



COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

Opinion of the Commission
on the draft Council Decision adopting the
Statutes of the Economic and Financial Committee

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In accordance with Article 153 of the Treaty, the Council shall, after receiving an opinion of the Commission, determine the rules governing the Economic and Financial Committee.

Overall, the Commission considers that the draft Statutes provide an appropriate set of rules for the functioning of the Economic and Financial Committee in stage 3 of EMU. They reflect the different tasks and responsibilities of the EFC compared with the existing tasks of the Monetary Committee. In addition, the draft Statutes seek to address many of the concerns raised in the Report of the European Parliament¹ on the Commission proposal for a Council Decision on the detailed provisions concerning the composition of the EFC.

Article 4 of the Statutes provides that members from the Commission, ECB and the national central banks shall not participate in votes on questions on which the Council may subsequently take a decision. This formulation underlines the collegiate nature of the Committee with votes being the exception rather than the rule. It also provides for a parity of status between the members of the Committee while recognising that members from national administrations have particular responsibilities on matters where the Council takes decisions.

The Commission considers that several amendments should be made to the draft Statutes as follows:

- in **Article 2**, the term “*moreover*” should be replaced with the term “*inter alia*”. This is because the term “*moreover*” suggests that the tasks specified in Article 2 are in addition to tasks defined in Article 1 of the Decision which refers to the Treaty. It is not possible for the Committee to acquire tasks additional to those specified in the Treaty. The term “*inter alia*” makes it clear that the purpose of Article 2 is to specify in more detail some of the tasks of the EFC.

¹ A4-0264/98 of 1 July 1998: Rapporteur: Mrs Pervenche Berès

- **Article 2, second indent** should be qualified to better reflect the role of the European Commission as provided for in the Resolution of the European Council of Luxembourg of 13 December 1997 on economic policy co-ordination in stage 3 of EMU and on Treaty Articles 109 and 109b. To this end, an additional recital should be added stating “*Whereas the Resolution of the European Council of Luxembourg of 13 December 1997 on economic policy co-ordination in stage 3 of EMU and on Treaty Articles 109 and 109b provides that the Commission should provide analyses to the Council, and the Economic and Financial Committee should prepare the Council’s reviews of the development of the exchange rate of the euro.*”
- the voting rules in **Article 4** could be clarified. The current draft states that “*Opinions, reports or communications shall be adopted by a majority of members, if a vote is requested*”. This rule is ambiguous as there are 34 members of the EFC, and thus 18 votes constitutes a majority of members. However, in most cases only the 15 members from national administrations shall participate in votes and thus 8 votes would constitute a majority. It is therefore suggested that the first sentence of Article 4 be moved to the end of that Article and that it be modified to read “*Opinions, reports or communications shall be adopted by a majority of the members entitled to participate in a vote if a vote is requested.*”
- the last sentence in **Article 5** should be deleted. It is not possible for the President’s alternate to become a member of the Committee even on a temporary basis. The President does not cease being a member of the Committee on becoming President. Were his alternate to assume temporary membership, then the Member State concerned would have three members of the Committee, which is in contradiction to the limit of two members per Member State imposed in Article 109c(2) of the Treaty. The Commission acknowledges that for the President to be able to fulfil his chairmanship duties, he should be able to delegate the tasks of ordinary members of national administrations to his alternate. This outcome can be achieved by modifying Article 7 of the Statutes as suggested below.
- The second sentence of **Article 7** should be modified to read “*They shall not vote. Unless the Committee decides otherwise, they shall not take part in the discussions*”. This change has two benefits. Firstly, alternates may be invited to speak, e.g. the Chairman of the alternates could be invited to make a presentation to the Committee on the discussions of the alternates. Secondly, enabling the alternates to speak would overcome the problem with Article 5. The Committee as a general rule could permit the President’s alternate to take part in discussions, thus leaving the President free to chair the meeting in an efficient manner.
- a new **Article 10 bis** should be inserted to take account of paragraph 16 of the Resolution of the European Parliament which calls upon the President of the EFC to appear before the relevant Committee of the Parliament. It could read “*The President of the Committee shall have responsibility of maintaining the Committee’s relations with the European Parliament.*”
- the sentence in **Article 12** which states “*The Secretary and his/her staff shall act upon the instructions of the Committee*” must be deleted. This is because the Secretary and staff of the secretariat will be Commission officials, and the Staff Regulations prohibit Commission officials from taking instructions from outside bodies. This sentence is

superfluous as the first sentence states that the Committee shall be assisted by a secretariat under the direction of a Secretary.

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