

Brussels, 9 July 2025
(OR. en)

10211/1/25
REV 1

Interinstitutional File:
2025/0197 (NLE)

ECOFIN 778
FIN 669
ECB
EIB

COVER NOTE

No. Cion doc.:	COM(2025) 372 final
Subject:	Proposal for a COUNCIL REGULATION amending Regulation (EC) No 2866/98 as regards the conversion rate to the euro for Bulgaria

Delegations will find attached document COM(2025) 372 final/2.

The revision removes the marking "LIMITE".

Encl.: COM(2025) 372 final



EUROPEAN
COMMISSION

Brussels, 30.6.2025
COM(2025) 372 final/2
DOWNGRADED ON 9.7.2025

2025/0197 (NLE)

Proposal for a

COUNCIL REGULATION

**amending Regulation (EC) No 2866/98 as regards the conversion rate to the euro for
Bulgaria**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

On 4 June 2025, the Commission adopted a proposal for a Council Decision in accordance with Article 140(2) of the Treaty on the Functioning of the European Union ('the TFEU'). The proposal concluded that Bulgaria fulfils the necessary conditions for the adoption of the euro and that Bulgaria's derogation should be abrogated with effect from 1 January 2026.

If it is decided to abrogate the derogation, the Council will subsequently have to adopt the conversion rate between the euro and the Bulgarian lev, which will take effect from 1 January 2026.

Council Regulation (EC) No 2866/98 on the conversion rates between the euro and the currencies of the Member States adopting the euro ⁽¹⁾ sets the irrevocable conversion rates for the 20 Member States currently participating in the euro (Belgium, Germany, Estonia, Greece, Spain, France, Croatia, Ireland, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland). In order to extend the scope of this Regulation to the Bulgarian lev, a reference to this currency needs to be added to this Regulation. That is the object of this proposal.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENT

Discussions with Member States on economic policy matters in Member States are held on a regular basis in the Economic and Financial Committee (EFC), the Council of the EU (ECOFIN) and Eurogroup. These include informal discussions on issues specifically related to the preparation of a country's prospective entry into the euro area (including exchange rate policies).

Economic developments in the euro area and the Member States are assessed through the various economic policy coordination and surveillance procedures (notably under Article 121 TFEU) and through the Commission's regular monitoring and analysis of country-specific and area-wide developments (including forecasts, regular publication series and inputs to the EFC, ECOFIN and Eurogroup). In accordance with the proportionality principle and in line with past practice, no formal impact assessment is necessary.

3. LEGAL ELEMENTS OF THE PROPOSAL

3.1. Legal basis

The legal basis for the present proposal is Article 140(3) TFEU, according to which the Council adopts the conversion rate at which the euro is substituted for the currency of the Member State adopting the euro.

The Council acts with the unanimity of the Member States whose currency is the euro and the Member State concerned, on a proposal from the Commission and after consulting the ECB.

⁽¹⁾ OJ L 359, 31.12.1998, p. 1.

3.2. Subsidiarity and proportionality

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

The proposal does not go beyond what is necessary to achieve its objective and therefore complies with the proportionality principle.

3.3. Choice of legal instrument

A regulation is the appropriate legal instrument to amend Council Regulation (EC) No 2866/98 on the conversion rates between the euro and the currencies of the Member States adopting the euro.

4. BUDGETARY IMPLICATIONS

The proposal has no implications for the Union's budget.

5. COMMENTARY ON INDIVIDUAL ARTICLES

5.1. Article 1

The proposed rate is the present central rate of the Bulgarian lev in the exchange rate mechanism (ERM II).

As for the other currencies, in accordance with Council Regulation (EC) No 1103/97 on certain provisions relating to the introduction of the euro ⁽²⁾, the rate is determined to six significant figures.

5.2. Article 2

This article stipulates that the Regulation will enter into force on 1 January 2026, ensuring consistency with the timing of the other Council acts relating to Bulgaria's adoption of the euro, including the date when the derogation is abrogated and the date of entry into force of the other measures necessary for the introduction of the euro in Bulgaria.

⁽²⁾ OJ L 162, 19.6.1997, p. 1.

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 2866/98 as regards the conversion rate to the euro for Bulgaria

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 140(3) thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Central Bank ⁽³⁾,

Whereas:

- (1) Council Regulation (EC) No 2866/98 ⁽⁴⁾ determines the conversion rates between the euro and the currencies of the Member States adopting the euro as from 1 January 1999.
- (2) According to Article 5 of the 2005 Act of Accession ⁽⁵⁾, Bulgaria participates in Economic and Monetary Union from the date of accession as Member State with a derogation, within the meaning of Article 139(1) of the Treaty on the Functioning of the European Union.
- (3) Pursuant to Council Decision (EU) 2025/[...] ⁽⁶⁾ regarding the adoption on 1 January 2026 of the euro by Bulgaria, Bulgaria fulfils the necessary conditions for the adoption of the euro and the derogation of Bulgaria is abrogated with effect from 1 January 2026.
- (4) The introduction of the euro in Bulgaria requires the adoption of the conversion rate between the euro and the Bulgarian lev. This conversion rate should be set at 1.95583 lev per 1 euro, which corresponds to the current central rate of the lev in the exchange rate mechanism (ERM II).
- (5) Regulation (EC) No 2866/98 should therefore be amended accordingly,

⁽³⁾ Opinion of [...] [...] [...].

⁽⁴⁾ Council Regulation (EC) No 2866/98 of 31 December 1998 on the conversion rates between the euro and the currencies of the Member States adopting the euro (OJ L 359, 31.12.1998, p. 1).

⁽⁵⁾ Act concerning the conditions of accession of the Republic of Bulgaria and Romania and the adjustments to the treaties on which the European Union is founded (OJ L 157, 21.6.2005, p. 203).

⁽⁶⁾ Council Decision (EU) 2025/[...] of [...] [...] on the adoption by Bulgaria of the euro on 1 January 2026.

HAS ADOPTED THIS REGULATION:

Article 1

In Article 1 of Regulation (EC) No 2866/98, the following line is inserted between the conversion rates applicable to the Belgian franc and the German mark:

‘= 1.95583 Bulgarian lev’.

Article 2

This Regulation shall enter into force on 1 January 2026.

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

Done at Brussels,

For the Council
The President