

EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK

of 16 June 2000

at the request of the Council of the European Union pursuant to Article 123(5) of the Treaty establishing the European Community on proposals for three Council Regulations amending Regulation (EC) No 974/98 on the introduction of the euro, amending Regulation (EC) No 1103/97 on certain provisions relating to the introduction of the euro and amending Regulation (EC) No 2866/98 on the conversion rates between the euro and the currencies of the Member States adopting the euro

(CON/00/12)

(2000/C 177/06)

1. On 7 June 2000 the European Central Bank (ECB) received a request from the Council of the European Union for an ECB opinion on proposals of the Commission of the European Communities (COM(2000) 346 final of 30 May 2000) for three Council Regulations amending Regulation (EC) No 974/98 on the introduction of the euro (hereinafter referred to as 'Regulation I'), amending Regulation (EC) No 1103/97 on certain provisions relating to the introduction of the euro (hereinafter referred to as 'Regulation II') and amending Regulation (EC) No 2866/98 on the conversion rates between the euro and the currencies of the Member States adopting the euro (hereinafter referred to as 'Regulation III') respectively.
2. The ECB's competence to deliver an opinion is based on Article 123(5) of the Treaty establishing the European Community (hereinafter referred to as the 'Treaty'). In accordance with Article 17(5), first sentence, of the Rules of Procedure of the ECB, this opinion has been adopted by the Governing Council of the ECB.
3. The ECB takes note that the three draft Council Regulations will be adopted by the Council of the European Union only subject to its decision that Greece fulfils the necessary conditions for the adoption of the single currency and that Greece's derogation is abrogated with effect from 1 January 2001. In order to facilitate this decision the ECB has published a Convergence Report in May 2000 pursuant to Article 122(2) of the Treaty.
4. In view of the complementary nature of the three draft Council Regulations, the ECB welcomes that all of them enter into force at the same time, namely on 11 January 2001.
5. The ECB welcomes the proposals for Regulation I and Regulation II the intention of which is to ensure that the two Council Regulations which form part of the legal framework of the euro and on which the predecessor of the ECB, the European Monetary Institute, had been consulted⁽¹⁾ — Council Regulation (EC) No 974/98 on the introduction of the euro⁽²⁾ and Council Regulation (EC) No 1103/97 on certain provisions relating to the introduction of the euro⁽³⁾ — can be fully applied to Greece.
6. As a result of the amendment to Article 2 of Council Regulation (EC) No 974/98, the cross-reference in the fourth indent of Article 1 of Council Regulation (EC) No 974/98 needs to be amended and the words 'second sentence' should be replaced by the words 'third sentence'. Alternatively, this point could be solved through the inclusion of a semicolon between the first and the second proposed sentences of paragraph 2 of Article 1 of Regulation I.
7. Article 9 of Council Regulation (EC) No 974/98 stipulates that banknotes and coins denominated in a national currency unit shall retain their status as legal tender within their territorial limits as to the day before the entry into force of Council Regulation (EC) No 974/98. In order to be consistent with the situation of the Member States which adopted the euro on 1 January 1999, it may be considered preferable, for reasons of legal clarity, to indicate explicitly in the case of Greece that banknotes and coins denominated in the national currency shall retain their status as legal tender within its territorial limits as of the day before the adoption of the euro by Greece, i.e. 31 December 2000. This would warrant an amendment to the abovementioned Article 9.

⁽¹⁾ OJ C 205, 5.7.1997, p. 18.

⁽²⁾ OJ L 139, 11.5.1998, p. 1.

⁽³⁾ OJ L 162, 19.6.1997, p. 1.

8. The ECB welcomes the proposal for Regulation III the intention of which is to irrevocably fix the conversion rate between the euro and the Greek drachma as being equal to the central rate of the Greek drachma in the exchange rate mechanism (ERM II), i.e. EUR 1 = 340,750 Greek drachmae. The ECB has no objection to the adoption of the Regulation several months in advance of the effective adoption of the euro by Greece. Being part of a regulation which has general application and is legally binding in its entirety, it ensures that the conversion rate of the Greek drachma, like the conversion rates of the currencies of the other participating Member States, is directly applicable to

all legal instruments which refer to the currency of Greece as from 1 January 2001.

9. This opinion shall be published in the *Official Journal of the European Communities*.

Done at Frankfurt am Main on 16 June 2000.

The President of the ECB

Willem F. DUISENBERG
