



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 30.11.2005  
COM(2005)611 final

2005/0233(CNS)

Proposal for a

**COUNCIL REGULATION**

**repealing Council Regulation (EEC) 3181/78 and Council Regulation (EEC) 1736/79  
in the area of Monetary Policy**

(presented by the Commission)

## EXPLANATORY MEMORANDUM

### 1) CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

Two Council Regulations have been identified as being obsolete and should be proposed for abrogation.

- **General context**

In the context of the codification and simplification of the *acquis communautaire*, the Commission has reviewed the *acquis communautaire* in the field of economic and financial affairs.

- **Existing provisions in the area of the proposal**

Protocol on the Statute of the European System of Central Banks and of the European Central Bank (Art. 3) (formerly Protocol on the Statute of the European Monetary Institute (Art. 1.3)).

- **Consistency with other policies and objectives of the Union**

Not applicable.

### 2) CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

Not relevant

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

For reasons of legislative technique, an express repeal is necessary.

The proposal will reduce the existing *acquis* and thus simplify it.

### 3) LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

Council Regulations (EEC) 3181/78 of 18.12.1978 and (EEC) 1736/79 of 3.8.1979 have become obsolete and should be proposed for abrogation.

- **Legal basis**

The Treaty establishing the European Community, and in particular Article 308

thereof.

- **Subsidiarity principle**

The proposal falls under the exclusive competence of the Community. The subsidiarity principle therefore does not apply.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reason(s).

Not applicable

Not applicable

- **Choice of instruments**

Proposed instruments: regulation.

Other means would not be adequate for the following reason(s):

Council Regulations must be repealed by a Council Regulation.

#### 4) **BUDGETARY IMPLICATION**

The proposal has no implication for the Community budget.

#### 5) **ADDITIONAL INFORMATION**

- **Simplification**

The proposal provides for simplification of legislation.

Simplification of the *acquis communautaire* in the field of economic and financial affairs.

- **Repeal of existing legislation**

The adoption of the proposal will lead to the repeal of existing legislation.

- **Detailed explanation of the proposal**

(1) Council Regulation (EEC) 3181/78 of 18.12.1978 relating to the European monetary system gives the European Monetary Co-operation Fund (EMCF) the power to receive reserves from Member States and to issue ECUs. The tasks of EMCF were taken over by EMI and subsequently ECB and the EMCF was dissolved. Therefore, this Regulation is not relevant anymore.

(2) Council Regulation (EEC) 1736/79 of 3.8.1979 on interest subsidies for certain loans granted under the European monetary system states that the Community should during a five-year period from its date of application, grant interest subsidies on certain types of loans (EIB loans to finance investments in less prosperous Member States,

inter alia in infrastructure). This time period of five years, which was not extended, has come to an end in 1984. Furthermore, according to Article 1 of this Regulation, a Member State had to participate in the Exchange rate mechanisms of the European monetary system to benefit from the subsidies. This condition suggests also that the Regulation is no longer applicable. Those NIC loans granted by the EIB which benefited from this interest subsidy have in the meantime been repaid. Therefore, this Regulation is not relevant anymore.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 308 thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Having regard to the opinion of the European Parliament<sup>2</sup>,

Whereas:

- (1) Council Regulation (EEC) 3181/78<sup>3</sup> of 18.12.1978 relating to the European monetary system gives the European Monetary Co-operation Fund (EMCF) the power to receive reserves from Member States and to issue ECUs. The tasks of EMCF were taken over by EMI and subsequently ECB and the EMCF was dissolved. Therefore, this Regulation is not relevant anymore.
- (2) Council Regulation (EEC) 1736/79<sup>4</sup> of 3.8.1979 on interest subsidies for certain loans granted under the European monetary system states that the Community should during a five-year period from its date of application, grant interest subsidies on certain types of loans (EIB loans to finance investments in less prosperous Member States, inter alia in infrastructure). This time period of five years, which was not extended, has come to an end in 1984. Furthermore, according to Article 1 of this Regulation, a Member State had to participate in the Exchange rate mechanisms of the European monetary system to benefit from the subsidies. This condition suggests also that the Regulation is no longer applicable. Those NIC loans granted by the EIB which benefited from this interest subsidy have in the meantime been repaid. Therefore, this Regulation is not relevant anymore,

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<sup>1</sup> OJ C [...], [...], p. [...].

<sup>2</sup> OJ C [...], [...], p. [...].

<sup>3</sup> OJ L 379, 30.12.1978, p. 2.

<sup>4</sup> OJ L 200, 8.8.1979, p. 1.

HAS ADOPTED THIS REGULATION:

*Sole Article*

Council Regulation (EEC) 3181/78 and Council Regulation (EEC) 1736/79 are repealed.

This Regulation shall enter into force on the 20<sup>th</sup> day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council  
The President*