



COMMISSION
OF THE EUROPEAN
COMMUNITIES

Brussels,

22.03.91 /II/01766

Directorate-General
for Economic and Financial Affairs

Dear Mr Baer

In response to your note of 12th March 1991 I would like to make the following comment on the note "Simplified procedure" of 6th March.

In the section on complementary Community legislation of this note, it is considered whether the procedure for enacting complementary legislation should be the same as for simplified amendment or whether it should be different.

In the Commission's view, the reasons for suggesting an exceptional procedure for the simplified procedure do not apply to complementary legislation, which is normal Community legislation. The following procedure for complementary legislation may be envisaged :

- initiative of the Commission,
- consultation of the ECB,
- involvement of European Parliament,
- decision of the Council of Ministers with qualified majority.

On the note "Suggestions for amendments to general provisions" I like to raise the two following points.

Article 34 - Enforcement

The Commission considers that the revised wording gives the ESCB excessive power vis-à-vis third parties. Our preference is to specify the right to impose sanctions in EC legislation as the initial text

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envisaged. If stipulated in the Statute, the right should be well-defined (type of operation to which it applies, type and upper limit of sanction, for example : supplementary interest rate up to x % above discount rate for non-respect of compulsory reserve requirements).

Article 35.6 - Judicial control

This is an innovation which touches upon the Commission's responsibilities laid down in Art. 169 EEC. Our Legal Service is examining the question.

With kind regards,



Jean-François PONS
Director