

No. 26260

**FRANCE
and
MONACO**

Exchange of letters constituting an agreement relating to the interpretation of the Convention of 14 April 1945 on foreign exchange control. Paris and Monaco, 18 May 1963

Exchange of letters constituting an agreement amending the above-mentioned agreement. Monaco, 27 November 1987

Authentic text: French.

Registered by France on 4 November 1988.

**FRANCE
et
MONACO**

Échange de lettres constituant un accord portant interprétation de la Convention du 14 avril 1945 relative aux contrôles des changes. Paris et Monaco, 18 mai 1963

Échange de lettres constituant un accord modifiant l'accord susmentionné. Monaco, 27 novembre 1987

Texte authentique : français.

Enregistré par la France le 4 novembre 1988.

[TRANSLATION — TRADUCTION]

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN FRANCE AND MONACO RELATING TO THE INTERPRETATION OF THE CONVENTION OF 14 APRIL 1945 ON FOREIGN EXCHANGE CONTROL²

I

LIBERTY — EQUALITY — FRATERNITY
FRENCH REPUBLIC
MINISTRY OF FOREIGN AFFAIRS

Paris, 18 May 1963

Sir,

With reference to the Convention on foreign exchange control dated 14 April 1945² and in the light of the provisions of its preamble, I have the honour to state the following:

The provisions of articles 4, 6 and 8 of the above-mentioned Convention having given rise to problems of interpretation, it must be understood that these provisions have the effect of:

1. Making applicable to Monaco the laws and regulations in force in France concerning banks and financial establishments; any amendments thereto shall become applicable one clear day after the Official Journal of France containing them reaches Monaco. For the purposes of applying these provisions, Monegasque individuals and legal entities shall not be considered aliens.

2. Making applicable to Monaco any general provisions enforcing the French laws and regulations adopted in the form of orders, general decisions of the National Credit Council, and decisions, instructions or circulars of the Banking Control Commission or the Governor of the Bank of France. Such provisions shall apply as soon as they have been communicated to the Monegasque Government and to the establishments concerned.

The above provisions may, however, include specific provisions allowing for the special circumstances of the Principality.

3. Entrusting to the Banking Control Commission the oversight of individuals and companies covered by the Convention. Inspectors of the Bank of France designated for this purpose shall be authorized to conduct on-site audits; they shall inform the Monegasques authorities, who shall assist them as needed in the performance of their task.

Furthermore:

¹ Came into force on 18 May 1963 by the exchange of letters.

² See p. 257 of this volume.

Within three months of the signature of this exchange of letters, companies established in Monaco which are operating as banks or financial establishments without being entered on the list of banks or registered as financial establishments must request the National Credit Council, through the professional association concerned, to list or register them.

Upon this exchange of letters, the Government of the Principality shall transmit to the National Credit Council the list of companies established in Monaco and operating as banks or financial establishments.

Subject to compliance with the laws and regulations governing the profession, requests for listing or registration made by banks or financial establishments currently authorized by the Government of the Principality shall be reviewed on the basis of general and local economic needs, taking into account the specific circumstances of the Principality.

When ruling on requests made by Monegasque companies for entry on the list of banks or registration as financial establishments, the National Credit Council shall make sure that the Government of the Principality has approved the formation of these companies.

The National Credit Council shall draw up and maintain a special list of Monegasque banks.

When Monegasque individuals or companies operate as banks or financial establishments, either directly or with the assistance of brokers or other intermediaries, without having first been listed or registered with the National Credit Council, the Banking Control Commission may appoint a liquidator for them if, after it has notified them that they must cease operations by a given deadline, such individuals or companies have not obeyed this injunction.

The Government of the Principality shall be notified of individual decisions of the National Credit Council and the Banking Control Commission applicable in Monegasque territory, and hereby undertakes to enforce them as necessary.

Lastly, it is hereby agreed that for the consideration of general and specific matters involving the Principality of Monaco, the National Credit Council, meeting in plenary session or in committee, and the Banking Control Commission shall add a member or an alternate with voting rights, designated by the Government of the Principality.

I should be grateful if you would inform me whether the Government of the Principality agrees to the foregoing.

Accept, Sir, etc.

[*Signed*]

FRANÇOIS LEDUC

Mr. Pierre Blanchy
Minister Plenipotentiary
Ministry of State
Principality of Monaco

II

PRINCIPALITY OF MONACO
DEPARTMENT OF FOREIGN AFFAIRS

18 May 1963

Sir,

By your letter of today's date, you informed me of the following:

[See letter I]

I have the honour to inform you that the Government of the Principality agrees to the foregoing.

Accept, Sir, etc.

[PIERRE BLANCHY]

Mr. François Leduc
Minister Plenipotentiary
Ministry of Foreign Affairs
Paris

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC
AND THE GOVERNMENT OF HIS SERENE HIGHNESS
THE PRINCE OF MONACO AMENDING THE EXCHANGE OF
LETTERS OF 18 MAY 1963² RELATING TO THE INTERPRETA-
TION OF THE CONVENTION OF 14 APRIL 1945 ON FOREIGN
EXCHANGE CONTROL³

I

27 November 1987

Sir,

The Franco-Monegasque Convention on foreign exchange control of 14 April 1945³ established the principle of the application of French banking regulations to Monaco, and the exchange of letters of 18 May 1963 on banking regulations in the Principality² defined the scope and practical means of applying that principle.

Since French Act No. 84-46 of 24 January 1984 on the operation and oversight of credit establishments made various changes in banking regulations, especially concerning the bodies comprising the banking authority, I propose that the exchange of letters of 18 May 1963, be amended as follows, while maintaining the principles established and the interpretations already given.

Article 1

The laws in force in France concerning banks and financial establishments, and the general regulations adopted by the Banking Regulation Committee for their application, shall be applicable to Monaco. Any amendments to these laws and regulations shall become applicable to Monaco the day after the Official Journal of France containing them reaches Monaco.

Instructions, circulars, decisions or notifications issued pursuant to French banking laws and regulations shall be applicable to Monaco as soon as they have been communicated to the Monegasque Government and the credit establishments concerned.

The above provisions and rules may be amended as necessary to allow for the special circumstances of the Principality.

Article 2

The Credit Establishments Committee shall draw up and maintain the list of Monegasque credit establishments.

The Banking Commission shall oversee credit establishments established in Monegasque territory.

¹ Came into force on 2 April 1988, i.e., 30 days after the Parties had notified each other (on 25 January and 3 March 1988) of the completion of their procedures of approval, in accordance with the provisions of the said letters.

² See p. 118 of this volume.

³ See p. 257 of this volume.

Employees of the Bank of France responsible for on-site audits shall inform the Monegasque authorities, which shall assist them as needed in the performance of their task. The results of on-site audits shall be brought to the attention of the Monegasque authorities by the Banking Commission, under the provisions of article 49 of the aforementioned Act No. 84-46.

The Government of the Principality shall be notified of the decisions of the Credit Establishments Committee and the Banking Commission regarding Monegasque establishments. It hereby undertakes to enforce as necessary decisions handed down by the Banking Commission in disciplinary matters applicable in Monegasque territory.

Article 3

A representative of the Government of the Principality shall participate with voting rights in the National Credit Council and the Advisory Committee for customer relations.

The Government of the Principality shall be involved in drafting the rules of the Banking Regulation Committee through the participation of one of its representatives in meetings of that body.

A representative of the Government of the Principality, with voting rights, shall be added to the Credit Establishments Committee and the Banking Commission for the consideration of general and specific matters involving the Principality of Monaco.

When ruling on a request for approval made by a Monegasque credit establishment, the Credit Establishments Committee shall make sure that the Government of the Principality has approved the formation of that establishment.

Article 4

The formation or operation in Monaco of credit establishments governed by Act No. 84-46 of 24 January 1984 or of establishments mentioned in article 99 of that Act and belonging to a category not covered by the exchange of letters of 18 May 1963 must, where appropriate, be preceded by an agreement between the two Governments.

In that regard, the Société Anonyme de Prêts et Avances, a Monegasque credit establishment comparable to a municipal credit fund, shall be subject to the rules established for such funds by Act No. 84-46 of 24 January 1984 and its implementing provisions, without, however, being required, for the purposes of the application of article 23 of the above-mentioned Act, to belong to a central body within the meaning of its articles 20 to 22.

Lastly, the provisions and rules not strictly concerned with the specific regulation and organization of the intended establishments and contained in articles 56, 58, 61-64, 70, 86-87, 91-93, 94-III, V-XIII, XV-XVII of Act No. 84-46 of 24 January 1984 shall not apply to Monaco. Articles 44-46 and 53 of the Act shall apply, taking into account the specific provisions of Monegasque law regarding the functions of company directors or liquidators and auditors. Articles 13, 49 and 57 of the Act shall apply, taking into account the provisions specific to Monegasque criminal law and corporate law. The provisions of article 49, paragraph 2, shall apply to Monegasque credit establishments only with the agreement of the Government of the Principality. Any difficulties in implementing the provisions of this paragraph and more gener-

ally, implementing this Agreement as a whole, shall be settled by mutual agreement by a working group comprising the competent administrations of the two States.

If the foregoing provisions meet with the agreement of the Government of the Principality, I have the honour to propose that this letter and your reply should be considered as constituting the Agreement between the Government of His Serene Highness the Prince of Monaco and the Government of the French Republic, and that the said Agreement should enter into force 30 days after the date on which the two Governments shall have notified each other of the completion of their respective approval formalities.

Accept, Sir, etc.

[Signed]

LOÏC MOREAU
Consul General of France in Monaco

His Excellency Mr. Jean Ausseil
Minister of State of the Principality of Monaco

II

PRINCIPALITY OF MONACO
DEPARTMENT OF FOREIGN AFFAIRS

27 November 1987

No. 3057

Sir,

By your letter of today's date, you informed me of the following:

[See letter I]

I have the honour to inform you that the Government of the Principality agrees to the foregoing provisions.

Accept, Sir, etc.

[Signed]

JEAN AUSSEIL
Minister of State

Mr. Loïc Moreau
Consul General of France
Monaco