Basic information

1995/2304(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
The changeover to the single currency. Report by the European Monetary Institute EMI **Subject** 5.10.01 Convergence of economic policies, public deficit, interest rates 5.20.02 Single currency, euro, euro area	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	HOPPENSTEDT Karsten Friedrich (PPE)	18/12/1995

Committee for opinion	Rapporteur for opinion	Appointed
RELA External Economic Relations	DE CLERCQ Willy C.E.H. (ELDR)	19/12/1995
JURI Legal Affairs, Citizens' Rights	The committee decided not to give an opinion.	

Council of the European Union

Key events

Date	Event	Reference	Summary
21/11/1995	Non-legislative basic document published	N4-0559/1995	Summary
11/12/1995	Committee referral announced in Parliament		
30/10/1996	Vote in committee		Summary
30/10/1996	Committee report tabled for plenary	A4-0352/1996	
27/11/1996	Debate in Parliament		
28/11/1996	End of procedure in Parliament		
16/12/1996	Final act published in Official Journal		

Technical information

Procedure reference	1995/2304(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/07303

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0352/1996 OJ C 380 16.12.1996, p. 0003	30/10/1996	
Text adopted by Parliament, single reading		T4-0649/1996 OJ C 380 16.12.1996, p. 0015-0058	28/11/1996	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	07940/1996	04/06/1996	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
ECB	Non-legislative basic document	N4-0559/1995	21/11/1995	Summary
ECB	Document attached to the procedure	N4-0596/1995	30/11/1995	

The changeover to the single currency. Report by the European Monetary Institute EMI

1995/2304(COS) - 21/11/1995 - Non-legislative basic document

OBJECTIVE: this document sets out the opinion of the European Monetary Institute (EMI) on the strategy for the changeover to the single currency. SUBSTANCE: according to the EMI, the changeover to the single currency, which will mark the end of the process establishing EMU, must be organised around five principles aimed at ensuring transparency and public acceptance: 1. A clear legal framework must be established for the introduction of the new European currency and its final replacement of the national currencies of the Member States participating in the European currency area; this legal framework must comply with the Treaty; 2. To make the changeover seem credible to the people, the transition must be a simple and convenient process for users; 3. The transition must be efficient, incur as few costs as possible and avoid the distortion of competition; 4. The changeover to the single currency must take place in such a way so as to facilitate the effective implementation of the common monetary policy, which will be managed by the ESCB from the beginning of the third stage of EMU, with a view to maintaining price stability; 5. From the beginning of the third stage, economic agents in the private sector must be free to use the European currency; however, they must not be forced to use it before the deadline established for the final changeover; where possible, they must be permitted to draw up their own mechanisms to adapt to the transition. In order to ensure that the changeover takes place quickly and methodically, the authorities must announce the sequence of events in advance, structured around certain essential reference dates. From the EMI's point of view, four important dates stand out in the process leading to the final changeover: 1. Approximately one year before the beginning of the third stage, the Council, meeting in the composition of the Heads of State or Government, must decide which countries will form part of the European monetary area. This decision will be followed by the establishment of the European Central Bank (ECB); 2. On the first day of the third stage, the exchange rates between the currencies of the participating Member States will be replaced by conversion rates which will be irrevocably fixed. The national currencies and the European currency will be different expressions of

what is economically the same currency. National banknotes and coins will continue to be legal tender only until European banknotes and coins are introduced. The ESCB will be responsible for the common monetary policy in the European monetary area; 3. Three years after the beginning of the third stage, at the latest, the ESCB will begin to issue European banknotes and to exchange national banknotes and coins for European banknotes and coins; 4. Six months after European banknotes and coins are introduced, the changeover to the single currency will be concluded for all operations and for all economic agents. National banknotes and coins will no longer be legal tender and European banknotes and coins will be the only legal tender with the European monetary area. Given the irreversible nature of the transition to the third stage and the creation of the European monetary area, the EMI is calling for the coordinated introduction of all the elements needed to make this ambitious project a reality.

The changeover to the single currency. Report by the European Monetary Institute EMI

1995/2304(COS) - 28/11/1996 - Text adopted by Parliament, single reading

In adopting the report by Mr Karsten HOPPENSTEDT (PPE, D), Parliament drew attention to a series of requirements, also laid down by the Treaty, and listed a range of measures needed to ensure the success of the transition to the single currency. In order to ensure the maximum transparency in the process, Parliament stressed the need regularly to conduct information campaigns concerning the Euro and involving members of the European Parliament, and it called on the Commission to submit a proposal before the end of 1996 on the parallel pricing which is vital for consumers. On a practical level, the replacement of national currencies by the Euro (during the period between 1 January 2002 and 1 July 2002) should take place rapidly and if possible in a 'big bang', in order to limit to a minimum the cost to business. It is important that public bonds, prior debt and quotations of securities traded on the markets be converted to Euros as soon as 1 January 1999. During the transitional period (from 1 January 1999 to 1 January 2002), prices could be displayed in national currency and the Euro for information so that consumers can familiarize themselves with the new currency.