



**E U R O P E A N C E N T R A L B A N K**

**OPINION OF THE EUROPEAN CENTRAL BANK**

**of 26 October 2000**

**at the request of the Austrian Ministry of Justice pursuant to the second indent of Article 105(4) of the Treaty establishing the European Community and the second indent of Article 4(a) of the Statute of the European System of Central Banks and of the European Central Bank on a draft federal law containing ancillary measures for the introduction of the euro to be inserted in the legislation on cooperatives and amending the Act on Commercial and Industrial Cooperatives and the 1997 Cooperatives Audit Act (Law on the introduction of the euro in connection with cooperatives - Euro-GenBeG)**

**CON/00/25**

1. On 5 October 2000 the European Central Bank (ECB) received a request from the Austrian Ministry of Justice for an ECB opinion on a draft federal law containing ancillary measures for the introduction of the euro to be inserted in the legislation on cooperatives and amending the Act on Commercial and Industrial Cooperatives and the 1997 Cooperatives Audit Act (the draft law).
2. The ECB's competence to deliver an opinion is based on the first indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the ECBank by national authorities regarding draft legislative provisions<sup>1</sup>, as the legislative proposal contains provisions concerning currency matters. The Governing Council of the ECB has adopted this opinion in accordance with the first sentence of Article 17.5 of the ECB's Rules of Procedure.
3. The purpose of the draft law is to pattern for cooperatives the ancillary measures for the introduction of the euro which have been introduced by the 1.Euro-Justiz-Begleitgesetz (BGBl. I Nr. 125/1998)<sup>2</sup> for joint stock companies. The draft law aims at making the euro available for cooperatives as soon as possible. In this context, the draft law contains provisions concerning the conversion of shareholdings, decisions thereon, accounting of conversion gains, as well as special provisions relating to legislation on cooperatives. The straight conversion of amounts in

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<sup>1</sup> OJ L 189, 3.7.1998, pp. 42-43.

<sup>2</sup> On the 1.Euro-Justiz-Begleitgesetz the European Monetary Institute was consulted and has delivered an opinion on 13 February 1998 (CON/98/01).

schillings would result in amounts in euro that are not whole numbers. To facilitate the of adjustment of shares that are not whole numbers, the draft law provides for simplified procedures. These are, however, only to apply if amounts of shares are only to be increased or reduced to the extent necessary to reach the nearest whole number of euro. In case of upward adjustment in this context, cash contributions are the normal procedure, but for ease of processing, the required amounts can also be covered from free reserves or net profit. In case of downward adjustment to the nearest whole number of euro, the draft law suggests two possible ways of appropriating the amounts. The amounts can (i) be allocated to an appropriated capital reserve; or (ii) be immediately paid out to the members of the cooperative. Furthermore, the draft law addresses the replacement of schilling amounts with euro amounts.

4. The ECB welcomes the draft law which not only provides for technical adaptations such as the replacement of schilling amounts with euro amounts, but also aims at complying with Council Regulation (EC) No 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro<sup>3</sup> and Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro<sup>4</sup>. In this context, the draft Law addresses in its explanatory memorandum issues such as the continuity of contracts, the replacement of the Austrian schilling by the euro, rounding as well as the principle of “no prohibition no compulsion”.
5. The ECB notes that the draft law does not contain specific rounding provisions but makes, in its explanatory memorandum, reference to Articles 4 and 5 of Council Regulation (EC) No 1103/97.
6. The ECB confirms that it has no objections to this ECB opinion being made public by the competent national authorities.

Done at Frankfurt am Main on 26 October 2000.

The President of the ECB

[signed]

Willem F. DUISENBERG

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<sup>3</sup> OJ L 162, 19.6.1997, pp. 1-3.

<sup>4</sup> OJ L 139, 11.5.1998, pp. 1-5.