Legal convergence in the Member States of the European Union (as at August 1997). Report by the EMI

1997/2254(COS) - 23/10/1997 - Non-legislative basic document

OBJECTIVE: presentation of the report of the European Monetary Institute on legal convergence in the Member States of the European Union (as at August 1997). SUBSTANCE: entry into the third stage of economic and monetary union presupposes alongside the achievement of a high degree of sustainable convergence - tested primarily by reference to the criteria listed in Article 109j(1) of the Maastricht Treaty - also the compatibility between each Member States' national legislation, including the statutes of its national central bank and Articles 107 and 108 of this Treaty and the statute of the European System of Central Banks (ESCB). Alongside the four criteria which had been the subject of a detailed public debate: price stability, sound public finances, participation in the exchange rate mechanism and convergence of long term interest rates, a fifth and no less important criterion for a Member State's participation in monetary union exists, that is to say legal convergence. Article 108 of the Treaty stipulates that a Member State must ensure that its national legislation, including the statutes of its national central bank is compatible with this Treaty and the Statute of the ESCB. However, the European Monetary Institute emphasizes explicitly that harmonization of the statutes of national central banks is not required and national peculiarities may continue to exist. In adapting legislation the main emphasis would be on ensuring the independence of the central banks as required by Article 107 of the Treaty. The EMI comes to the conclusion that, as of August 1997 no Member State satisfies the requirements for participation in the ESCB.