



EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK

at the request of Bank of Greece under Article 105 (4), second indent, of the Treaty establishing the European Community and Article 4 (a) of the Statute of the European System of Central Banks and of the European Central Bank on a draft law concerning additional measures in implementation of Council Regulations (EC) 1103/97, 974/98 and 2866/98, as applicable, on the introduction of the euro

[CON/00/21]

1. On 11 August 2000 the European Central Bank (ECB) received a request from the Bank of Greece for an opinion on a draft law concerning additional measures in implementation of Council Regulations (EC) 1103/97, 974/98 and 2866/98, as applicable, on the introduction of the euro (hereinafter “the Draft Law”).
2. The ECB’s competence to deliver an opinion is based on Article 2 of Council Decision 98/415/EC of 29 June 1998 on the consultation of the ECB by national authorities regarding draft legislative provisions¹, as the legislative proposal contains provisions concerning currency matters and means of payment. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the ECB, this ECB opinion has been adopted by the Governing Council of the ECB.
3. The purpose of the Draft Law is to deal with the necessary adaptation of Greek legislation with a view to ensuring the national implementation of the regulatory framework for the introduction of the euro on 1 January 2001. The Draft Law regulates the status of the Greek drachma as legal tender until 28 February 2002. The Draft Law consists of 21 articles, replacing or amending existing currency legislation and regulating issues related to the introduction of the euro in Greece.

¹ OJ L 189, 3.7.1998, p. 42-43.

4. The ECB welcomes the initiative of the Greek Government to prepare for the timely implementation of the measures necessary or appropriate for the changeover to the single currency both in the private and in the public sector. The Draft Law constitutes a comprehensive piece of legislative work, which encompasses a wide range of topics and areas with a view to ensuring the smooth introduction of the euro in the Greek legal system and in the Greek securities markets. The Draft Law introduces a simple method for the re-denomination of share capital and share trading without any additional costs for companies (see Articles 12, 14 and 18). The ECB welcomes and overall assesses positively the provisions contained in the Draft Law and no major inconsistencies or problems are to be mentioned without prejudice to the observations made under Section 5. In practice, it would be possible to trade, settle and clear in euro stock exchange transactions of securities in Greek drachmae, without re-denominating them (see Article 18, Section 1). The ECB would also like to suggest that the legislator may wish to provide in the Draft Law that the same method for the re-denomination of outstanding public debt can additionally be applied by the issuers of private bonds, according to the principle of “no compulsion, no prohibition”.
5. Article 1 provides for a general clause of substituting the euro for the Greek drachma. Article 2 contains conversion and rounding rules. The ECB notes that, in accordance with the case-law of the European Court of Justice, which, in principle, prohibits the national legislator from repeating provisions of a regulation, Section 1 of Article 2 of the Draft Law should be deleted because national provisions should refrain from merely repeating paragraphs 1 to 4 of Article 4 and Article 5 of Council Regulation (EC) No 1103/97 since the Council Regulation is directly applicable in national jurisdictions. Article 2, Section 3, provides for a rounding of not less than two decimals for intermediate computations of sums that are not to be paid or accounted for. However, Article 4(4) of Council Regulation (EC) No 1103/97 provides explicitly for a minimum rounding to three decimal digits for conversions from one national unit to the other. Therefore, as regards Article 2, Section 3, the ECB would welcome a clarification of its inapplicability to conversions between national currency denominations. Furthermore, the ECB welcomes the provision of Section 5 in Article 2.
6. In its May 2000 Convergence Report, the ECB took note that, as far as legislation other than the Statute of the Bank of Greece is concerned, such legislation will be adapted in a law introducing the euro. In view of this observation, the ECB welcomes in particular the provisions in Section 1 of Article 4, and Sections 1 and 2 of Article 5 of the Draft Law that amend or repeal existing legislation relating to monetary, currency or foreign exchange issues as a result of the introduction of the euro in Greece.

7. Article 6 deals with tax provisions. Article 7 supplements existing accounting provisions. Article 8 deals with the re-denomination of public debt and introduces a one-year statute of limitation with the proviso in Section 6 for litigation concerning the application of the provisions therein. This should allow for clarity and legal certainty. Article 9 gives the option to the State and legal persons to use the euro in their transactions with Greek customs authorities during the year 2001. However, the assessment, collection and refunding of customs duties and taxes, as well as any payments through the Greek customs authorities during the year 2001 shall be effected in Greek drachmae. Article 10 empowers the Minister of Finance and the competent Minister to regulate in the area of Accounting of the State and of legal persons in public law. This provision, which is often used in the Draft Law, should allow for greater flexibility and efficiency when regulating matters of accounting. Articles 11 to 14 amend provisions of the codified law of stock corporations (Law 2190/1920, as amended) and of the law on limited liability companies (Law 3190/1955, as amended).

8. Article 15 provides for dual display of prices. Article 16 appoints already existing Committees for the Amicable Settlement of Consumer Disputes as a “Euro-Observatory”, i.e. as bodies to, amongst other tasks, hear, mediate and assist citizens with respect to changeover issues under the aegis of the Ministry of Development. Such measures are conducive to a smooth changeover and greater confidence of the public to the changeover. Article 17 contains provisions regarding the euro logo. Article 18 regulates issues related to the capital markets and the stock exchange. Article 19 regulates the conversion and rounding of sanctions, administration fees and fines. Article 20 imposes a fine in case of non-compliance with the provisions of the Draft Law and Article 21 stipulates that this Law is intended to enter into force on 1 January 2001. These articles do not give rise to any specific remarks from the ECB’s point of view.

9. The ECB confirms that it has no objection to this ECB opinion being made public by the competent national authorities at their discretion.

Done at Frankfurt am Main on 1 September 2000.

The President of the ECB
[signed]
Willem F. DUISENBERG