EUROPEAN CENTRAL BANK

# OPINION OF THE EUROPEAN CENTRAL BANK

**of 24 January 2002**

**at the request of the French Ministry of the Economy, Finance and Industry on two draft decrees concerning the abrogation of the legal tender status of banknotes and coins denominated in French francs**

**(CON/2002/6)**

1. On 27 December 2001, the European Central Bank (ECB) received a request from the French Ministry of the Economy, Finance and Industry for an ECB opinion on two draft decrees (hereinafter referred to as the "draft decrees") concerning the abrogation of the legal tender status of banknotes and coins denominated in French francs[1].

2. The ECB's competence to deliver an opinion is based on Article 105(4) of the Treaty establishing the European Community, the first indent of Article 4(a) of the Statute of the European System of Central Banks and of the European Central Bank and the first and second indents of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions[2], since the two draft decrees relate to currency matters and means of payment. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank[3], this opinion has been adopted by the Governing Council of the ECB.

3. The draft decrees provide for the abrogation of the legal tender status of banknotes and coins denominated in French francs. The first draft decree concerns the abrogation of the legal tender status of banknotes issued by the Banque de France. The second concerns the abrogation of the legal tender status of coins. According to the information provided by the French authorities, the abrogation of the legal tender status of banknotes will be done by means of a simple decree based on Article L.122-1 of the French Financial and Monetary Code. Once the Council of State has provided its opinion, a decree of the Council of Ministers will be adopted to establish the principle of the abrogation of the legal tender status of coins. A subsequent "arrêté", adopted and published simultaneously to the decree on banknotes, will set out the date and modalities of such abrogation as well as the list of types of coins in French francs the legal tender status of

---

1 "Draft decree concerning the abrogation of the legal tender status of banknotes denominated in francs of the Banque de France" and "Draft decree concerning the abrogation of the legal tender status of coins denominated in francs".

2 OJ L 189, 3.7.1998, p. 42.

3 OJ L 125, 19.5.1999, p 34.

which will be abrogated. The use of different procedures for banknotes and coins is justified by the different legal frameworks applicable to banknotes and coins under French law. The current date envisaged for the abrogation of the legal tender status of banknotes and coins under the scenario agreed by the National Euro Committee ("Comité National de l'Euro") is 18 February 2002. Article 15(2) of Council Regulation EC No 974/98 of 3 May 1998 on the introduction of the euro provides in this respect that "*Each participating Member State may, for a period of up to six months after the end of the transitional period, lay down rules for the use of the banknotes and coins denominated in its national currency unit […] and take any measures necessary to facilitate their withdrawal*"[4]. The ECB understands that, in line with the recommendation of the National Euro Committee, a certain degree of flexibility should be ensured in the process of the withdrawal of banknotes and coins denominated in French francs, and that, as a precautionary measure, the French authorities reserve the possibility of postponing the date of abrogation in the case of unanticipated exceptional events. However, the same date will in any case apply to the abrogation of the legal tender status of both banknotes and coins.

4. According to the draft decrees and in line with Article 16 of Regulation EC No 974/98, banknotes denominated in French francs will be exchanged, subject to the provisions of Decree No 2001-933 of 12 October 2001[5], at the offices of the Banque de France, the Institut d'Emission des Départements d'Outre-Mer and the Treasury until 17 February 2012. Coins denominated in French francs will continue to be exchanged until 17 February 2005. Specific provisions will apply to the exchange of collector coins, as listed in Annex 2 of the second draft decree.

5. The draft decrees (in their respective Articles 4 and 3) expressly specify that they apply to the French territorial community of Mayotte. Although Council Decision 1999/95/EC of 31 December 1998 concerning the monetary arrangements in the French territorial communities of Saint-Pierre-et-Miquelon and Mayotte[6] treats these two communities on an equal footing, the ECB understands, on the basis of information received from the French authorities, that unlike Mayotte, Saint-Pierre-et-Miquelon does not need to be expressly mentioned as this community would in any case be covered by the draft decrees.

---

4 OJ L 139, 11.5.1998, p. 1.

5 See in this respect the ECB opinion of 30 August 2001 on a draft decree relating to the marking of banknotes denominated in francs (CON/2001/20).

6 OJ L 30, 4.2.1999, p. 29.

6. The ECB confirms that it has no objection to the competent national authorities making this opinion publicly available at their discretion.

Done at Frankfurt am Main on 24 January 2002.

*The President of the ECB*

[signed]

Willem F. DUISENBERG