


Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1999/2111(COS)	Procedure completed
Introduction of the Euro: duration of the transitional period. Report		
Subject 5.20.02 Single currency, euro, euro area		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs	PSE TORRES MARQUES Helena	27/07/1999
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2212	08/11/1999

Key events			
13/04/1999	Non-legislative basic document published	COM(1999)0174	Summary
13/09/1999	Committee referral announced in Parliament		
08/11/1999	Resolution/conclusions adopted by Council		
24/11/1999	Vote in committee		Summary
24/11/1999	Committee report tabled for plenary	A5-0076/1999	
02/12/1999	Debate in Parliament		
02/12/1999	Decision by Parliament	T5-0139/1999	Summary
02/12/1999	End of procedure in Parliament		
11/07/2000	Final act published in Official Journal		

Technical information	
Procedure reference	1999/2111(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142

Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/10897

Documentation gateway

Non-legislative basic document		COM(1999)0174	13/04/1999	EC	Summary
Document attached to the procedure		SEC(1999)1262	28/07/1999	EC	
Committee report tabled for plenary, single reading		A5-0076/1999 OJ C 194 11.07.2000, p. 0005	24/11/1999	EP	
Text adopted by Parliament, single reading		T5-0139/1999 OJ C 194 11.07.2000, p. 0019-0091	02/12/1999	EP	Summary

Introduction of the Euro: duration of the transitional period. Report

PURPOSE : to examine the possibility of reducing the transition period in relation to the introduction of the euro. **CONTENT** : following the proposal by the Belgian Finance Minister, the Ecofin Council of 18/01/1999 discussed the possibility of reducing the transitional period with a view to bringing forward the date for introducing euro notes and coins from 01/01/2002. The Council considered that it was highly unlikely that transition period could be shortened because of technical difficulties. However, it invited the Commission to carry out a final review of this question. The current report has been drawn up in response to that request and it emphasises the potential stumbling blocks to a political decision. In the conclusion to its report, the Commission considered that the reduction of the transition period for 3 years could create technical problems of such severity as to jeopardise the smooth transition to the euro. Amongst the technical obstacles which create the greatest difficulties for the reduction of the transition period, the Commission mentions the time required to produce euro coins and notes, the considerable extent of the time period for the design and adaptation of information systems to be taken into consideration, and also the fact that the change over to the euro by the public administrations was scheduled for the year 2002 from the outset in order to take account of the complexity and extent of the changes required in this sector. In addition to these technical obstacles, shortening the transitional period would undermine one of the strong points in the success of the euro, namely the confidence of economic and social operators, which has been won as a result of adhering to a strict timetable. In view of technical arguments set out, the time required by economic operators and the psychological and political uncertainties, the Commission considers that the transitional period for the euro should not be reduced. Adhering to 3 years will constitute an essential element of stability in the process of preparing economic operators and familiarising them with the euro. The Commission considers it necessary to heighten the awareness of small and medium-sized firms, consumer and public administrations, particularly local authorities. ?

Introduction of the Euro: duration of the transitional period. Report

The committee adopted the report by Mrs Helena TORRES MARQUES (PES, P) on the Commission's report to the Council on the duration of the transitional period for the introduction of the euro. The report took the view that consumers should be able to start changing the national currency into euro coins and notes from the beginning of December 2001. Frontloading consumers with euros would help to familiarise them with the new currency and avoid queues. The committee also supported the idea of frontloading banks with coins and notes well before January 2002 and of frontloading retailers and public administrations from the beginning of December 2001. (Payments with euro notes and coins will only be possible from 1 January 2002). It felt that it would be better if, from the second week of 2002, change in the retail sector was only given in euros and not in the national currency. However, it opposed a legal requirement and was merely in favour of a recommendation to that effect. As for the period of dual circulation of national currency and euros starting on 1 January 2002, which under the Treaty could be up to six months, the committee supported Ecofin's view that the period should be shortened to two months. As far as the information campaign was concerned, the committee called on the Commission to use the audiovisual media and suggested that, on the public channels of each Member State, airtime should be available, ideally free of charge, between the news reports and the sports news.

Introduction of the Euro: duration of the transitional period. Report

The European Parliament adopted its resolution concerning the transitional period related to the introduction of the euro drafted by Mrs. Helena TORRES MARQUES (PSE, P). The EP shares the Commission's view that the best option at this stage is to maintain the 3-year transitional period according to the Madrid scenario and Council Regulations 1103/97 and 974/98. It supports the idea of having a 'critical mass' of euro notes and coins in order to prevent hold-ups in payments at the start of 2002 and is of the opinion that the period of dual circulation of national currency units and euros starting on 1 January 2002 should be shortened as much as possible, preferably to a period of not more than 2 months. The Parliament supports the idea of frontloading banks with both notes and coins well in advance of 01.01.2002 in order to minimise transportation and distribution problems in early 2002 and also favours frontloading retailers and public administrations from the beginning of December 2001 in order to give them time to train their staff and to avoid logistical problems. It asks the Commission and the Member States to monitor closely the use of dual price display during the whole transitional period and to promote the use of reverse dual display, with significant prices and amounts being given in euros, at least at the beginning of 2001. It calls on the Commission to organise a comprehensive information campaign in cooperation with the European Parliament and the euro-11 zone Member States dealing both with practical issues and with the fundamental importance of monetary union. The EP encourages the ECB and Member States to make every possible effort to support the more vulnerable groups in society with training possibilities, information about the timetable, samples and training

kits with euro notes and coins, etc. The Parliament considers it important that citizens be encouraged to make increasing use of electronic money as opposed to cash well in advance of 01.01.2002, and strongly advocates the development of an electronic purse which would enable citizens to use the same card in the whole euro at the lowest possible competitive cost. It proposes a rapid development concerning the use of an electronic purse in all kinds of vending machines in the euro zone in order to minimise the impact of the changeover on citizens' lives. Lastly, the Parliament is in favour of the creation of an integrated payment area for cross-border payments and it believes that the banks and financial institutions should find common commercial and technically advanced solutions in order to render international payments quicker, more secure and cheaper by creating a system for small payments, as the euro zone is to be considered a domestic market.?