

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 723 final.

Brussels, 10 December 1979

Proposal for a

COUNCIL REGULATION (EEC)

amending for the third time the Financial Regulation of 21 December 1977  
as regards the use of the ECU in the general budget of the European  
Communities

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Proposal for a

COUNCIL REGULATION (EEC, Euratom)

on the replacement of the European unit of account by the ECU in Community  
legal instruments

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Proposal for a

COUNCIL DECISION

amending Decision 75/250/EEC on the definition and conversion of the  
European unit of account used for expressing the amounts of aid mentioned  
in Article 42 of the ACP-EEC Convention of Lomé

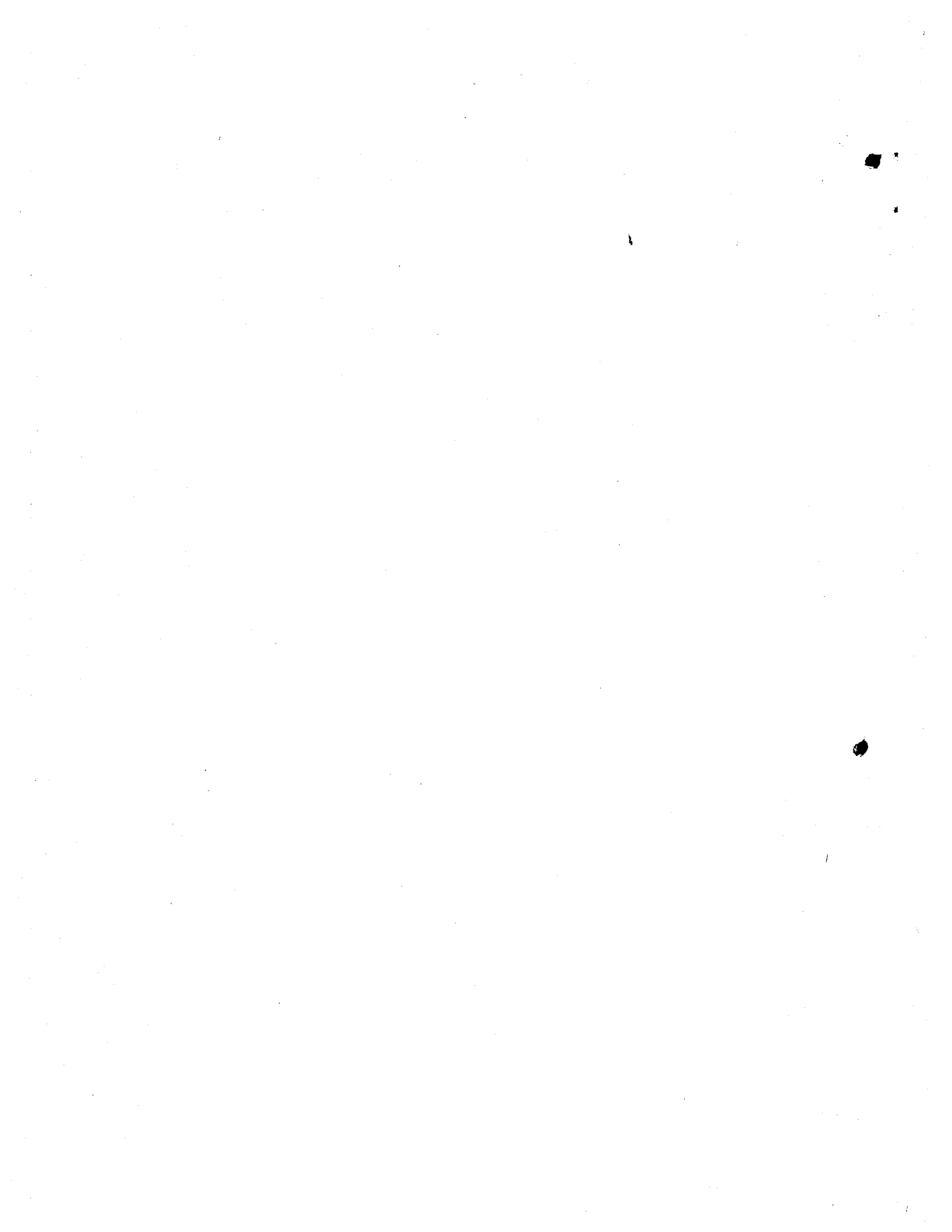
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Draft Commission Decision

amending Decision No 3289/75/ECSC on the definition and conversion of the  
unit of account to be used in decisions, recommendations, opinions and  
communications for the purposes of the Treaty establishing the European  
Coal and Steel Community

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(submitted to the Council by the Commission)



## EXPLANATORY MEMORANDUM

### I. Introduction: New context calling for the standardization of the units of account used in Community finances

1. At the European Council meeting in Bremen on 6 and 7 July 1978, the Heads of State and of Government of the Member States of the European Communities decided to give fresh impetus to the process of monetary integration by creating a zone of monetary stability in Europe. At its meeting in Brussels on 4 and 5 December 1978, the European Council adopted a Resolution establishing a European Monetary System (EMS) for which the unit of account is the ECU, a unit with the same value as the EUA when the System was set up. Under Regulation (EEC) No 3180/78 of 18 December 1978<sup>1</sup>, the Council introduced the ECU for the purposes of European Monetary Cooperation Fund transactions with effect from 1 January 1979. The European Monetary System came into force on 13 March 1979. The ECU has also been introduced for the purposes of the common agricultural policy, under Council Regulation No 652/79 of 29 March 1979.

2. Technically, the only difference between the EUA, which is used in all other sectors of Community activity, and the ECU, lies in the explicitly stipulated possibility of the relative weight of the currencies making up the ECU being changed, whereas no such possibility is mentioned in the definition of the EUA.

It would be detrimental to the smooth functioning of these activities to have to use two units of account which, although based on the same principles, would acquire different values because one had been altered and the other had not. Consequently, in order to avoid any risk of confusion, the Commission, which has always been striving towards the standardization of the units of account used in the Community, proposes that the EUA be replaced by the ECU.

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<sup>1</sup>OJ No L 379 of 30 December 1978, p. 1.

It would be advisable for the procedure concerning the proposed replacement to be completed quickly, in order to take advantage of the fact that, since the two units of account have the same value at present, the transition would be carried out without technical difficulties.

Now that the new unit of account known as the ECU has been created, it is increasingly important to standardize the units of account used in Community finances. They should be standardized before the respective values of these units of account begin to diverge.

Using one and the same unit of account for all the activities of the European Communities would have obvious accounting, legal and political advantages. The Commission has therefore prepared a series of proposals designed to bring in the ECU simultaneously (on 1 January 1980) for the purposes of the General Budget of the European Communities, the ECSC Operational Budget, European Development Fund transactions and all acts of Community law in which reference is made to a unit of account.

## II. The decisions to be taken

The reasons for the abovementioned proposals attached to this Memorandum are as follows:

### 1. Decisions to be taken by the Council

#### (a) Proposal for a Regulation amending the Financial Regulation of 21 December 1977 as regards using the ECU in the General Budget of the European Communities

It is proposed that Article 10 of the Financial Regulation be amended. For the definition of the ECU the proposal refers to Council Regulation (EEC) No 3180/78 of 18 December 1978 changing the value of the unit of account used by the European Monetary Cooperation Fund. The composition of the ECU basket, which is now the same as that of the EUA specified in the Financial Regulation in force, will henceforth simply be given in a footnote and not in the body of the Regulation, so as not to invalidate the text in the event of a revision of the ECU.

On the latter point, the proposal also specifies that any change in the definition of the ECU shall be decided on by the Council in the context of the European Monetary System. The Financial Regulation would thus ensure the continuity of the same unit of account despite any revisions that might be made. It is also proposed that "European unit of account" be replaced by "ECU" in all the relevant Articles of the Financial Regulation.

(b) Proposal for a Regulation (EEC, Euratom) on the replacement of the European unit of account by the ECU in acts of Community law

This text proposes that "EUA" be replaced by "ECU" in all acts of Community law now in force in which reference is made to the EUA. Consequently, the ECU would be used from 1 January 1980 not only in the General Budget of the European Communities but also in all legal acts. The transition to the ECU for rights and obligations of third parties expressed in EUA is dealt with by a general provision stipulating that such rights and obligations shall continue to be managed on the basis of the definition of the European unit of account in force before the entry into force of the Regulation.

(c) Proposal for a Council Decision amending Decision 75/250/EEC of 21 April 1975 on the definition and conversion of the European unit of account used for expressing the amounts of aid mentioned in Article 42 of the ACP-EEC Convention of Lomé

It is proposed that Article 1 of the abovementioned Decision be amended in similar fashion to Article 10 of the Financial Regulation. This proposal is in accordance with the statement concerning Article 95 of the new ACP-EEC Association Convention at present under negotiation<sup>1</sup>.

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<sup>1</sup>See Council Doc. 8441/79 (ACP 253) (FIN 465) of 14 August 1979, Annex XXIV.

2. Decision to be taken by the Commission subject to unanimous Council assent

- (d) Commission Decision amending Decision No 3289/75/ECSC of 18 December 1975 on the definition and conversion of the unit of account to be used in decisions, recommendations, opinions and communications for the purposes of the ECSC Treaty

As the final step in the efforts to standardize the units of account, the Commission itself is required to take a decision in order to introduce the ECU for the purposes of the ECSC Treaty. The proposal is aligned on the proposals concerning the General Budget and the EDF, for the definition of the ECU. This proposal also contains a provision guaranteeing the maintenance, after the transition to the ECU, of rights acquired in EUA, with the exception, however, of those arising from adjustment operations.

III. Reminder of the proposal for a Regulation on the procedure for applying the EUA

The attached proposals relate to the introduction of the new single unit of account, the ECU, into Community finances, but do not provide for all the implementing arrangements. It should be recalled in this context that the Commission proposal for a Regulation on the procedure for applying the European unit of account (EUA) to legal acts adopted by the institutions of the European Communities is still being discussed by the Community authorities. It is therefore worthwhile for the Commission to specify that the new proposals concerning the ECU are not intended to replace this Commission proposal, which it thinks should still be adopted; the references to the EUA in the proposal would be replaced by references to the ECU.

Proposal for a Council Regulation

amending for the third time the Financial Regulation  
of 21 December 1977 as regards the use of the ECU in the  
general budget of the European Communities

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel  
Community, and in particular Article 78h thereof,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Article 209 thereof,

Having regard to the Treaty establishing the European Atomic Energy  
Community, and in particular Article 183 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Court of Auditors,

Whereas, pursuant to Article 10 of the Financial Regulation of  
21 December 1977 applicable to the general budget of the European  
Communities<sup>1</sup>, as last amended by Regulation<sup>2</sup>, the budget is  
drawn up in European units of account (EUA) defined by reference to  
the sum of specified amounts of the currencies of the Member States,

Whereas Council Regulation (EEC) No 3180/78<sup>3</sup> defined a new unit of  
account known as the ECU;

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<sup>1</sup> OJ No L 356, 31.12.1977, p. 1.

<sup>3</sup> OJ No L 379, 30.12.1978, p. 1.

Whereas steps should be taken to standardize the units of account used by the Communities, and whereas the EUA should therefore be replaced by the ECU;

Whereas the composition of the ECU may be changed subsequently in the context of the European Monetary System,

HAS ADOPTED THIS REGULATION:

Article 1

The Financial Regulation is hereby amended as follows:

1. Article 10 shall be replaced by the following:

"Article 10

1. The Budget shall be drawn up in ECU.

The ECU shall be defined by reference to the sum of specified amounts of the currencies of the Member States as set out in Council Regulation (EEC) No 3180/78 of 18 December 1978 changing the value of the unit of account used by the European Monetary Cooperation Fund<sup>1,2</sup>.

Any change in the definition of the ECU decided on by the Council in the context of the European Monetary System shall automatically apply to this provision.

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<sup>1</sup> OJ No L 379, 30.12.1978, p. 1.

On the entry into force of this Regulation, such amounts are as follows:

DM	0.828
£ sterling	0.0885
FF	1.15
Lit	109
Fl	0.286
Bfrs	3.66
Lfrs	0.14
Ekr	0.217



2. The value of the ECU in any given currency shall be equal to the sum of the equivalents in that currency of the amounts of the currencies making up the ECU. It shall be determined by the Commission on the basis of the rates recorded each day on the exchange markets.

The daily rates for the purpose of conversion into the various national currencies shall be available each day and shall be published in the Official Journal of the European Communities.

3. Where appropriate, conversions between the ECU and national currencies shall be effected at the rate of the day, without prejudice to the special provisions laid down in Article 108(7)."

2. In Articles 26, 30, 52(a), 54, 56, 57, 63, 94(4) and (5), and 108(7) "European units of account" shall be replaced by "ECU".

#### Article 2

This Regulation shall enter into force on 1 January 1980.

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

Done at Brussels,

1979

For the Council

The President

Proposal for a Council Regulation (EEC, Euratom)  
on the replacement of the European unit of account  
by the ECU in Community legal instruments

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Article 235 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community,  
and in particular Article 203 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Council Regulation (EEC) No 3180/78<sup>1</sup> defined a new unit of account  
known as the ECU;

Whereas steps should be taken to standardize the units of account used by  
the Communities, and whereas the EUA should therefore be replaced by the  
ECU in all Community legal instruments;

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<sup>1</sup> CJ No L 379, 30.12.1978, p.1.

Whereas a provision should be included in order to safeguard, when the  
EUA is replaced by the ECU, rights and obligations contracted in  
European units of account,

HAS ADOPTED THIS REGULATION:

Article 1

In all Community legal instruments applying at the time of entry into force  
of this Regulation, "European unit of account" shall be replaced by "ECU".

Article 2

The definition of the European unit of account in force before the entry  
into force of this Regulation shall continue to apply to rights and  
obligations arising before the entry into force of this Regulation which  
were determined in European units of account.

Article 3

This Regulation shall enter into force on 1 January 1980.

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

Done at Brussels,

1979

For the Council

The President

Proposal for a Council Decision  
amending Decision 75/250/EEC

on the definition and conversion of the European unit of account  
used for expressing the amounts of aid mentioned in Article 42  
of the ACP-EEC Convention of Lomé

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the recommendation of the Commission,

Having regard to the report of the Monetary Committee,

Whereas, pursuant to Council Decision 75/250/EEC<sup>1</sup>, the unit of account to be used for expressing the amounts of aid mentioned in Article 42 of the ACP-EEC Convention of Lomé is defined by reference to the sum of specified amounts of currencies of the Member States of the Community;

Whereas Council Regulation (EEC) No 3180/78<sup>2</sup> defined a new unit of account known as the ECU;

Whereas steps should be taken to standardize the units of account used by the Community, and whereas the EUA should therefore be replaced by the ECU;

Whereas the composition of the ECU may be changed subsequently in the context of the European Monetary System,

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<sup>1</sup>OJ No L 104, 28.4.1975, p.35.

<sup>2</sup>OJ No L 379, 30.12.1978, p.1.

HAS ADOPTED THIS DECISION:

Sole Article

Decision 75/250/EEC is hereby amended as follows:

1. Article 1 shall be replaced by the following:

"Article 1

"The amounts of aid mentioned in Article 42 of the ACP-EEC Convention of Lomé shall be expressed in ECU. The ECU shall be defined by reference to the sum of specified amounts of the currencies of the Member States as set out in Council Regulation (EEC) No 3180/78 of 18 December 1978 changing the value of the unit of account used by the European Monetary Cooperation Fund<sup>1,2</sup>.

Any change in the definition of the ECU decided on by the Council in the context of the European Monetary System shall automatically apply to this provision."

2. In the first paragraph of Article 2, "unit of account" shall be replaced by "ECU".

Done at Brussels,

1979

For the Council  
The President

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<sup>1</sup>OJ No L 379, 30.12.1978, p.1.

<sup>2</sup>On the entry into force of this Decision, such amounts are as follows:

DM	0.828
£ sterling	0.0885
FF	1.15
Lit	109
Fl	0.286
Bfrs	3.66
Lfrs	0.14
Dkr	0.217
£(Irish)	0.00759

Commission Decision

amending Decision No 3289/75/ECSC

on the definition and conversion of the unit of account to be used in decisions, recommendations, opinions and communications for the purposes of the Treaty establishing the European Coal and Steel Community

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THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Articles 8, 14, 26, 50, 54, 55 and Article 56 thereof,

Whereas, pursuant to Article 1 of Commission Decision No 3289/75/ECSC<sup>1</sup>, the unit of account to be used for the purposes of the ECSC Treaty is the European unit of account (EUA) defined by reference to the sum of specified amounts of the currencies of the Member States;

Whereas Council Regulation (EEC) No 3180/78<sup>2</sup> defined a new unit of account known as the ECU;

Whereas steps should be taken to standardize the units of account used by the Community, and whereas the EUA should therefore be replaced by the ECU;

Whereas the composition of the ECU may be changed subsequently in the context of the European Monetary System;

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<sup>1</sup>OJ No L 327, 19.12.1975, p.4.

<sup>2</sup>OJ No L 379, 30.12.1978, p.1.

With the unanimous assent of the Council,

HAS ADOPTED THIS DECISION:

Article 1

Decision No 3289/75/ECSC is hereby amended as follows:

1. Article 1 shall read as follows:

"Article 1

"The unit of account to be used in decisions, recommendations, opinions and communications for the purposes of the Treaty establishing the European Coal and Steel Community shall be the ECU, which shall be defined by reference to the sum of the following amounts of the currencies of the Member States of the Community:

DM	0.828
£ sterling	0.0885
FF	1.15
Lit	109
F1	0.286
Bfrs	3.66
Lfrs	0.14
Dkr	0.217
£ Irish	0.00759

Any change in the definition of the ECU decided on by the Council in the context of the European Monetary System shall automatically apply to this provision."

2. In Article 2 "unit of account" shall be replaced by "ECU". In the first paragraph of Article 3, the first and second paragraphs of Article 4 and the last paragraph of Article 7 "EUA" shall be replaced by "ECU".

3. The following paragraph shall be added to Article 5:

The definition of the European unit of account EUA in force before the entry into force of this Decision shall continue to apply to rights and obligations arising between 1 January 1976 and 31 December 1979 which were determined in European units of account, with the exception of those arising from adjustment operations.

Article 2

This Decision shall enter into force on 1 January 1980.

