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Delegations will find attached document COM(2025) 301 final/2.

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2025/0159 (NLE)

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 974/98 as regards the introduction of the euro in Bulgaria

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

On 4 June 2025, the Commission released 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 indicates that Bulgaria fulfils the necessary conditions to adopt the euro and that the derogation of Bulgaria is abrogated with effect from 1 January 2026.

In the event of a positive decision, the Council will subsequently have to take the other measures needed for introducing the euro in Bulgaria.

Council Regulation (EC) No 974/98 on the introduction of the euro ⁽¹⁾ governs the initial introduction of the euro in the first-wave euro-area Member States and Greece ⁽²⁾. That Regulation was amended by:

- Regulation (EC) No 2169/2005, to prepare for future enlargements of the euro area
- Regulation (EC) No 1647/2006, to cover Slovenia (which adopted the euro on 1 January 2007)
- Regulation (EC) No 835/2007, to cover Cyprus (which adopted the euro on 1 January 2008)
- Regulation (EC) No 836/2007, to cover Malta (which adopted the euro on 1 January 2008)
- Regulation (EC) No 693/2008, to cover Slovakia (which adopted the euro in January 2009)
- Regulation (EU) No 670/2010, to cover Estonia (which adopted the euro in January 2011)
- Regulation (EU) No 678/2013, to cover Latvia (which adopted the euro in January 2014)
- Regulation (EU) No 827/2014, to cover Lithuania (which adopted the euro in January 2015)
- Regulation (EU) No 2022/1207, to cover Croatia (which adopted the euro in January 2023).

For Bulgaria to also be covered by Regulation (EC) No 974/98, a reference to this Member State needs to be added to that Regulation. This proposal contains the necessary amendments to that Regulation.

Bulgaria's National Euro Changeover Plan specifies that the adoption of the euro as the currency of Bulgaria should coincide with the introduction of euro banknotes and coins in Bulgaria.

⁽¹⁾ OJ L 139, 11.5.1998, p. 1.

⁽²⁾ Council Regulation (EC) No 2596/2000 of 27 November 2000 amending Council Regulation (EC) No 974/98 on the introduction of the euro (OJ L 300, 29.11.2000, p. 2).

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

Discussions with Member States on the economic policy challenges in Member States are regularly held under various headings in the Economic and Financial Committee (EFC) and the ECOFIN/Eurogroup. These include informal discussions on issues specifically relevant to preparing for eventual entry into the euro area (including exchange rate policies).

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

3. LEGAL ELEMENTS OF THE PROPOSAL

3.1. Legal basis

The legal basis for this proposal is Article 140(3) TFEU, which allows for the adoption of the other measures needed for introducing the euro in a Member State whose derogation has been abrogated under Article 140(2) TFEU.

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

3.2. Subsidiarity and proportionality

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

This initiative does not go beyond what is needed to achieve its objective and, therefore, complies with the proportionality principle.

3.3. Choice of legal instrument

A Regulation is the appropriate legal instrument for amending Council Regulation (EC) No 974/98 on the introduction of the euro.

4. BUDGETARY IMPLICATION

The proposal has no implications for the budget of the Union.

5. COMMENTARY ON INDIVIDUAL ARTICLES

5.1. Article 1

In accordance with Article 1 lit. (a) and with Article 1a of Regulation (EC) No 974/98, the table in the Annex to that Regulation lists the participating Member States and defines the euro adoption date, the cash changeover date, and the 'phasing-out' period, if applicable, for all these Member States.

According to Article 1 lit. (i) of Regulation (EC) No 974/98, a 'phasing-out' period can only apply to Member States where the euro adoption date and the cash changeover date fall on the same day. This was neither the case for the eleven

Member States that adopted the euro on 1 January 1999, nor for Greece, which adopted the euro on 1 January 2001.

The dates for adopting the euro and the cash changeover coincided in Slovenia, Cyprus, Malta, Slovakia, Estonia, Latvia, Lithuania and Croatia (1 January 2007 for Slovenia, 1 January 2008 for Cyprus and Malta, 1 January 2009 for Slovakia, 1 January 2011 for Estonia, 1 January 2014 for Latvia, 1 January 2015 for Lithuania, 1 January 2023 for Croatia). However, these countries chose not to have a ‘phasing-out’ period.

Bulgaria’s National Euro Changeover Plan also sets the same date for the country's adoption of the euro and the cash changeover (1 January 2026), and Bulgaria chose not to have a ‘phasing-out’ period.

This Article adds Bulgaria and the following relevant data for this Member State to the table in the Annex to Regulation (EC) No 974/98 in protocol order.

Member State	Euro adoption date	Cash changeover date	Member State with a ‘phasing-out’ period
‘Bulgaria	1 January 2026	1 January 2026	No’

5.2. Article 2

This Article sets the date of 1 January 2026 for the entry into force of the Regulation, ensuring that it will be applicable in conformity with the timing of the other Council acts related to Bulgaria's adoption of the euro, i.e. the same date when the derogation is abrogated and when the conversion rate for the Bulgarian lev enters into force.

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 974/98 as regards the introduction of the euro in 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 974/98 ⁽⁴⁾ provides for the substitution of the euro for the currencies of the Member States which fulfilled the necessary conditions for the adoption of the euro at the time when the Community entered the third stage of economic and monetary union.
- (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.
- (3) Pursuant to Council Decision (EU) 2025/.... ⁽⁶⁾, Bulgaria fulfils the necessary conditions for the adoption of the euro and the derogation regarding Bulgaria is to be abrogated with effect from 1 January 2026.
- (4) The introduction of the euro in Bulgaria requires the extension to Bulgaria of the existing provisions on the introduction of the euro that are set out in Regulation (EC) No 974/98.
- (5) Bulgaria National Euro Changeover Plan specifies that euro banknotes and coins should become legal tender in that Member State on the day of the introduction of the euro as its currency. Consequently, the euro adoption date and the cash changeover date should be 1 January 2026. No ‘phasing-out’ period should apply.
- (6) Regulation (EC) No 974/98 should therefore be amended accordingly,

⁽³⁾ Opinion of [...] [...] [...].

⁽⁴⁾ Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro (OJ L 139, 11.5.1998, 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/... on the adoption by Bulgaria of the euro on 1 January 2026.

HAS ADOPTED THIS REGULATION:

Article 1

In the Annex to Regulation (EC) No 974/98, the following entry is inserted between the entry for Belgium and the entry for Germany:

'Bulgaria	1 January 2026	1 January 2026	No'
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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