

Adoption by Cyprus of the single currency on 1 January 2008

2007/0090(CNS) - 16/05/2007 - Document attached to the procedure

PURPOSE: to amend Regulation (EC) No 974/98 as regards the introduction of the euro in Cyprus.

PROPOSED ACT: Council Regulation.

CONTENT: on 16 May 2007, the Commission adopted a proposal for a Council Decision in accordance with Article 122(2) EC, indicating that Cyprus fulfils the necessary conditions for the adoption of the single currency and that the derogation of Cyprus is abrogated with effect from 1 January 2008.

In case of a positive decision, the Council will subsequently have to take the other measures necessary for the introduction of the euro in Cyprus.

The introduction of the euro in Cyprus requires the extension to Cyprus of the existing provisions on the introduction of the euro set out in Regulation (EC) No 974/98.

Cyprus' changeover plan specifies that euro banknotes and coins should become legal tender in that Member State on the day of the introduction of the euro as its currency. Consequently, the euro adoption date and the cash changeover date shall be 1 January 2008. No "phasing-out" period applies.