EUROPEAN CENTRAL BANK

EUROSYSTEM

OPINION OF THE EUROPEAN CENTRAL BANK

of 1 July 2008

at the request of the Slovak Ministry of Labour, Social Affairs and Family on a draft decree laying down further detailed rules on the dual display, conversion and rounding of certain prices, payments and other amounts in the labour law and social security sectors on the euro changeover

(CON/2008/27)

Introduction and legal basis

On 9 June 2008 the European Central Bank (ECB) received a request from the Slovak Ministry of Labour, Social Affairs and Family for an opinion on a draft decree laying down further detailed rules on the dual display, conversion and rounding of prices, unit prices, payments and other amounts on the changeover from the Slovak currency to the euro in the fields of (i) wages, salaries and other remuneration for work; (ii) reimbursement of travel expenses; (iii) employment services; (iv) social insurance and retirement pension saving, social benefits, social assistance benefits, assistance in material need and other social support; and (v) social services (hereinafter the 'draft decree').

The ECB's competence to deliver an opinion is based on Article 105(4) of the Treaty establishing the European Community 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[1], as the draft decree relates 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, the Governing Council has adopted this opinion.

1. Purpose of the draft decree

The draft decree, which constitutes secondary legislation implementing primary legislation and is based on Article 18(10)(a)(3) of Law No 659/2007 Coll. on the introduction of the euro in Slovakia and including amendments to certain laws (hereinafter the 'Slovak Euro-Law'), provides for technical instructions on the dual display, conversion and rounding of certain prices, payments and other amounts in the labour law and social security sectors.

1 OJ L 189, 3.7.1998, p. 42.

2. General observations

The ECB notes that the draft decree is based on an enabling provision contained in the Slovak Euro-Law pursuant to which detailed technical implementing measures may be adopted to facilitate a smooth changeover to the euro. The ECB has assessed the Slovak Euro-Law in Opinion CON/2007/43[2]. Furthermore, ECB Opinion CON/2008/23[3] and CON/2008/25[4] assess the issue of dual display in Slovakia in more detail.

In line with the Commission Recommendation of 10 January 2008 on measures to facilitate future changeovers to the euro[5], published following adoption of the Slovak Euro-Law, mandatory dual display should become effective as soon as possible after official adoption of the irrevocably fixed conversion rate between the national currency and the euro by the Council. The Slovak Euro-Law provides for mandatory dual display to start one month after the conversion rate is adopted, while also allowing for voluntary dual display both in advance of and following the mandatory period[6]. Taking into account the Slovak Euro-Law and the Commission Recommendation, the parties concerned should be encouraged to apply the draft decree in this regard from the date of official adoption of the conversion rate.

3. Specific observations

Article 3(2), Article 10(2), Article 14(2), Article 15(2), Article 18(2), Article 19(2), Article 29(2) and Article 43(2) of the draft decree provide for conversion of amounts from the euro to Slovak currency during the dual display period after the euro introduction date and for rounding of these amounts in Slovak korunas. The amounts concerned are not monetary amounts to be paid or accounted for within the meaning of Article 5 of Council Regulation (EC) No 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro[7] and, they therefore fall outside the scope of application of this Council Regulation. Nevertheless, the ECB notes that the draft decree applies different methodologies and practices of rounding which are also inconsistent with the methodologies and practices currently

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2 ECB Opinion CON/2007/43 of 19 December 2007 at the request of the Slovak Ministry of Finance on a draft law on the introduction of the euro in Slovakia and on amendments to certain laws.

3 ECB Opinion CON/2008/23 of 30 May 2008 at the request of Národná banka Slovenska on a draft decree laying down rules for the dual display of certain prices, payments and other amounts and on a draft decree laying down the number of decimal places of certain types of securities for the purpose of rounding by redenomination of their nominal value from the Slovak currency to the euro.

4 ECB Opinion CON/2008/25 of 12 June 2008 at the request at the request of the Slovak Ministry of Finance on a draft decree laying down the scope of prices, payments and other amounts subject to dual display with regard to the field of gambling games and methods of their dual display.

5 Recommendation 2008/78/EC (notified under document number C(2007)6912), OJ L 23, 26.1.2008, p. 30.

6 Article 18(1) of the Slovak Euro-Law reads: 'The period of dual display during which simultaneous dual display in the Slovak currency and the euro is implemented on a mandatory basis, in the established relevant scope of prices, payments and other amounts and in accordance with other stipulated rules, shall begin one month following the date when the conversion rate is fixed and shall end one year following the euro introduction date. Voluntary dual display may, under the stipulated rules, be implemented more broadly than in the mandatory scope of dual display; voluntary dual display may also be implemented, under the stipulated rules, outside the mandatory period of dual display but from the date of fixing the conversion rate at the earliest.'

7 OJ L 162, 19.6.1997, p. 1. Regulation as last amended by Council Regulation (EC) No 2595/2000 (OJ L 300, 29.11.2000, p. 1).

provided for by specific Slovak laws in the labour law and social security sectors[8]. As a result, under the draft decree different rounding rules will apply to comparable cases and comparable situations will be treated differently if addressed by the draft decree or by other laws currently in force in the labour law and social security sectors. The ECB would therefore suggest that either a consistent approach should be adopted to the comparable cases governed by the draft decree or if different rounding rules are used in different but comparable sections of the draft decree, the rationale for such different approaches should be explained.

Furthermore, it should be ensured that Slovak citizens are well informed of the change in the current arrangements concerning rounding in relation to the euro changeover, as stated in the Commission Recommendation.

This opinion will be published on the ECB's website.

Done at Frankfurt am Main, 1 July 2008.

[signed]

The President of the ECB

Jean-Claude TRICHET

8 For example, Article 19(2) of the draft decree provides that: 'During the dual display period after the date of the introduction of the euro, the amount of benefit in euro shall, on conversion at the conversion rate, be rounded up to whole Slovak korunas and shall be displayed in Slovak korunas as well.' which is in line with the current methodology and practice pursuant to Article 116(7) of the Law No 461/2003 Coll. on social insurance, as amended (i.e. rounding up to the nearest whole koruna). Contrary to this, for example, Article 3(2) and Article 10(2) of the draft decree provide that wage, salary or other payments or travel expenses, respectively, as an amount '[…] shall be rounded to whole Slovak korunas so that the total calculated remainder of the amount which is lower than one half of one Slovak koruna shall be rounded down to the nearest Slovak koruna, and the total calculated remainder of the amount which is equal to or is higher than one half of a Slovak koruna shall be rounded up to the nearest Slovak koruna', while under the current methodology and practice pursuant to Article 130(1) of the Law No 311/2001 Coll. Labour Code, as amended, and pursuant to Article 7(7) and Article 8(2) of the Law No 283/2002 Coll. on travel expenses, as amended, amounts are rounded up to the nearest whole Slovak koruna.