose currency is not quoted on official foreign exchange markets.

2. However, in an emergency the measures provided for in the preceding paragraph may be taken without prior consultation with the Monetary Committee but provided that at the same time a request for an Opinion is addressed to that body. In such cases these exceptional measures shall apply provisionally; definitive measures shall be taken only after an Opinion has been received from the Monetary Committee.

Article 4

This Regulation shall enter into force on 1 November 1962.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 23 October 1962.

For the Council

The President

E. COLOMBO