Practical arrangements for the introduction of the EURO. Green paper

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The Commission's Green Paper on the practical arrangements for the introduction of the single currency has three objectives: - to reduce the uncertainty surrounding the introduction of the single currency by setting out a reference scenario; - to make the key actors aware of the work which still needs to be done by drawing up a full list of the technical problems which need to be resolved and proposing ways of doing so; - to define a communication strategy designed to rally public opinion to the concept of the single currency and explain how it will be introduced. The Commission affirms that, by the end of this century, the European Union will have the strong, stable currency which its people and leaders wished for when they ratified the Treaty on European Union. It also highlights the advantages of the single currency: more growth and jobs, a more efficient single market, an easier life for citizens and companies on a daily basis, greater international monetary stability and strong joint monetary sovereignty. - The main element in the Green Paper is the Commission's suggested three-stage reference scenario: * Stage 1 (end of 1996 or end of 1997): the European Council decides to launch the single currency and names the countries which will take part in the process; * Stage 2 : no more than 12 months after Stage A: conversion rates are set irrevocably, marking the actual start of EMU. During this stage, monetary policy and new public loan issues will ensure that a "critical mass" of financial transactions is achieved in ECUS. Real monetary union could start up as early as the end of 1997. It will kick in automatically on 1 January 1999 at the latest, with the Member States which meet the necessary economic convergence criteria taking part. * Stage 3 (by 2001 or 2002): no more than three years after Stage B: the transitional stage will end with the rapid introduction of coins and notes in ECUS and public and private operators will change over to the ECU as their sole means of payment. - The Green Paper also contains a full list of the legal and technical problems which beset the introduction of the single currency and examines the implications of the changeover to the single currency for: * banks and other financial establishments; * the financial markets and payment systems; * companies; * administrations; * consumers. The Commission stresses the need for new legislation in order to guarantee the legal continuity of contracts following the introduction of the single currency and proposes that consultations be held, following which the Commission will submit proposals for the introduction of a legal framework at Community level by March 1996. - The communication strategy directed at the public should have a dual objective: * to convince the public of the advantages of the single currency; * to explain the direct consequences of the changeover for citizens, in order to allay their fears and give them a clear picture of the process as a whole. The Commission proposes organizing a round table with the EMI, the Member States, the European Parliament and professionals from the private sectors affected in order to develop this strategy. The Commission will submit an overall action plan for the introduction of the single currency based on reactions to the Green Paper.