



**EUROPEAN CENTRAL BANK**

**OPINION OF THE EUROPEAN CENTRAL BANK**

**at the request of the Banco de España under Articles 109l (2) and 109f (6) of the Treaty establishing the European Community (hereinafter referred to as the “Treaty”) and Article 5.3 of the Statute of the European Monetary Institute (hereinafter referred to as the “EMI”) on a draft Monetary Circular Letter amending the Spanish regime of minimum reserves for the two last months of 1998 (hereinafter referred to as the “Circular”)**

**CON/98/41**

1. On 13 August 1998 the European Central Bank (hereinafter referred to as the “ECB”) received a request from the Banco de España for an opinion on a draft Monetary Circular Letter amending the Spanish regime of minimum reserves for the two last months of 1998.
2. In accordance with Article 109l (2) of the Treaty, the ECB has taken over the advisory functions of the EMI, which went into liquidation upon the establishment of the ECB on 1 June 1998. The ECB’s competence to deliver an opinion is based on Article 1.1 of the Council Decision (93/717/EC) of 22 November 1993 on the consultation of the EMI by the authorities of the Member States on draft legislative provisions, as the Circular contains rules on monetary policy instruments. In accordance with Articles 12.4 and 47.1, second indent, of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter referred to as the “Statute”), this Opinion has been adopted by the Governing Council of the ECB with the contribution of the General Council of the ECB.
3. The aim of the Circular is to prepare the system of minimum reserves (“coeficiente de caja”) for the situation in 1999, when minimum reserves will be imposed by the ECB. To that end, the Circular introduces two basic amendments:
  - the period for computing the amount of the minimum reserves is set at one month, instead of the current period of ten days;
  - the amount of the liability base is to be frozen at the amount existing in October 1998 and the corresponding data reporting is to be suspended for the last two months of the year.

4. The ECB welcomes the proposal, which is aimed at facilitating the changeover to the new regime for minimum reserves that will apply as from 1 January 1999.
5. The ECB confirms that it has no objection to this Opinion being made public by the competent Spanish authorities at their discretion.

Done at Frankfurt am Main on 8 September 1998

The President of the ECB

[signed]

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Willem F. Duisenberg