Basic information

1998/0808(CNS) CNS - Consultation procedure Regulation	Procedure completed
European Central Bank, ECB: minimum reserves Amended by 2001/0805(CNS) **Subject** 5.20.03 European Central Bank (ECB), ESCB	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	ECON Economic and Monetary Affairs, Industrial Policy	HOPPENSTEDT Karsten Friedrich (PPE)	18/03/1998
Council of the European Union	**Council configuration**	**Meetings**	**Date**
	Economic and Financial Affairs ECOFIN	2136	1998-11-23

Key events

Date	Event	Reference	Summary
07/07/1998	Legislative proposal published	BCE(1998)0002	Summary
14/09/1998	Committee referral announced in Parliament		
23/09/1998	Vote in committee		Summary
23/09/1998	Committee report tabled for plenary, 1st reading/single reading	A4-0332/1998	
06/10/1998	Debate in Parliament		
23/11/1998	Act adopted by Council after consultation of Parliament		
23/11/1998	End of procedure in Parliament		
27/11/1998	Final act published in Official Journal		

Technical information

Procedure reference	1998/0808(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation

Amendments and repeals	Amended by 2001/0805(CNS)
Legal basis	EC Treaty (before Amsterdam) E 106-p6
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/10364

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0332/1998 OJ C 328 26.10.1998, p. 0004	23/09/1998	
Text adopted by Parliament, 1st reading/single reading		T4-0542/1998 OJ C 328 26.10.1998, p. 0016-0039	06/10/1998	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
ECB	Legislative proposal	BCE(1998)0002 OJ C 246 06.08.1998, p. 0006	07/07/1998	Summary
ECB	Legislative proposal	BCE(2001)0002 OJ C 089 20.03.2001, p. 0004	01/03/2001	Summary
EU	Implementing legislative act	32003R1745 OJ L 250 02.10.2003, p. 0010-0016	12/09/2003	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 1998/2531
OJ L 318 27.11.1998, p. 0001 Summary

European Central Bank, ECB: minimum reserves

1998/0808(CNS) - 23/11/1998 - Final act

OBJECTIVE: application of minimum reserves by the European Central Bank (ECB). COMMUNITY MEASURE: Council Regulation (EC) No 2531/98 concerning the application of minimum reserves by the European Central Bank. CONTENT: the Council Regulation allows the ECB, on a non-discriminatory basis, to exempt certain institutions from minimum reserves in accordance with criteria established by the ECB. The Regulation also defines the basis for minimum reserves and the maximum reserve ratios which the ECB may apply in order to calculate minimum reserves: this ratio must not exceed 10% of the liabilities forming part of the basis for minimum reserves but may be 0%. The European Central Bank is granted: - the right to collect from institutions the information necessary for the application of minimum reserves; - the right to verify the accuracy and quality of the

information (right to require the submission of documents, to examine books, to take copies or extracts and to obtain written or oral explanations); - the right to delegate to the national central banks the execution of the rights to collect and verify the information needed in order to establish institutions? compliance with the minimum reserve requirements. Finally, the Regulation authorises the ECB to impose one of the following penalties on institutions which fail to comply with minimum reserve requirements: - interest payment of up to 5 percentage points above the ESCB?s marginal lending rate or twice the ESCB?s marginal lending rate, applied to the amount of the minimum reserves which the relevant institution fails to provide; - the requirement for the relevant institution to establish a non-interest bearing deposit with the ECB or the national central banks up to 3 times the amount of the minimum reserves which the relevant institution fails to provide. ENTRY INTO FORCE: 27 November 1998.

European Central Bank, ECB: minimum reserves

1998/0808(CNS) - 06/10/1998 - Text adopted by Parliament, 1st reading/single reading

In adopting the report by Mr Karsten HOPPENSTEDT (PPE, D), the European Parliament sought the inclusion of 'electronic money' in the basis for calculation of reserve requirements. It was also concerned that the minimum reserve requirement might place banks in the euro zone at a competitive disadvantage in comparison with other financial centres where requirements were less stringent. The minimum reserve requirement was in effect a tax on deposits, raising the prices at which banks were able to lend money. In order to solve this problem, Parliament proposed that deposits with the ECB should bear interest. The remuneration of the minimum reserves, which the ECB could specific freely, should be close to market rates.

European Central Bank, ECB: minimum reserves

1998/0808(CNS) - 07/07/1998 - Legislative proposal

OBJECTIVE: Recommendation of the European Central Bank for a Council Regulation concerning the application of minimum reserves by the European Central Bank. SUBSTANCE: Article 19 of the Statute of the European System of Central Banks and the European Central Bank forms the legal basis for a system of minimum reserves required for stage three of EMU. This proposal for a regulation: - provides that the ECB is authorised to exempt an institution when subjecting it to minimum reserves would not be in line with the aim pursued in setting up the system; - defines the basis of the minimum reserves; - defines the maximum permissible reserve ratio which the ECB may apply in the calculation of minimum reserves; - clarifies the regulatory powers of the ECB for the purposes of this Regulation; - grants to the ECB: . the right to impose specific reporting requirements on institutions subject to minimum reserves; . the right to collect statistical data from institutions subject to minimum reserves and to verify the accuracy and quality of the data; . the right to delegate to the national central banks the execution of the tasks of collecting and verifying the information required for determining institutions' compliance with the minimum reserves; - provides that the ECB may impose penalties on institutions not complying with their obligations under the minimum reserve system; these penalties must be sufficiently high, while in proportion to the infringement committed.

European Central Bank, ECB: minimum reserves

1998/0808(CNS) - 01/03/2001

This Europan Central Bank (ECB) recommendantion for a Council regulation concerns an amendment to Council Regulation 2531/98/EC of 23.11.1998 concerning the application of minimum reserves by the European Central Bank. The proposed amendment suggests deleting the current reference to the reduced period for the ECB to take a decision in response to a request for review of a sanction decided by the Executive Board of the ECB. As a result, the normal period of two months which is stated in Regulation 2532/98/EC would also apply in the cases of non-compliance with the obligation to hold the required amount of minimum reserves.