

Issuance of euro coins

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OPINION OF THE EUROPEAN CENTRAL BANK on a proposal for a Regulation on the issuance of euro coins and on a proposal for a Regulation on denominations and technical specifications of euro coins intended for circulation.

On 28 June 2011, the European Central Bank (ECB) received a request from the European Parliament for an opinion on a proposal for a Regulation of the European Parliament and of the Council on the issuance of euro coins.

On 5 July 2011, the ECB received two further requests from the Council of the European Union for an opinion on: (a) the proposed regulation; and (b) [a proposal for a Council Regulation](#) amending Regulation (EC) No 975/98 of 3 May 1998 on denominations and technical specifications of euro coins intended for circulation.

The ECB understands that: (i) the proposed regulation is intended to codify the current Union non-binding legal instruments and conclusions regarding the issuance of euro coins; (ii) in laying down general provisions for the issuance of euro coins at Union level, the objective is to harmonise relevant practices among Member States and ensure legal certainty and transparency.

The ECB makes the following remarks:

The ECB notes that according to Article 128(2) of the TFEU, the issuance of euro coins is the responsibility of the participating Member States, whilst the Parliament and the Council have the competence to lay down the measures necessary for the use of the euro as the single currency pursuant to Article 133 of the TFEU. In addition, the Council may, according to Article 128(2) of the TFEU, adopt measures to harmonise the denominations and technical specifications of all coins intended for circulation to the extent necessary to permit their smooth circulation within the Union.

Hence, the adoption of Union legislation on euro coin issuance must respect the participating Member States' competence to issue euro coins and their capacity as legal issuers of euro coins.

In addition, while the ECB's tasks and responsibilities under the TFEU and the Statute of the European System of Central Banks and of the European Central Bank are not affected in the context of the proposed regulation, the ECB recommends that any Member States' concerns on euro coin issuance competences should be addressed between the concerned Member States and the Union in accordance with the principle of sincere cooperation under the Treaty on European Union.

The ECB considers it advisable to harmonise the terminology used throughout the proposed regulation. In particular, the terms 'issue' and 'put/bring into circulation' are not defined in the proposed regulation. Nevertheless, in its drafting proposals, the ECB leaves it to the Commission to decide on this linguistic issue.

The ECB suggests:

- clarifying the current definition of euro circulation coins should be clarified and a separate definition for regular euro circulation coins should be added to avoid any ambiguity in relation to this terminology;
- stipulating that Member States shall take all appropriate measures to prevent discourage euro collector coins from being used as means of payments.

Lastly, the ECB reiterates its previous recommendation on modifying the technical specifications set out in Annex I to Regulation (EC) No 975/98 on denominations and technical specifications of euro coins intended for circulation. Amendments are as follows:

- maintaining the national traditions of the Member States in relation to the issuance of commemorative euro circulation coins;
- the ECB understands that Article 1h(a) of the Regulation covers euro circulation coins with legal tender status prior to the entry into force of the amending regulation, whereas Article 1h(b) sets a transitional period for changing the stamps for the designs on euro circulation coins in compliance with the new design requirements. In this respect, the ECB advises replacing the word 'issued' with the word 'produced' in Article 1h(a). This would extend the exclusion scope of this draft provision to also cover the stocks of euro circulation coins already minted by the competent authorities of the participating Member States but not having legal tender status at the time of entry into force of the proposed amending regulation. In that way, a legal safeguard would be established for all the costs that Eurosystem national central banks may have incurred in relation to the production of euro circulation coins that have not yet obtained the status of legal tender up to the moment of entry into force of the proposed amending regulation. The ECB also notes that euro circulation coins issued during the transition period under Article 1h(b) would keep their legal tender status even after the expiry of the transition period.