EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK
of 19 December 2000

at the request of the Netherlands Ministry of Finance under the second indent of Article 105(4) of the Treaty establishing the European Community and the second indent of Article 4(a) of the Statute of the European System of Central Banks and of the European Central Bank on a draft law enacting the specification of the Dutch system of coinage in connection with the introduction of euro banknotes and coins (Coinage Act 2002)

(CON/00/29)

1. On 24 November 2000 the European Central Bank (ECB) received a request from the Netherlands Ministry of Finance for an opinion on a bill of law amending the Coinage Act of 1987 in connection with the introduction of euro banknotes and coins.

2. The ECB's competence to deliver an opinion is based on 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[1], as the legislative proposal contains provisions concerning currency matters and means of payment. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the ECB, this opinion has been adopted by the Governing Council of the ECB.

3. The objective of the draft law is to complement Community law, as laid down in Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro[2] and in Council Regulation (EC) No 975/98 of 3 May 1998 on denominations and technical specifications of euro coins intended for circulation[3], as amended by Council Regulation (EC) No 423/1999 of 22 February 1999[4], with a number of national provisions concerning euro coins, special coins that will only have legal tender status in the Netherlands, and coins without legal tender status.

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[1] OJ L 189, 3.7.1998, p. 42.

[2] OJ L 139, 11.5.1998, p. 1.

[3] OJ L 139, 11.5.1998, p. 6.

[4] OJ L 52, 27.2.1999, p. 2.

The ECB welcomes Article 6 of the draft law that clearly states that, in accordance with Article 106(2) of the Treaty, the aforementioned coins will be issued subject to the approval by the ECB of the volume of the issue.

4. Guilder coins are only referred to in one article of the draft law. Article 9(2) of the draft law clarifies that the withdrawal and exchange of guilder coins (and sub-denominations thereof) will be decided by ministerial regulation. The Explanatory Memorandum notes that the public will be able to exchange these coins (and guilder banknotes) for euro coins (respectively banknotes) up to five years after 1 January 2002. The intention of the Dutch authorities is that until 1 January 2003, such exchange will be possible at commercial banks. This exchange will be free of charge until 1 April 2002. Subsequently after 1 January 2003 and until 1 January 2007, exchange of guilder coins will only be possible at the branch offices of De Nederlandsche Bank. The Explanatory Memorandum also notes that guilder coins will lose their legal tender status at midnight on 28 January 2002. This is in line with the Joint Declaration of the Council of the European Union concerning the introduction of euro banknotes and coins of 8 November 1999, according to which the transitional period of dual circulation of euro banknotes and coins and national banknotes and coins of the individual EU Member States is to last between four weeks and two months.

5. Article 3 of the draft law specifies that the national side of euro coins minted in the Netherlands will be fixed by royal decree. Article 4 adds the provision that the technical specifications and denominations of special coins with legal tender status (collector coins) will be determined by Order in Council. In accordance with the conclusions of the Ecofin Council meeting of 31 January 2000, the Explanatory Memorandum notes that the denominations, technical specifications and design of these collector coins will differ from that of euro coins. The withdrawal of special coins will be decided by ministerial regulation. It is noted that further measures might be necessary in this respect after the adoption of the draft Council Regulation which is currently being prepared on the protection of euro banknotes and coins against counterfeiting.

6. Article 5 of the draft law contains the technical specifications of coins that do not have legal tender status. It is noted that Article 8 of the draft law empowers the Minister of Finance to appoint a special centre for the assessment and registration of counterfeit euro coins. This will be done in the context of the Technical Scheme for handling counterfeit euro coins which has been adopted by the Ecofin Council on 28 February 2000. The Explanatory Memorandum notes the Minister's intention of appointing the *Koninklijke Nederlandse Munt* (the Royal Netherlands Mint) as the Dutch authority for the assessment and registration of counterfeit euro coins. The Minister can issue rules concerning this assessment.

7. Finally, the ECB welcomes the fact that those provisions in Dutch legislation which have become obsolete are explicitly repealed by the draft law's Article 10.

8. The ECB confirms that it has no objection to this opinion being made public by the competent national authorities at their discretion.

Done at Frankfurt am Main on 19 December 2000.

The President of the ECB

[signed]

Willem F. DUISENBERG