EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK

of 6 October 2004

at the request of the Council of the European Union on a recommendation by the Commission of the European Communities for a Council decision on the opening of negotiations concerning an agreement on monetary relations with the Principality of Andorra (COM(2004) 548 final)

(CON/2004/32)

(2004/C 256/06)

1. The Council of the European Union requested on 8 September 2004 an opinion from the European Central Bank (ECB) on a recommendation by the Commission of the European Communities for a Council decision on the opening of negotiations regarding an agreement on monetary relations with the Principality of Andorra (COM(2004) 548 final) (hereinafter the recommendation).
2. The ECB's competence to deliver an opinion on the recommendation is based on Article 111(3) of the Treaty establishing the European Community. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.
3. The recommendation proposes a draft Council decision establishing that since the necessary conditions laid down in Council Decision 2004/548/EC of 11 May 2004 [1] for the opening of the negotiations between the Community and the Principality of Andorra (hereinafter Andorra) on a monetary agreement (hereinafter the Agreement) have been fulfilled, these negotiations may be opened.
4. In its Opinion CON/2004/12 of 1 April 2004 on Decision 2004/548/EC [2], the ECB acknowledged, *inter alia*, that it would be in the Community's interest to open negotiations on the Agreement.
5. The recommendation considers that the necessary conditions in Decision 2004/548/EC have been fulfilled since the Community and Andorra have initialised the agreement on the taxation of income from savings and Andorra has undertaken to ratify it before 30 April 2005. On this basis, the ECB sees no reasons that would militate against adopting a Council decision to open negotiations with Andorra on the Agreement.
6. The ECB notes that negotiations on the Agreeement will be suspended if Andorra does not ratify the agreement on the taxation of income from savings before 30 April 2005.
7. In accordance with Article 7 of Decision 2004/548/EC, the Commission will conduct the negotiations with Andorra on behalf of the Community, with Spain and France being fully associated with the negotiations and the ECB being fully associated with those negotiations falling within its field of competence.

Done at Frankfurt am Main, 6 October 2004.

The President of the ECB

Jean-Claude TRICHET

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[1] OJ L 244, 16.7.2004, p. 47.
[2] OJ C 88, 8.4.2004, p. 18.