



**AGREEMENT¹
OF 13th MARCH 1979
BETWEEN THE CENTRAL BANKS OF THE MEMBER STATES
OF THE EUROPEAN ECONOMIC COMMUNITY
LAYING DOWN THE OPERATING PROCEDURES FOR THE EUROPEAN
MONETARY SYSTEM**

THE CENTRAL BANKS OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY,

HAVING REGARD to the Resolution of the European Council of 5th December 1978 on the establishment of the European Monetary System (EMS) and related matters;

HAVING REGARD to Regulation (EEC) No. 907/73 of the Council of the European Communities of 3rd April 1973 establishing a European Monetary Co-operation Fund;

HAVING REGARD to Regulation (EEC) No. 3180/78 of the Council of the European Communities of 18th December 1978 changing the value of the unit of account used by the European Monetary Co-operation Fund;

HAVING REGARD to Regulation (EEC) 3181/78 of the Council of the European Communities of 18th December 1978 concerning the European Monetary System;

WHEREAS the European Council has agreed to set up a scheme for the creation of closer monetary co-operation leading to a zone of monetary stability in Europe;

WHEREAS the said Resolution provides that a European currency unit, the ECU, shall be at the centre of the European Monetary System and that the value and composition of the ECU shall, initially, be identical with the value and composition of the European unit of account (EUA);

WHEREAS under the term of the said Resolution

- **each currency will have an ECU-related central rate and the central rates will be used to establish a grid of bilateral parities or central rates,**
- **fluctuation margins of 2.25 percent will be fixed around these bilateral central rates, although Member States not at present participating in the narrower margins mechanism may in the initial stage of the European Monetary System opt for wider margins of up to 6 percent, which must be progressively reduced as soon as economic conditions permit;**

¹ Text incorporating the amendments made by the Instrument of 10th June 1985 and the Instrument of 10th November 1987.