Monetary policy: European Monetary Co-operation Fund EMCF, interest subsidies for loans during a five-year period (repeal. Regulations (EEC) No 3181/78 and (EEC) No 1736/79)

2005/0233(CNS) - 30/11/2005 - Legislative proposal

PURPOSE : to repeal Council Regulation 3181/78/EEC and Council Regulation 1736/79/EEC in the area of Monetary Policy.

PROPOSED ACT : Council Regulation

CONTENT : Council Regulation 3181/78/EEC relating to the European monetary system gives the European Monetary Co-operation Fund (EMCF) the power to receive reserves from Member States and to issue ECUs. The tasks of EMCF were taken over by EMI and subsequently ECB and the EMCF was dissolved. Therefore, this Regulation is not relevant anymore.

Council Regulation 1736/79/EEC on interest subsidies for certain loans granted under the European monetary system states that the Community should during a five-year period from its date of application, grant interest subsidies on certaintypes of loans (EIB loans to finance investments in less prosperous Member States, inter alia in infrastructure). This time period of five years, which was not extended, has come to an end in 1984. Furthermore, according to Article 1 of this Regulation, a Member State had to participate in the Exchange rate mechanisms of the European monetary system to benefit from the subsidies. This condition suggests also that the Regulation is no longer applicable. Those NIC loans granted by the EIB which benefited from this interest subsidy have in the meantime been repaid. Therefore, this Regulation is not relevant anymore.

Accordingly, Council Regulations 3181/78/EEC and 1736/79/EEC have become obsolete and should be proposed for abrogation.