



**EUROPEAN CENTRAL BANK**

**OPINION OF THE EUROPEAN CENTRAL BANK**

**at the request of the Ministry of Finance of the Republic of Austria under Article 109l (2) and 109f (6) of the Treaty establishing the European Community and Article 5.3 of the Statute of the European Monetary Institute on a draft regulation of the Federal Minister of Finance on the implementation of certain provisions of the Austrian Banking Act (Fourth Liquidity Regulation)**

**CON/98/58**

1. On 27 November 1998, the European Central Bank (ECB) received a request from the Ministry of Finance of the Republic of Austria for an ECB Opinion on a draft regulation of the Federal Minister of Finance on the implementation certain provisions of the Austrian Banking Act (Fourth Liquidity Regulation) (hereinafter referred to as the “draft legislative proposal”)
2. In accordance with Article 109l (2) of the Treaty establishing the European Community (hereinafter referred to as the “Treaty”), the ECB has taken over the advisory functions of the European Monetary Institute (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, fourth indent, of the Council Decision (93/717/EC) of 22 November 1993 on the consultation of the EMI by authorities of Member States on draft legislative provisions, as the draft legislative proposal contains provisions concerning rules applicable to financial institutions insofar as they influence the stability of financial institutions and markets. In accordance with Article 17.5, first sentence, of the Rules of Procedure of the ECB, the ECB Opinion has been adopted by the Governing Council of the ECB.
3. The ECB notes that the draft legislative proposal is intended to lower the minimum percentage of required holdings of funds in line with Article 25 (7) and (12) of the Austrian Banking Act. From the perspective of the influence on the stability of financial institutions and markets, the ECB has no further comments on the draft legislative proposal.

4. 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 16 December 1998.

The President of the ECB

[signed]

Willem F. Duisenberg