


# Procedure file

Basic information		
CNS - Consultation procedure Decision	1998/0056(CNS)	Procedure completed
European Central Bank ECB and ESCB: consultation by national authorities on draft legislative provisions		
Subject 5.20.03 European Central Bank (ECB), ESCB		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy	PPE <a href="#">HERMAN Fernand H.J.</a>	18/03/1998
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">General Affairs</a>	<a href="#">2111</a>	29/06/1998
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2072</a>	09/03/1998

Key events			
20/02/1998	Legislative proposal published	COM(1997)0725	Summary
09/03/1998	Debate in Council	<a href="#">2072</a>	
13/03/1998	Committee referral announced in Parliament		
20/05/1998	Vote in committee		Summary
20/05/1998	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0195/1998</a>	
27/05/1998	Debate in Parliament		
28/05/1998	Decision by Parliament	T4-0316/1998	Summary
29/06/1998	Act adopted by Council after consultation of Parliament		
29/06/1998	End of procedure in Parliament		
03/07/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1998/0056(CNS)

Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	EC before Amsterdam E 105-p4; EC before Amsterdam E 106-p6
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/09842

#### Documentation gateway

Legislative proposal		COM(1997)0725	20/02/1998	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0195/1998</a> <a href="#">OJ C 195 22.06.1998, p. 0004</a>	20/05/1998	EP	
Text adopted by Parliament, 1st reading/single reading		T4-0316/1998 <a href="#">OJ C 195 22.06.1998, p. 0012-0032</a>	28/05/1998	EP	Summary

#### Additional information

European Commission	<a href="#">EUR-Lex</a>
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#### Final act

<a href="#">Decision 1998/415</a> <a href="#">OJ L 189 03.07.1998, p. 0042</a> Summary
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## European Central Bank ECB and ESCB: consultation by national authorities on draft legislative provisions

OBJECTIVE: to ensure the practical functioning of the European System of Central Banks and the European Central Bank (ECB).

SUBSTANCE: the proposal for a Council Decision seeks to set out within which limits and under which conditions the authorities of the Member States must consult the ECB on any draft legislative provision within its field of competence. The obligations will be similar to those currently applying to national authorities with regard to draft legislative provisions that fall within the field of competence of the European Monetary Institute (EMI). The draft Decision seeks to ensure that the ECB is consulted at an early stage in the decision-making process and that adequate time is provided to the ECB to formulate its views. Consultation on draft legislation is obligatory in order to ensure that the authority which has been given tasks in the monetary and financial field has an opportunity to give its assessment of measures envisaged by other bodies, either at the level of the Community or in Member States, which have a bearing on its field of competence. Allowance is made for the particularities of the legal systems of the Member States. In particular, Member States are given flexibility in organizing the consultations of their various authorities with the ECB in the light of their specific practices. ?

## European Central Bank ECB and ESCB: consultation by national authorities on draft legislative provisions

A report drawn up by Fernand HERMAN (EPP, B) for the Committee has called for substantial changes to a Commission proposal implementing the obligation set out in the Treaty for Member States to consult the ECB before adopting rules falling within the latter's field of competence (consultation procedure). The areas concerned include currency matters, means of payment and payment and settlement systems. Although Member States are already subject to a virtually identical requirement vis-à-vis the EMI, the rapporteur insists that what worked in stages one and two of Monetary Union will not work in stage three. He believes that allowing Member States to continue to enjoy complete freedom to legislate in areas falling within ECB competence simply on condition that they ask the ECB for its opinion would lead to an excessively decentralised EMU. The committee decided to follow the advice of its rapporteur and thus adopted a number of amendments to the Commission proposal. The amendments lay down the principle that matters falling within ECB fields of competence must be regulated at Community level. They also seek to limit the right of Member States to regulate such matters to urgent cases, although then the Member State concerned would have to obtain prior approval from either the ECB or the Commission. ?

## European Central Bank ECB and ESCB: consultation by national authorities on draft legislative provisions

In adopting the report by Mr Fernand HERMAN (PPE, B), the European Parliament makes a number of substantial amendments to the Commission proposals concerning the mandatory consultation of the European Central Bank by the national authorities in accordance with the Treaties before adopting rules governing its terms of reference. The European Parliament firstly recommends that Member States as a general rule abstain from drawing up new rules or provisions on matters concerning the terms of reference of the ECB, in particular monetary questions, means and systems of payment and settlements. Parliament takes the view that these matters should be progressively harmonized at Community level in accordance with the procedures laid down by the Treaties. Only in emergencies should Member States be able to settle such matters and only then after consulting the ECB and taking its views into account. If the national authorities fail to consult or take account of the opinion of the ECB, the latter should inform the Member State concerned and the Commission of its opinion or its opposition to the proposed measure. The Commission is required to propose a solution within a month during which time the Member State concerned must suspend implementation of the rules. If the solution proposed by the Commission is not accepted by the Member State concerned, the question should be settled by a majority vote within the Council of Ministers.?

## European Central Bank ECB and ESCB: consultation by national authorities on draft legislative provisions

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OBJECTIVE: Practical arrangements for the operation of the European System of Central Banks and of the European Central Bank (ECB).  
COMMUNITY MEASURE: Council Decision 98/415/EC on the consultation of the European Central Bank by national authorities regarding draft legislative provisions. SUBSTANCE: The Council decision states to what extent and under what circumstances the authorities of the Member States must consult the ECB on draft legislative provisions within its competence, i.e. in particular: - currency matters; - means of payment; - national central banks; - the collection, compilation and distribution of monetary, financial, banking, payment systems and balance of payments statistics; - payment and settlement systems; - rules applicable to financial institutions insofar as they materially influence the stability of financial institutions and markets. This decision aims to ensure that the ECB will be consulted at an early stage in the decision-making process and that it will have sufficient time to deliver its opinions. The Member States also may organise consultation between their various authorities and the ECB according to their respective practices. ENTRY INTO FORCE: 01/01/1999. ?