EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK
of 21 April 1999

at the request of the Italian Ministry of the Treasury under Article 105 (4), second indent, of the Treaty establishing the European Community, Article 4(a), second indent, of the Statute of the European System of Central Banks and of the European Central Bank and 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 on a draft Legislative Decree containing amendments to Legislative Decree 213 of 24 June 1998 regarding the introduction of the euro (the "draft Legislative Decree")

(CON/99/02)

1. On 22 March 1999 the European Central Bank (ECB) received a request for an opinion on the draft Legislative Decree from the Italian Ministry of the Treasury. This ECB Opinion is based on the English translation of the draft submitted to the ECB by the consulting authority.

2. The ECB's competence to deliver an opinion is based on Article 2.1, first indent, of the Council Decision 98/415/EC of 29 June 1998 on the consultation of the ECB by national authorities regarding draft legislative provisions, as the draft Legislative Decree contains provisions concerning the introduction of the euro. In accordance with Article 17.5, first sentence, of the Rules of Procedure of the ECB, this ECB Opinion has been adopted by the Governing Council of the ECB.

3. The purpose of the draft Legislative Decree is to adopt provisions in order to amend and integrate, where necessary, the provisions of Legislative Decree 213 of 24 June 1998 in the light of experience. This possibility of further amendments was provided for in Law 433 of 17 December 1997, which delegates to the Italian Government the authority to adopt rules concerning the changeover and on which the European Monetary Institute (EMI) gave an Opinion. The need for some further changes in the Italian legislation in order to ensure a smooth changeover to the euro has become apparent in the light of the experience of the past few months. In addition, new legislation has been adopted which requires implementation: in particular, Recommendation 1999/63/EC of 13 January 1999 of the Commission of the European Communities concerning collector coins, medals and tokens.

4. The ECB takes note of the intention to introduce new provisions which, by introducing small amendments, clarify the existing Italian legislation dealing with the ceilings for quotas and shares in co-operatives and their expression in euro, the possibility of choosing the procedure for converting share capital into euro and which simplify the procedures for the conversion of share capital into euro while exempting such conversions from fees and stamp duties. Since clarity of the legal texts increases the confidence of the citizens and their understanding of such a complex operation as the changeover to the euro, the ECB supports and welcomes such clarifications and simplifications.

5. A change of substance is introduced in the new Article 1.3 of the draft Legislative Decree, which makes it clear to the citizens that the old procedure for observing reference exchange rates for individual currencies is now obsolete: in 1999, the reference rates are no longer rates against the Italian lira, but rather rates against the euro. While confirming the practice already followed since the beginning of 1999 by the Italian Ministry of the Treasury of publishing reference exchange rates in the "Gazzetta Ufficiale della Repubblica italiana", (Italian Official Journal) "according to the procedures established within the framework of the ESCB", the explicit change in the legislation enhances the certainty of the law and is therefore welcomed by the ECB.

6. The ECB welcomes the implementation of the Commission Recommendation 1999/63/EC. The introduction into the Italian law of the prohibition to produce, issue, stock, import and distribute collector coins, medals and tokens bearing the words "euro" or "euro cent" and of administrative sanctions in the event of a violation of the prohibition should prevent confusion among citizens of the European Union, especially during the transitional period in which there are no euro coins in circulation. The ECB, however, suggests that "eurocent" should be written as two words ("euro cent"), as in the European Commission recommendation, since the word "cent" is not a suffix according to the conclusions of the Madrid European Council.

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

Done at Frankfurt am Main on 21 April 1999.

The President of the ECB

[signed]

Willem F. Duisenberg