

International and European Relations Department
International Cooperation Unit

30.11.2020

(Update 2/11/2022)

MEMORANDA OF UNDERSTANDING

A Memorandum of Understanding (MoU) is an international agreement that expresses an intention and establishes commitments of a political, technical or logistical nature. However, unlike a treaty or an international administrative agreement, the intentions and commitments recorded in an MoU are not binding as a matter of international law.

Broadly speaking, an MoU is a bilateral agreement expressing the participants' intentions regarding a common objective, establishing general principles of action and guiding their collaborations on matters of mutual interest.

MoUs may be arranged for various reasons:

- i) the interest in achieving, or need to achieve, a strategic objective and greater influence in a geographical area or sphere of competence;
- ii) the aspiration to establish a general framework for stable cooperation with an institution or organisation with which a relationship of mutual trust has been maintained and certain joint projects or activities have already been conducted; and
- iii) the value to both parties of creating a specific channel for collaboration to achieve a particular and mutually beneficial aim.

In the course of its activities, the Banco de España may draw up and adopt MoUs of its own motion and/or as a result of a specific request from a central bank or international institution to address an institutional interest or stance or to achieve a common goal. MoUs are often adopted once joint projects have been conducted and/or there is a history of collaboration.

The International Cooperation Unit manages and coordinates this broad activity encompassing most of the Bank's areas.

The Unit is responsible for negotiating terms and subject-matter of the MoU by communicating proactively with the other party, once it has gained a thorough understanding of the areas of institutional interest that it will address. To do so, the Unit liaises with each Directorate General. It will then submit a coordinated draft agreement that sets out a realistic and comprehensive framework for technical cooperation.

The Banco de España has effective MoUs with the following central banks and institutions:

- National Bank of Kazakhstan
- Banco de México
- Banco Central do Brasil
- Bank al Maghrib
- Banco Central de Chile
- Banco Central de Reserva del Perú
- Banco de la República (Colombia)
- Banco Central República Argentina
- Banco Central del Uruguay
- Central Bank of Tunisia
- Banco Central del Ecuador
- Banco Central de Bolivia
- Center for Latin America Monetary Studies - CEMLA
- Executive Secretary of the Central American Monetary Council - SECMCA
- CAF (Banco de Desarrollo de América Latina)
- FLAR (Fondo Latinoamericano de Reservas)

As a result of these MoUs, over the years the Banco de España and the aforementioned central banks and international financial institutions have exchanged experts, conducted joint collaboration projects and organised seminars, bilateral cooperation meetings and consultations, in addition to workshops, fora and expert meetings on many different areas of interest.