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European Union

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## COVER NOTE

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From: General Secretariat of the Council  
To: Council

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Subject: DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION on the proposal for a Council decision on the adoption by Lithuania of the euro on 1 January 2015 - European Parliament legislative resolution of 16 July 2014

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The text of the European Parliament's legislative resolution, adopted on 16 July 2014, is set out in the Annex of this document.

Encl.: \_\_\_\_\_

## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council decision on the adoption by Lithuania of the euro on 1 January 2015 (COM(2014)0324 – C8-0026/2014 – 2014/0170(NLE))**

**(Consultation)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2014)0324),
  - having regard to Article 140(2) of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C8-0026/2014),
  - having regard to the Commission Convergence Report 2014 (COM(2014)0326) and the European Central Bank Convergence Report of June 2014,
  - having regard to its resolution of 1 June 2006 on the enlargement of the euro zone<sup>1</sup>,
  - having regard to its resolution of 20 June 2007 on improving the method for consulting Parliament in procedures relating to the enlargement of the euro area<sup>2</sup>,
  - having regard to Rule 100 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A8-0001/2014),
- A. whereas Lithuania's first attempt to introduce the euro was in 2006, whereas on 25 February 2013 the Lithuanian Government decided to set 1 January 2015 as the target date for introducing the euro, and whereas on 17 April 2014 the Lithuanian Parliament (Seimas) adopted the law on Lithuania's adoption of the euro by a large majority;
- B. whereas the legal preconditions for adoption of the euro are laid down in Article 140 of the Treaty on the Functioning of the European Union (TFEU) and Protocol No 13 on the convergence criteria, and whereas the following four convergence criteria must be met: the achievement of a high degree of price stability, sustainability of the government financial position, observance of the normal fluctuation margins provided for by the exchange rate mechanism, and the durability of convergence achieved by the Member State and of its participation in the European exchange-rate mechanism being reflected in the long-term interest-rate levels;

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<sup>1</sup> OJ C 298E, 8.12.2006, p. 249.

<sup>2</sup> OJ C 146E, 12.6.2008, p. 251.

- C. whereas at its meeting of 7 April 2014 the Committee on Economic and Monetary Affairs of the seventh European Parliament adopted the report on the adoption of the euro in Lithuania by a large majority, thus endorsing the adoption of the euro in Lithuania;
- D. whereas, according to the European Central Bank Convergence Report published on 4 June 2014, Lithuania meets all the convergence criteria;
- E. whereas the euro is the currency of the Union, whereas all Member States meeting the convergence criteria must in principle adopt it, and whereas Denmark and the United Kingdom are the only Member States with an opt-out clause;
1. Approves the Commission proposal;
  2. Endorses the adoption of the euro by Lithuania on 1 January 2015;
  3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
  4. Welcomes the fact that, according to the Convergence Report, in the year ending in April 2014 Lithuania had a mean inflation rate of 0.6%, and therefore fulfils this convergence criterion;
  5. Welcomes the fact that, according to the Convergence Report, in the reference year 2013 Lithuania had a budget deficit of 2.1% and a government debt of 39.4% of Gross Domestic Product, and therefore fulfils this convergence criterion;
  6. Welcomes the fact that, according to the Convergence Report, there have been no tensions surrounding the litas-euro exchange rate during the two-year assessment period, and Lithuania therefore fulfils this convergence criterion;
  7. Welcomes the fact that, according to the Convergence Report, during the reference period from May 2013 until April 2014 long-term interest rates in Lithuania averaged 3.6%, and Lithuania therefore fulfils this convergence criterion;
  8. Welcomes the fact that, according to the Convergence Report, legislation in Lithuania is fully compatible with the compliance duty under Article 131 of the Treaty on the Functioning of the European Union;
  9. Welcomes in this regard in particular the compatibility of the law on Lietuvos bankas with the principle of central bank independence set out in Article 131 of the Treaty on the Functioning of the European Union and mirrored in Article 7 of the Statute of the European System of Central Banks and of the European Central Bank;
  10. Asks the Council to consult Parliament again if it intends to substantially amend the text approved by Parliament;
  11. Instructs its President to forward its position to the Council, the Commission, the European Central Bank, the Eurogroup and the governments of the Member States.