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(Information)

EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK

at the request of the Council of the European Union under Article 109l(4) of the Treaty establishing the European Community on a proposal for a Council Regulation (EC) on the conversion rates between the euro and the currencies of the Member States adopting the euro

(98/C 412/01)

1. On 31 December 1998 the European Central Bank (ECB) received a request from the Council of the European Union for an ECB opinion on the proposal of the Commission of the European Communities (Doc. COM(1998) 732 dated 9 December 1998) for a Council Regulation (EC) on the conversion rates between the euro and the currencies of the Member States adopting the euro. This proposal foresees the following conversion rates:

1 euro	=	40,3399	Belgian francs
	=	1,95583	German marks
	=	166,386	Spanish pesetas
	=	6,55957	French francs
	=	0,787564	Irish pounds
	=	1936,27	Italian lire
	=	40,3399	Luxembourg francs
	=	2,20371	Dutch guilders
	=	13,7603	Austrian schillings
	=	200,482	Portuguese escudos
	=	5,94573	Finnish marks

2. The ECB's competence to deliver an opinion is based on Article 109l(4), first sentence, of the Treaty establishing the European Community. In accordance with Article 17(5) first sentence of the Rules of Procedure of the ECB, this ECB opinion has been adopted by the Governing Council of the ECB.
3. The ECB confirms the calculation of the proposed conversion rates and agrees on the use of the instrument of a Council Regulation to ensure that the conversion rates adopted by the Council of the European Union have general application and are legally binding in their entirety and directly applicable to all legal instruments that refer to the currencies of participating Member States.
4. The ECB welcomes the decision to adopt and publish the Council Regulation on 31 December 1998 and to have it enter into force at 0.00 a.m. local time on 1 January 1999. This is to ensure that the conversion rates are effective at the same moment as the substitution of the euro for the national currencies of the participating Member States as laid down in Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro.

5. The ECB notes, that by adopting as the conversion rates the exchange rates of the currencies of the participating Member States *vis-à-vis* the ecu, as calculated by the Commission of the European Communities and confirmed by the ECB on 31 December 1998 according to the established procedure for the calculation of the official daily ecu rates, it is ensured that the fixing of the conversion rates will not, by itself, modify the external value of the ecu.

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

Done by means of teleconferencing on 31 December 1998.

The President of the ECB

Willem F. DUISENBERG
