



EUROPEAN MONETARY INSTITUTE

OPINION OF THE EUROPEAN MONETARY INSTITUTE

at the request of the Italian Ministry of the Treasury under Article 109f(6) of the Treaty establishing the European Community (the “Treaty”) and Article 5.3 of the Statute of the EMI

concerning a draft bill enabling the Italian Government to issue one or more delegated laws concerning the introduction of the euro (“the draft bill”)

(CON/97/17)

1. On 23 July 1997, the EMI received a request for an opinion on the draft bill from the Italian Ministry of the Treasury. An Explanatory Memorandum was also submitted to the EMI. This opinion is based on an unofficial English translation of the official draft in the Italian language submitted to the EMI by the consulting authority.
2. The EMI’s competence to deliver an opinion is based on Article 1.1, first indent, of the Council Decision (93/717/EC) of 22 November 1993 on the consultation of the EMI by the authorities of the Member States on draft legislative provisions, as the draft bill contains provisions concerning the introduction of the euro.
3. The EMI welcomes the initiative of the Italian Government to start early preparation for the introduction of the euro, to ensure the timely implementation of the measures necessary for the transition. The purpose of the delegation to the Italian Government of the power to issue laws in this field is the achievement in a shorter time of the procedure for the adoption of the necessary substantive rules needed for the introduction of the euro. Thus, with a view to the date for the start of the third stage, the Italian legal system will already be equipped with the necessary legislative tools on 1 January 1999.
4. The law delegating the legislative power to the Italian Government establishes some limits and imposes some criteria to this power. The EMI welcomes that the directive criteria and principles contained in the draft bill fully reflect the Conclusions of the European Council of Madrid and the

two EC regulations dealing with the introductions of the euro.¹ Particular relevance is granted to the principle of continuity of legal instruments, of neutrality of the transition from the lira to the euro, of transparency and full information of the public, of graduality of changes.

5. Article 3 of the draft bill leaves some discretion as regards the subjects and matters on which provisions may be issued (“...shall be issued to govern in *particular* the subjects and matters...”). It is understood that the adoption of any such provision must not conflict with comprehensive legislation on the Community level as provided for in Article 2.1 and (g) of the draft bill.
6. As regards in particular, the redenomination of the financial instruments in euro, the EMI positively notes that Article 7(1) of the draft bill foresees the power to draft the rules on the modalities according to which the redenomination will be possible from the beginning of the transitional period, both for debt and other financial instruments of the Italian State and for private financial instruments. It is understood that these modalities will preserve, in the case of private instruments, the contractual freedom of the parties.²
7. The EMI welcomes the fact that rules governing the dematerialisation of public and private financial instruments will be adopted in the delegated laws. Dematerialisation indeed facilitates the re-denomination of financial instruments.
8. The EMI takes note of the fact that, already in the transitional period, the possibility to make and receive cashless payments in euro to and from the public administration will be granted to the private persons (Article 12.2 of the draft bill) and as regards accounting documents, public administration offices will specify amounts both in lire and euro (Article 13 of the draft bill). These provisions are in conformity with the basic principles governing the changeover scenario endorsed by the European Council, particularly with the one of “no compulsion - no prohibition”.
9. While the present draft bill only delegates some legislative powers of the government, it will be for the delegated laws to define the substance of the rules regulating the introduction of the euro in its various aspects. The EMI looks forward to receiving, as announced in the letter of the Italian Ministry of Finance, requests for opinion on these texts, as soon as the drafting will be completed.

¹ Council Regulation (EC) n.1103/97 of 17.6.1997 on certain provisions relating to the introduction of the euro, OJ n. L 162 of 19.6.1997, p.1 ff.; Council Regulation on the introduction of the euro, to be adopted in 1998, already agreed and published in OJ n. C 236 of 2.8.1997, p.8 ff.

² On this point Article 8.4, first indent, of the Council Regulation on the introduction of the euro should be recalled.

The EMI confirms that it has no objection to this opinion being made public by the competent Italian authorities at their discretion.

9 September 1997