



EUROPEAN CENTRAL BANK
EUROSYSTEM

COURTESY TRANSLATION

Mario DRAGHI

President

Mr Nuno Melo
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 1 July 2013

L/MD/13/411

Re: Your letter

Dear Mr Melo,

Thank you for your letter passed on to me by Ms Sharon Bowles, Chairwoman of the Committee on Economic and Monetary Affairs, and accompanied by a cover letter dated 16 April 2013.

Regarding your question on whether it is the European Union's policy not to sell Member States' gold reserves I would like to recall the relevant legal framework. Gold is usually treated as a foreign reserve asset. The holding and management of the foreign reserves of the Member States is a task of the European System of Central Banks (ESCB), pursuant to the third indent of Article 127(2) of the Treaty on the Functioning of the European Union (replicated in the third indent of Article 3.1 of the Statute of the European System of Central Banks and of the European Central Bank). Under Article 30 of the Statute, the ECB is provided with foreign reserve assets.

However, not all foreign reserve assets are transferred to the ECB. Some foreign reserve assets remain with the national central banks under Article 31 of the Statute. The management of these foreign reserve assets is subject to Article 31.2 of the Statute, which provides that transactions above a certain limit are subject to approval by the ECB in order to ensure consistency with the exchange rate and monetary policies of the Union.

Regarding your second question whether, in the future, other Member States in a similar situation to Cyprus may have to sell their gold reserves, please note that the decisions made by the Central Bank of Cyprus on its gold holdings under the above conditions have no relevance for other Eurosystem central banks' management of their own gold reserves.

Yours sincerely,

[signed]

Mario Draghi