



## OPINION OF THE EUROPEAN CENTRAL BANK

of 13 November 2012

on the spelling of the single currency

(CON/2012/87)

### Introduction and legal basis

On 5 October 2012, the European Central Bank (ECB) received a request from the Latvian Ministry of Justice for an opinion on an amendment (hereinafter the ‘draft amendment’) to Regulation No 564 of 26 July 2005 on the rendering of the name of the single currency of the European Union in Latvian (hereinafter ‘Regulation No 564’).

The ECB’s competence to deliver an opinion is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union (TFEU) and the first indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions<sup>1</sup>, as the draft amendment relates to currency matters. 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 draft amendment**

The Latvian Ministry of Justice states that the main objective of the draft amendment is to correct a discrepancy between the name of the single currency in Latvian established for non-legal acts in Regulation No 564 (‘eiro’) and the name of the single currency in Latvian as established by Union law (‘euro’). The ECB has drawn attention to this discrepancy in its convergence reports<sup>2</sup>.

Until December 2007, Regulation No 564 provided that the name of the single currency in Latvian is the ‘eiro’. On 18 December 2007, the Latvian Government amended Regulation No 564. While the original provision establishing the name ‘eiro’ remained intact, a new paragraph 3 was added providing that in legal acts the name of the single currency is the ‘euro’.

The Latvian Ministry of Justice now proposes to replace the current wording of paragraph 2 of Regulation No 564: ‘2. The name of the single currency of the European Union in Latvian shall be in the masculine gender indeclinable form: “eiro” ’ with the following: ‘The name of the single currency of the European Union in common spelling in the Latvian language shall be used in accordance with the grammar principles of the Latvian language and historical traditions.’.

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<sup>1</sup> OJ L 189, 3.7.1998, p. 42.

<sup>2</sup> See the ECB’s Convergence Report 2012, p. 239.

## 2. General observations

The ECB welcomes the consulting authority's intention to address the above discrepancy in Latvian law regarding the name of the single currency.

The ECB notes that Article 3(4) of the Treaty on European Union lays down that the 'Union shall establish an economic and monetary union whose currency is the euro'. All language versions of this Treaty and the TFEU in the Roman alphabet, including Latvian, consistently refer to the single currency in the nominative singular case as the 'euro'<sup>3</sup>.

The ECB also acknowledges that the need to correct any discrepancy between Latvian and Union law regarding the name of the single currency is without prejudice to the use of variants of the name of the single currency in common usage in Latvia, consistent with Latvia's cultural and linguistic heritage. The spelling of the name of the euro has no effect on the existing rules of the Latvian language.

## 3. Specific observations

- 3.1 The ECB considers that the draft amendment would lay down in Latvian law the possibility of writing the name of the single currency differently from its name as laid down in Union primary law. In addition, given the non-specific wording of the draft amendment, the name could be written in ways that deviate further from the name as laid down in Union law. The ECB considers that paragraph 3 of Regulation No 564 specifying that in legal acts the single currency must be given the name '*euro*' is compatible with Union law.
- 3.2 In view of the Union's exclusive competence to determine the name of the single currency, the ECB invites the Latvian authorities to consider repealing Regulation No 564 altogether, as this Union competence has been exercised by adopting directly applicable provisions of Union law, making it unnecessary to legislate at national level on this issue. If this is not feasible, the ECB invites the Latvian authorities to repeal paragraph 2 of Regulation No 564 rather than replace it.

This opinion will be published on the ECB's website.

Done at Frankfurt am Main, 13 November 2012.

[signed]

*The Vice-President of the ECB*

Vítor CONSTÂNCIO

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<sup>3</sup> See the ECB's Convergence Report 2012, pp. 31-32.