COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 13.01.1998
COM(1998) 17 final

97/0154 (SYN)

OPINION OF THE COMMISSION
on the amendments proposed by the European Parliament
to the Council's common position on the

proposal for a
COUNCIL REGULATION (EC)

on denominations and technical specifications of euro coins intended for circulation

(presented by the Commission pursuant to Article 189 c (d) of the EC Treaty)

1. Introduction

On 29 May 1997, the Commission adopted its initial proposal on denominations and technical specifications of euro coins (COM (97)247 final). Following the opinion of the European Parliament at first reading, the Commission adopted, on 14 November 1997, its amended proposal COM (97)615 which included some of the amendments requested by the European Parliament. On 20 November 1997, the Council adopted its common position which reflected the Commission amended proposal with some changes aimed at adding further clarification. The Commission has stated its full support to the common position in a Communication to the European Parliament of the same day (SEC (97) 2202 final).

On 17 December 1997, the European Parliament adopted on second reading five amendments to the Council common position.

The Commission is not in a position to accept any of the amendments to the common position decided by the European Parliament on second reading. The reasons for rejection of the amendments are given below.

Although the formal adoption of the Regulation can not take place until the decision on participating Member States will have been taken, the Commission presents now its opinion in order to allow for an early political agreement on the draft Council Regulation as presented in the Council common position.

2. AMENDMENTS PROPOSED BY THE EUROPEAN PARLIAMENT ON SECOND READING AND REASONS WHY THEY HAVE NOT BEEN ACCEPTED BY THE COMMISSION

The Commission has not accepted any of the amendments contained in the decision adopted by the European Parliament on second reading for the reason indicated below.

PROPOSED AMENDMENTS	COMMISSION'S REASONS
Amendment 1	
Recital 6a (new) Whereas the number of denominations together with their face value should be based on all Member States' experience with their national coinage systems and their most commonly used petty coins, and should take account of the future needs of an economy characterized by an increasing use of electronic	The system as proposed takes already into account the experience of the current national coinage systems. The value of the coins has been defined in a consistent way with the value of banknotes and taking into account the need to give change and to avoid systematic rounding of prices. Given the uncertainty in forecasting the use of electronic money in the next years, it is not possible to take

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money; whereas the new coinage system should reflect the views of the blind and of the old people both of which have insisted on the smallest possible number of denominations forming a single series in which value increases with diameter; whereas, because in future large quantities of coins may become superfluous as the use of electronic money increases, coins ought to be made of a material which can be recycled easily, such as stainless steel;	this aspect into consideration when proposing the new system. The reference to stainless steel in the last sentence as an example of material easily recyclable is incoherent with the proposal which does not provide for the use of this material. The materials proposed take into account the recycling needs as well as other technical requirements.
Amendment 3 ***Recital 8a (new)*** Whereas the denominations 0.01/0.10/1.00 are the pillars of a decimal system of coinage; whereas it is possible to reduce the euro coinage system by making do without the proposed 0.02 and 0.20 euro denominations.	The series of 8 coins is based on the current coinage systems in Member States. It is necessary to accommodate the rounding needs and the change to be given in all Member States taking into account the differences in relative prices and cash practices. It is an important instrument to protect citizens against hidden rounding or other unjustified price modifications. In addition, suppressing the 2 and 20 cent coins would increase the volume of coins to be produced since more 1 and 10 cent coins would be needed. Finally, it has to be considered that the use of coins is not obligatory. Therefore, if a specific coin in a particular Member State is not demanded by citizens it will simply neither be used nor produced.
Amendment 2 **Artic[illegible]fore Face value: euro 2)** **New denomination** Face value (euro) 100 Diameter in mm.	A 100 euro face value coin would not be consistent with the system of notes and coins, since the 100 euro value is already foreseen as a banknote. The duplication of the 100 euro value as a coin would be an abnormal situation which has no technical justification. The logic of the systems which is based on the low range

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Thickness in mm. Weight in gr. Shape Round Colour Yellow Composition Gold (1) Edge Edge lettering Fine milled (1) The value of the metal and the production cost must not exceed the nominal value	of values being represented by coins and values from 5 euro and over being represented by banknotes would not be respected any more. Additionally, it would be very difficult to define the size of the coin in a way which would be coherent with the rest of the series (weight and possibly diameter increasing with the value) while ensuring that the value of the metal would not exceed the nominal value. The risk of confusion particularly for the blind would be substantial given the high value concerned. Such a coin could be issued by those Member States who wish and with proper authorisation of the ECB, as a collector coin and therefore would not need to be submitted to the harmonisation of technical specifications for the coins intended for circulation.
Amendment by separate vote **Article 1** Deletion of the 0.20 denomination	The same reasons as for rejection of amendment 3 apply. Moreover the suppression of the 20 cent coin would eliminate the "Spanish flower" shape from the system. This shape was very much welcomed by all the groups consulted as a key feature to differentiate coins.
Amendment by separate vote **Article 1** Deletion of the 0.02 denomination	The same reasons as for rejection of amendment 3 apply.

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