Conversion rates between the euro and the currencies of the Member States adopting the euro

2004/0009(CNS) - 31/03/2004 - Document attached to the procedure

EUROPEAN CENTRAL BANK OPINION : the ECB generally welcomes codification of the acquis communautaire, and in particular in the field of economic and monetary union, which contributes to a clear, effective and workable legal framework. Considering that Regulation 2866/98/EC has only been amended once to include the conversion rate of the Greek drachma, the ECB proposes deleting the word 'substantially' in recital 1 of the proposal for a regulation. The ECB further notes that Regulations 2866/98 /EC and 1478/2000/EC were adopted with unanimity on the basis of the first sentence of Article 123(4) and Article 123(5) of the Treaty, respectively. In contrast, the proposal for a regulation is intended to be adopted on the basis of the third sentence of Article 123(4) of the Treaty. This provides that the Council, acting by a qualified majority, shall take the other measures necessary for the rapid introduction of the euro as a single currency. The ECB considers that these 'other measures' do not include measures on the conversion rates. The ECB considers that the fact that codification is not intended to change the substance of the acts does not prevent the codifying act from being adopted on the legal basis required by the contents of the act. In view of paragraph 6 regarding the scope of the measures referred to in the third sentence of Article 123(4) of the Treaty, the ECB raises the question whether this provision constitutes an appropriate legal basis for codifying regulations on conversion rates, such as Regulations 2866/98/EC and 1478/2000/EC. Considering that Regulation 2866/98/EC has only been amended once, an alternative solution might be to codify Regulations 2866/98/EC and 1478/2000/EC when the next Council regulation is adopted on the basis of Article 123(5) of the Treaty, i.e. if and when the derogation of a non-euro area Member State is abrogated. If, for whatever (policy) reason, an immediate codification is required, then a more appropriate basis for adopting the codified regulation might be the first sentence of Article 123(4) of the Treaty, preferably in conjunction with Article 123(5) of the Treaty.