

Adoption by Slovenia of the single currency on on 1 January 2007

2006/0109(CNS) - 28/06/2006 - Legislative proposal

PURPOSE: to list Slovenia in Annex to Regulation 974/98/EC on the introduction of the euro.

PROPOSED ACT: Council Regulation.

CONTENT: in May the European Commission proposed that Slovenia, having fulfilled all of the necessary economic conditions for the adoption of the single currency, should be allowed to apply the euro with effect from 1 January 2007. (For a summary of the Commission proposal please refer to CNS /2006/0077).

Should the Council approve Slovenian adoption of the single currency, two Regulations will need to be amended:

- Council Regulation 974/98/EC on the introduction of the euro (please refer to CNS/1996/0250);
- Council Regulation 2866/98/EC on the conversion rates between the euro and the currencies of the Member States adopting the euro.

The purpose of this proposal is to amend Regulation 974/98/EC on the introduction of the euro which governs the initial introduction of the euro in the first wave euro-area Member States and Greece. For Slovenia to be covered by this Regulation, a reference to Slovenia will need to be added to the Annex. It is being proposed alongside a complementary initiative on the conversion rate of the Slovenian tolar (please refer to CNB/2006/0110).

The proposed amendment would make the following changes:

- Add the name of Slovenia to the list of Member States;
- Specify that the “euro adoption” date will be 1 January 2007;
- Specify that the “Cash changeover date” will be 1 January 2007;
- State that it will not have a “phasing-out” period.

The latter two points refer to the fact that Slovenia has opted for a big-bang introduction to the euro. The Regulation will enter into force on 1 January 2007 to coincide with the timing of the date of abrogation and the date of the entry into force of the conversion rate of the Slovenian tolar.