

Euro: legal framework for its use

1996/0249(CNS) - 17/06/1997 - Final act

OBJECTIVE: to fix, before the start of the third stage of Economic and Monetary Union, the provisions which will constitute the legal framework for the use of the euro in order to provide legal certainty for citizens and firms in all the Member States. **COMMUNITY MEASURE:** Council Regulation (EC) No 1103/97 on certain provisions relating to the introduction of the euro. **SUBSTANCE:** the regulation, in fixing certain provisions on the introduction of the euro, - confirms that with effect from 1 January 1999 the references to the ECU in contracts and other legal instruments will be replaced by a reference to the euro at the rate of one to one; - confirms the continuity of contracts expressed in national currencies and in ECU and which will reach their term after 1 January 1999 (the introduction of the euro will not have the effect of altering any term of a contract or of discharging or excusing its performance; it will not give a party the right unilaterally to alter or terminate a contract); - determines the degree of precision with which the conversion rates will be fixed irrevocably on 1 January 1999 (the conversion rates which are adopted are expressed in terms of the equivalent of a euro in each of the national currencies of the participating Member States; they have six significant figures). - sets the rules for rounding of amounts. **ENTRY INTO FORCE:** 20/06/1997