



BANK OF ENGLAND

News release

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Completing the Euro Changeover

The Bank of England is publishing today a new edition in its series of guides to the euro, Practical Issues, which has examined all aspects of the introduction of the new currency and is widely read.

This edition focuses mainly on the completion of the changeover to the euro from the 12 previous national currencies of the euro area, which will shortly be accomplished. In just 15 working days' time, after 31 December, it will no longer be possible to make payments through the banking system in Deutsche Marks, French francs and so on; and all bank accounts and financial contracts will have been converted to euro, along with all other forms of economic activity involving currency. Within (at most) two months from that date, it will similarly be possible only to make cash transactions using euro notes and coin. The euro will then be a complete currency, rather than the 'virtual' currency it has been until now.

The technical preparations have been complex and challenging, and required meticulous planning. They have been executed more or less according to plan and to date. In the light of all the information assembled in Practical Issues, including from the euro-area authorities, the Bank concludes:

"Given the careful preparations that have been made throughout the euro area, all the indications are that, while some temporary inconvenience for the general public is inevitable, this should not prevent the completion of the changeover from being a considerable technical success."

The Bank is grateful for all the assistance it has received from central banks in the euro area, and particularly to those which have contributed short articles to this edition on different aspects of the changeover in their countries.

Enquiries to Bank of England Press Office on 0207 601 4411.

Note for Editors

The background to the completion of the changeover and the main areas of technical work involved, for banks and central banks, are set out in the Foreword (page 5) and Overview (pages 7-14 inclusive). The

subsequent text provides a quarry of authoritative, detailed and up-to-date information on the changeover, for all those interested in the subject. It looks in detail at the changeover in retail banking services, the changeover to euro notes and coin, the information campaign, managing the risks arising from the changeover, the economic impact, and the implications for the UK.

The Bank of England has been publishing Practical Issues since early 1996. This is the sixteenth edition: the previous edition was six months ago, in June. Even though Practical Issues is produced by a central bank outside the euro area, it has become well known, across London and the financial centres in Europe and beyond, as a comprehensive and informed source of information about the euro. (36,000 hard copies are circulated, of which over 6,000 go overseas, as well as numerous hits on the website.) This is not surprising, however, given that a large part of the euro markets have been in London since the euro was launched three years ago, and that London remains unchallenged as the major international financial centre in the European time zone.

Practical Issues makes clear that the two main reasons for the Bank of England's monitoring of the completion of the first-wave changeover are first to provide practical information about the implications now, with the euro a foreign currency; and second to enable lessons to be drawn, after the changeover has been completed, for a changeover in the UK from sterling to the euro, if it were to decide to join EMU.