

OPINION OF THE EUROPEAN CENTRAL BANK**of 6 July 2006****at the request of the Council of the European Union on a proposal for a Council Regulation amending Regulation (EC) No 974/98 on the introduction of the euro and on a proposal for a Council Regulation amending Regulation (EC) No 2866/98 on the conversion rates between the euro and the currencies of the Member States adopting the euro****(CON/2006/36)**

(2006/C 163/07)

Introduction and legal basis

On 4 July 2006, the European Central Bank (ECB) received a request from the Council of the European Union for an opinion on a Proposal for a Council Regulation amending Regulation (EC) No 974/98 on the introduction of the euro (hereinafter 'proposed regulation I') and on a Proposal for a Council Regulation amending Regulation (EC) No 2866/98 on the conversion rates between the euro and the currencies of the Member States adopting the euro (hereinafter 'proposed regulation II').

The ECB's competence to deliver an opinion is based on Article 123(5) of the Treaty establishing the European Community, which is the basis for the two proposed regulations. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

1. Purpose of the proposed regulations

1.1 The proposed regulations will enable the introduction of the euro as the currency of Slovenia, following the abrogation of Slovenia's derogation in accordance with the procedure set out in Article 122(2) of the Treaty.

2. Specific observations

2.1 With regard to proposed regulation I, the ECB recommends that the second paragraph of Article 2 should not refer explicitly to Protocols 25 and 26 or to Article 122(1) of the Treaty, but instead should refer generally to the Treaty in accordance with Annex V, paragraph A.4(a)(ii) of Council Decision 2004/338/EC, Euratom of 22 March 2004 adopting the Council's Rules of Procedure ⁽¹⁾. It should be noted in this context that Council Regulation (EC) No 2596/2000 of 27 November 2000 amending Regulation (EC) No 974/98 on the introduction of the euro ⁽²⁾, which was adopted on the occasion of the introduction of the euro in Greece, did not refer to the abovementioned Protocols or to Article 122(1) of the Treaty in accordance with Annex II, paragraph A.4(a)(ii) of Council Decision 2000/396/EC, ECSC, Euratom of 5 June 2000 adopting the Council's Rules of Procedure ⁽³⁾.

2.2 The ECB welcomes proposed regulation II, which would irrevocably fix the conversion rate between the euro and the Slovenian tolar as being equal to the central rate of the Slovenian tolar in the exchange rate mechanism II (ERM II), i.e. at EUR 1 = SIT 239,640. The ECB has no objection to proposed regulation II being adopted several months before Slovenia adopts the euro. As a provision of a Community regulation with general application (i.e. it is legally binding in its entirety and directly applicable in all Member States), the conversion rate between the euro and the Slovenian tolar will apply from 1 January 2007 in all legal instruments referring to the currency of Slovenia, as was the case for the conversion rates between the euro and the currencies of other participating Member States when they adopted the euro.

⁽¹⁾ OJ L 106, 15.4.2004, p. 22. Decision as last amended by Decision 2006/34/EC, Euratom (OJ L 22, 26.1.2006, p. 32).

⁽²⁾ OJ L 300, 29.11.2000, p. 2.

⁽³⁾ OJ L 149, 23.6.2000, p. 21. Decision replaced by Decision 2002/682/EC, Euratom (OJ L 230, 28.8.2002, p. 7).

3. Drafting proposal

In addition to the above advice, a drafting proposal is set out in the Annex.

Done at Frankfurt am Main, 6 July 2006.

The President of the ECB
Jean-Claude TRICHET

ANNEX

Drafting proposal (proposed regulation I)

Text proposed by the Commission ⁽¹⁾	Amendment proposed by the ECB ⁽²⁾
Amendment 1 Second paragraph of Article 2	
This Regulation shall be binding in its entirety and directly applicable in all Member States in accordance with the Treaty, <i>subject to Protocols 25 and 26 and Article 122(1)</i> .	This Regulation shall be binding in its entirety and directly applicable in all Member States in accordance with the Treaty establishing the European Community .

⁽¹⁾ Italics in the body of the text indicate where the ECB proposes deleting text.

⁽²⁾ Bold in the body of the text indicates where the ECB proposes inserting new text.
