



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

THE VICE-PRESIDENT

**OPINION OF THE EUROPEAN CENTRAL BANK**

**at the request of the Portuguese Ministry of Finance on a Decree-Law dealing with the  
production of paper money  
(CON/99/14)**

1. On 2 September 1999 the European Central Bank (ECB) received a request from the Portuguese Ministry of Finance for an ECB Opinion concerning a legislative act which endows to the Portuguese Central Bank the competence (i) to produce and print paper money and other security documents, (ii) to perform the distribution of banknotes and (iii) to develop services related to the pursuance of such activities.
2. The ECB's competence to deliver an opinion is based on Article 105 (4) of the Treaty and Article 2 (1), first, second and third indents, of Council Decision (EC) No. 98/415 of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions, as the legislative act deals with currency matters, means of payment and national central banks. In accordance with Article 17.5, first sentence, of the Rules of Procedure of the European Central Bank, this opinion has been adopted by the Governing Council of the ECB. The legislative act was submitted to the ECB in its official original version in Portuguese accompanied by a courtesy translation in English.
3. In general, the adoption of national legislative provisions within the field of competence of the ECB before opening the consultation procedure laid down in the Council Decision of 29 June 1998 (98/415/EC), does not allow for due consideration of the ECB's opinion as foreseen in Article 4 of such Council Decision. In the present consultation, the Portuguese Government, adopted the legislative act submitted for consultation before initiating this consultation procedure. However, in the meanwhile, it suspended the national legislative procedure by not publishing the legal act and by consulting the ECB. It is understood that this actions of the

Portuguese Government would allow the Portuguese Authorities to take due consideration of the ECB opinion should it gave rise to the need of introducing any changes in the legislative act.

4. The legislative act is intended to clarify the role of the Portuguese Central Bank (Banco de Portugal) in the field of production of paper money taking into account its integration in the European System of Central Banks (ESCB) and its responsibilities in ensuring the authenticity and security of monetary circulation. The ECB has no substantive comments to the Decree-Law submitted for consultation, which is deemed to be in conformity with the relevant provisions of community law.
5. The ECB confirms that it has no objections to this ECB Opinion being made public by the competent national authorities at their discretion.

Done at Frankfurt am Main on 24 September 1999.

The Vice-President of the ECB

(Signed)

C. Noyer