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EUROSYSTEM

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Conference on Euro Changeover Preparations

Preparing the Financial Sector Slovenia

Warsaw, 10-11th March 2011

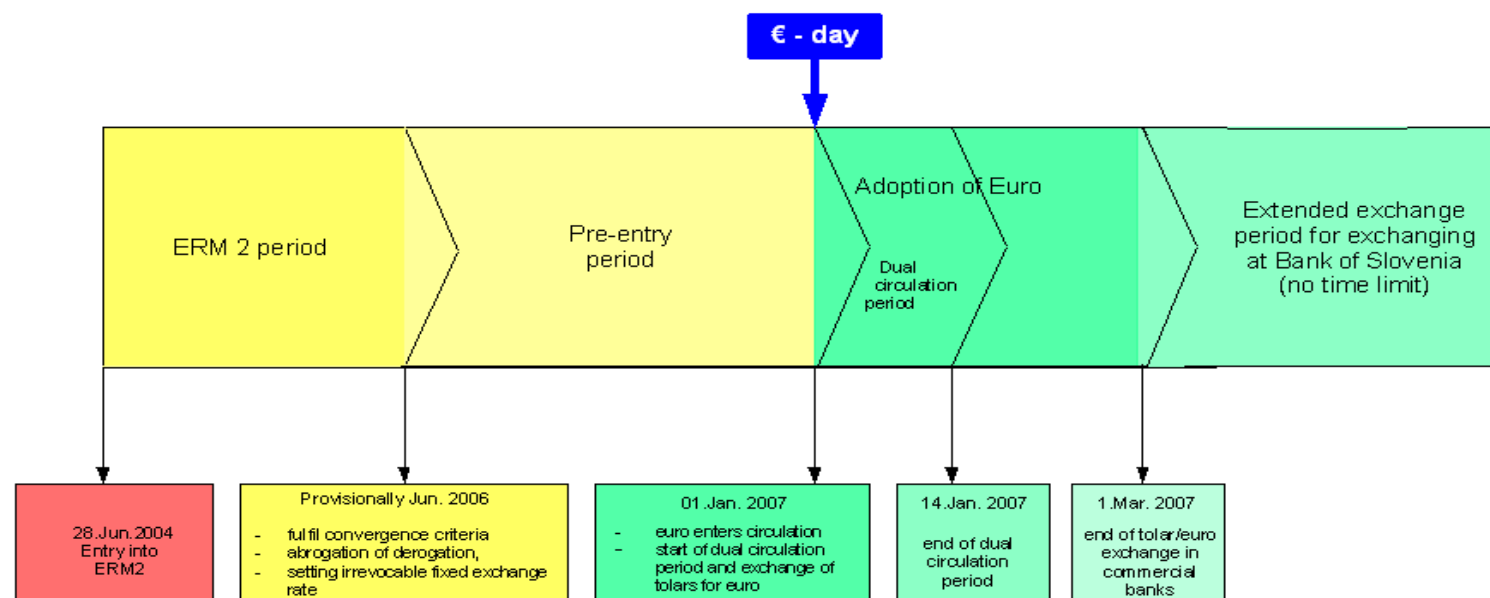
Darko Bohnec, Vice Governor
Banka Slovenije

Preparations for eurochangeover

Euro changeover

First timetable for euro adoption (Jan 2005)

TIMETABLE FOR EURO ADOPTION*

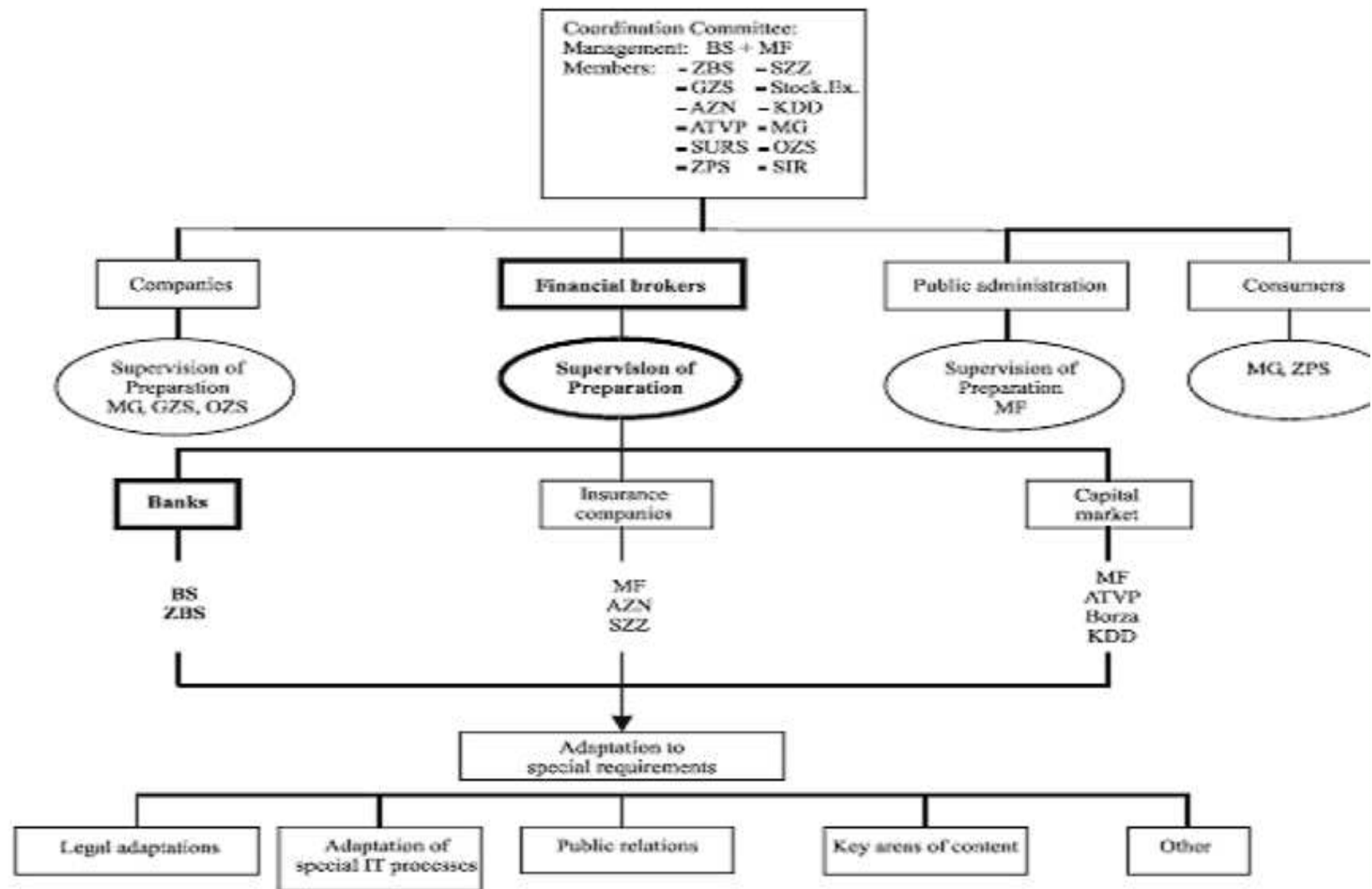


* all dates are provisional

Euro adoption documents:

- 1. Joint BoS / Government ERM II entry and Euro adoption programme – November 2003**
- 2. Joint BoS / Government Changeover masterplan – February 2005**
 - first supplement - February 2006
 - second supplement – November 2006
- 3. Joint BoS / Government Communication campaign – June 2005**

National Coordination Committee



National Coordination Committee – participating institutions

Abbreviations:

BS	– Bank of Slovenia
MF	– Ministry of Finance
ME	– Ministry of the Economy
ZBS	– Bank Association of Slovenia
GZS	– Chamber of Commerce and Industry of Slovenia
AZN	– Insurance Supervision Agency
ATVP	– Securities Market Agency
SURS	– Statistical Office of the Republic of Slovenia
SZZ	– Slovenian Insurance Association
KDD	– Central Securities Clearing Corporation
IT	– Information Technology
ZPS	– Slovene Consumers' Association
GZS	– Chamber of Crafts of Slovenia
SIR	– Slovenian Institute of Auditors

Changeover plan in Slovenia

1. Scenario chosen:

Big Bang

2. Coordination of activities:

National Coordination Committee, co-chaired by
MF and BoS

3. Changeover rules:

- Council Regulations
- Changeover national law

Preparations in EU

1. Amendments to Regulation 974/98
 - definition of alternative scenarios (3)
2. Decision on new common side of eurocoins
3. Activation of PAN II
4. Cooperation with the Republic of Slovenia
 - Strategic partnership between the Government of Republic of Slovenia and the Commission (November 2005)

Preparations in Slovenia (1)

1. Legal Convergence adjustment

- adjustments of BoS Law to the ESCB and ECB Statute

2. Legal adjustment to changeover

- Law on Euro adoption
- six other laws

3. Accession to Eurosystem

- accession to TARGET
- transition to the use of ECB instruments

4. Cash Changeover

- decision on motives for national side of eurocoins
- minting of coins with new national and common side
- front and subfrontloading (distribution logistic, ownership issue, insurance, stocking, security, counterfeiting etc.)

Preparations in Slovenia (2)

5. Business adjustments

- public administration, banks, stock exchange, enterprises, craftsmen
- specific issues: conversion, accounting, payments, ATMS, AVMS, POS terminals, credit cards, continuity of contracts, rounding, IT support etc.

6. Switch in minds

- double pricing
- communication campaign

Law on Euro adoption (1)

1. Conversion without costs during changeover period. Bank right to charge costs for cash conversion over 1.500 Euro, if not announced in advance.
2. 14-days dual circulation period, two months changeover period.
3. Switch in interest rates from SITIBOR to EURIBOR.
4. Conversion of debt instruments bottom up by instrument (default method)
5. Obligation of state authorities to convert tolar values into euro in procedures under their authority.

Law on Euro adoption (2)

6. Rounding of prices of sensitive products and services on more decimals (electricity, phone impulses, public utilities, gasoline).
7. Debtors obligation to correctly convert tolar values when presenting payment orders. Special transitional regime for certain payment instruments.
8. Exchange rate on the date of acquiring for determination of taxable base at the date of sale of capital assets for citizens.
9. Irrevocably fixed exchange rate for conversion of pensions and other social transfers.
10. Tolar values in legal acts and instruments accounted for as euro values, converted at irrevocably fixed exchange rate.

Dual Pricing

The aim of dual pricing and informative dual pricing is:

- to facilitate an orderly changeover in currency
- to allow consumers to gradually adjust to and prepare for goods and services being priced in euros
- to use price comparability to prevent inflation rising as a result of the introduction of the euro

Informative dual pricing:

- begins 1 March 2006
- ends on the day the conversion rate is set
- uses the central exchange rate (€1 = 239.640 tolar)

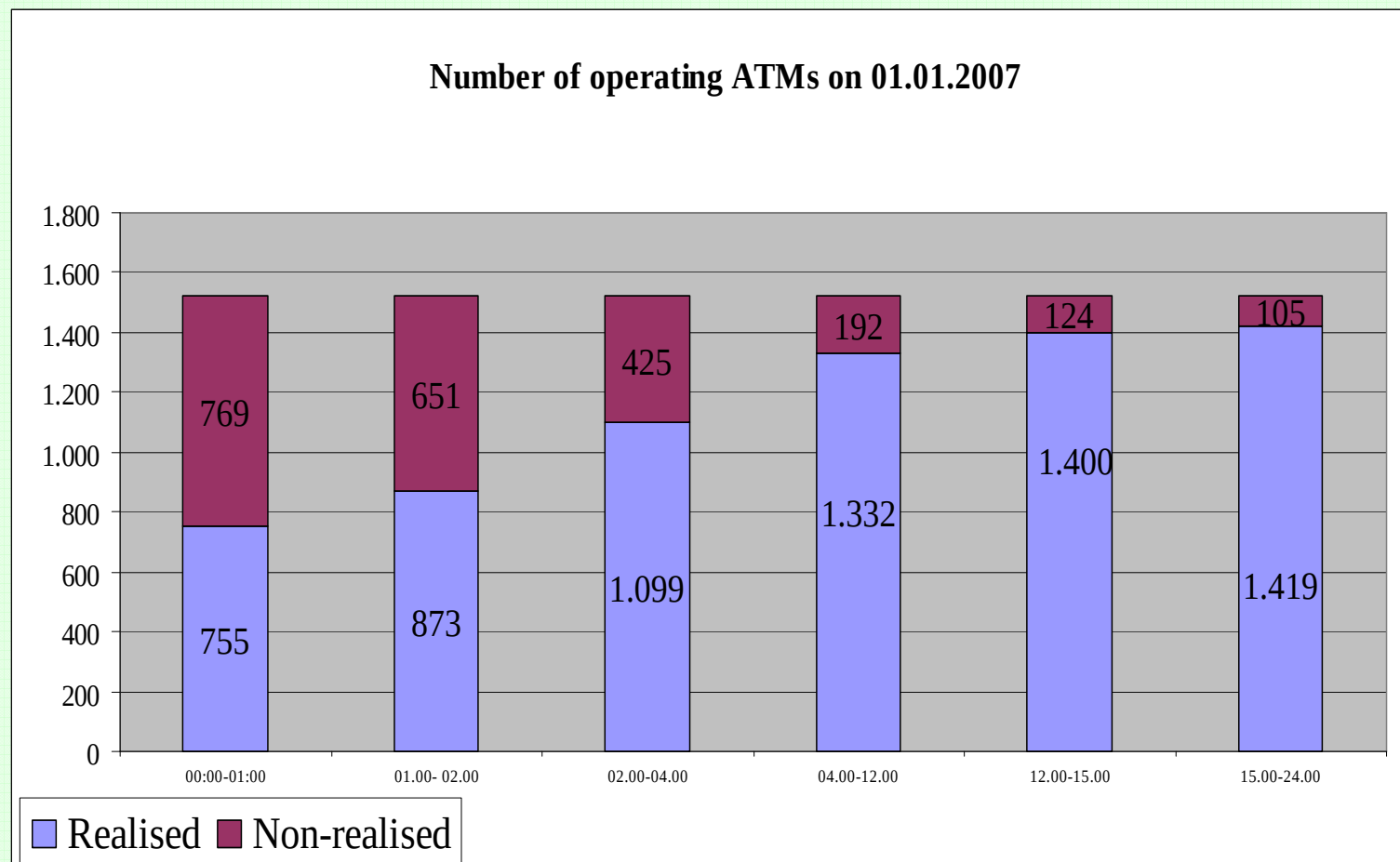
Dual pricing:

- begins on the day after the conversion rate is set
- ends six months after the introduction of the euro

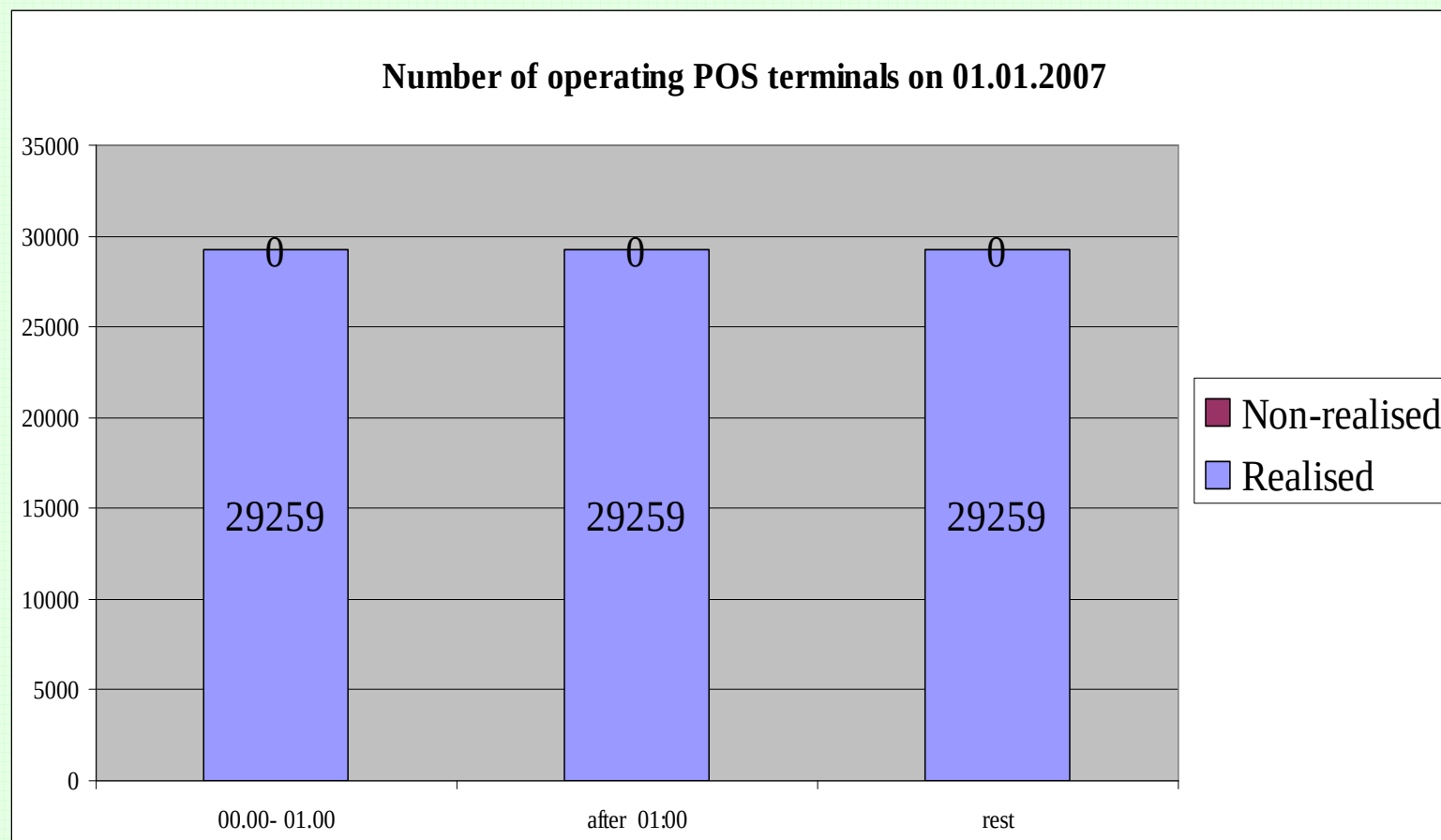
Change over to euro in Slovenia - the story

- ATMs, POS
- Cash in circulation
- Ex ante euroization

Number of operating ATMs on 01.01.2007

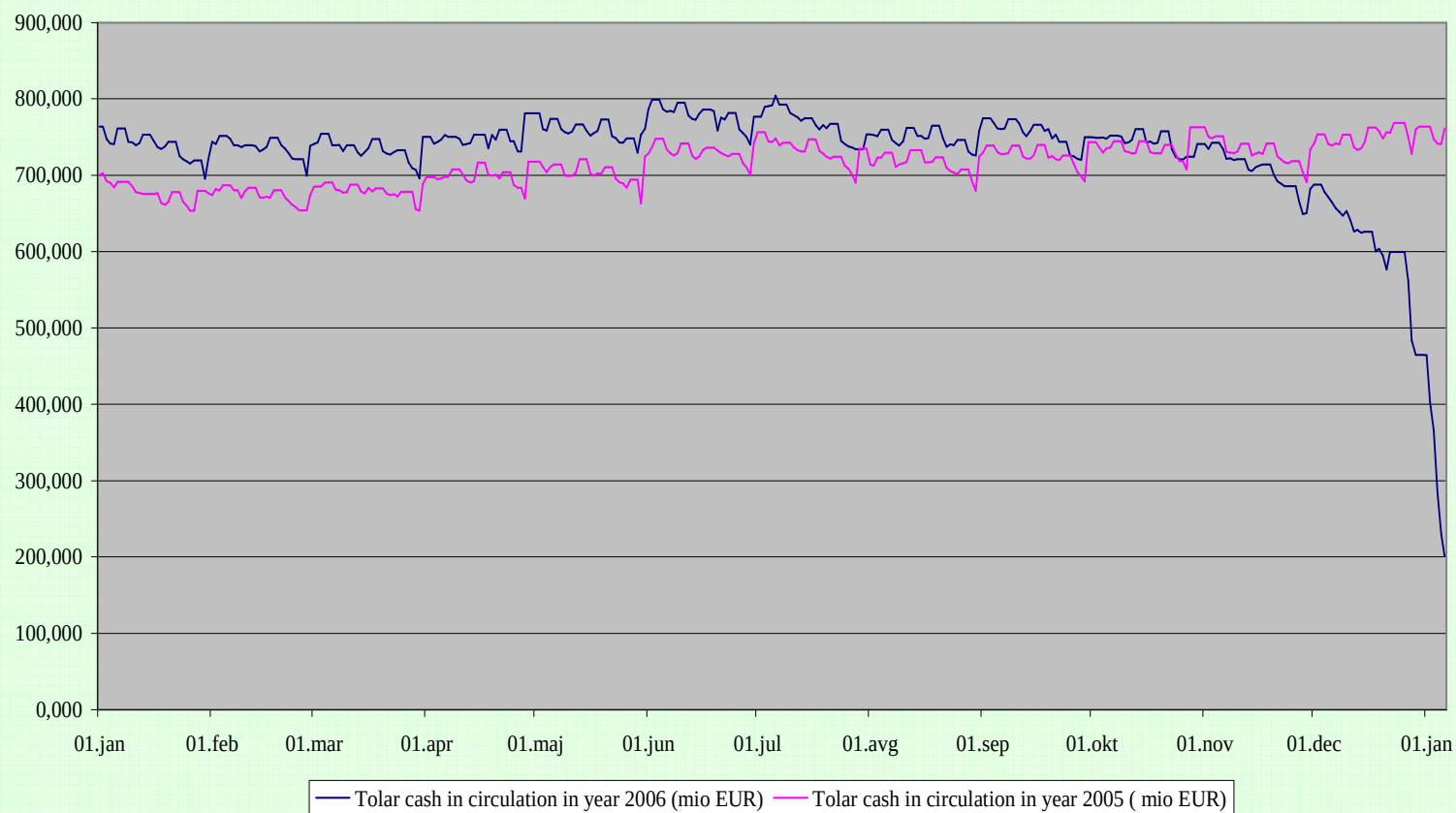


Number of operating POS terminals on 01.01.2007

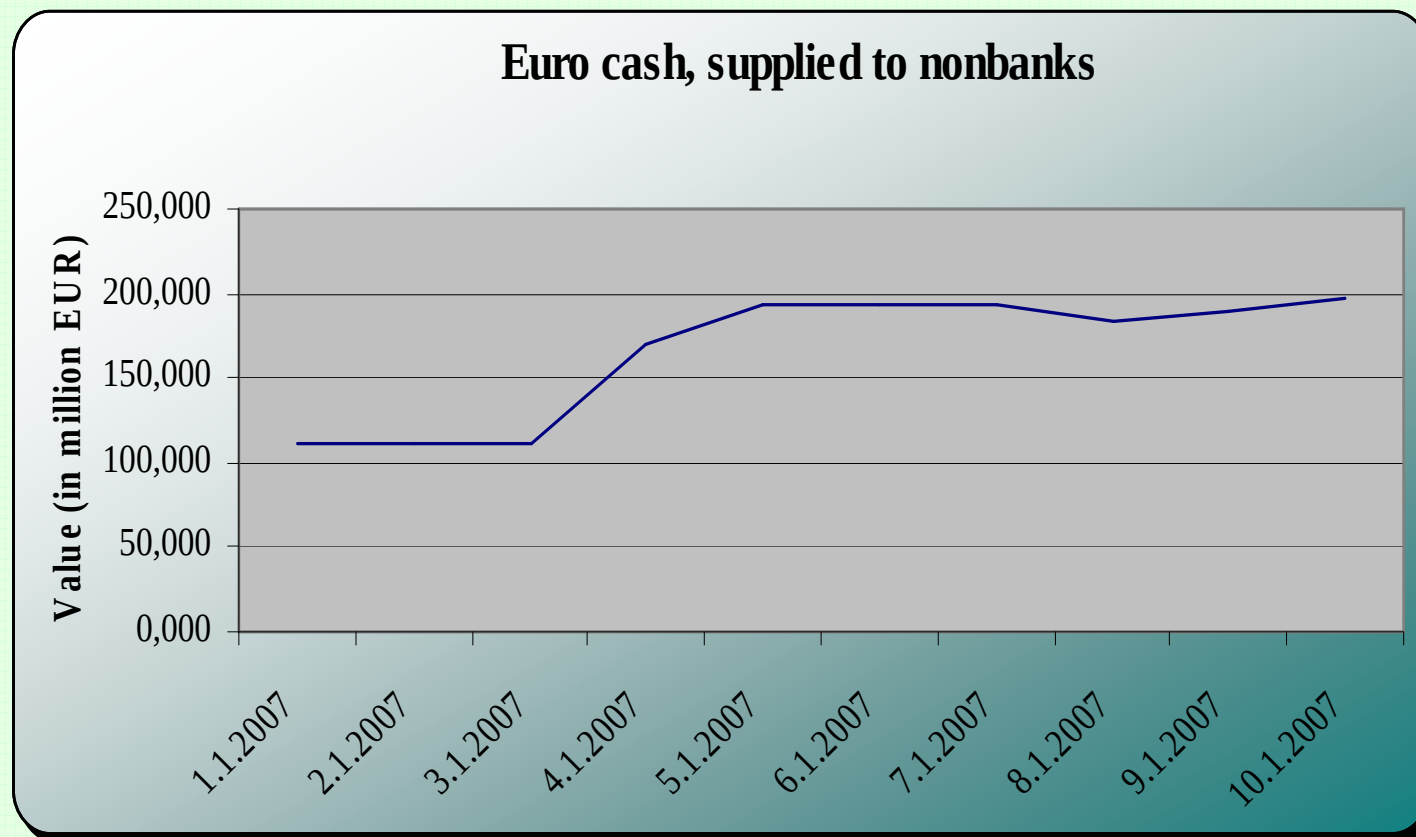


Tolar cash in circulation

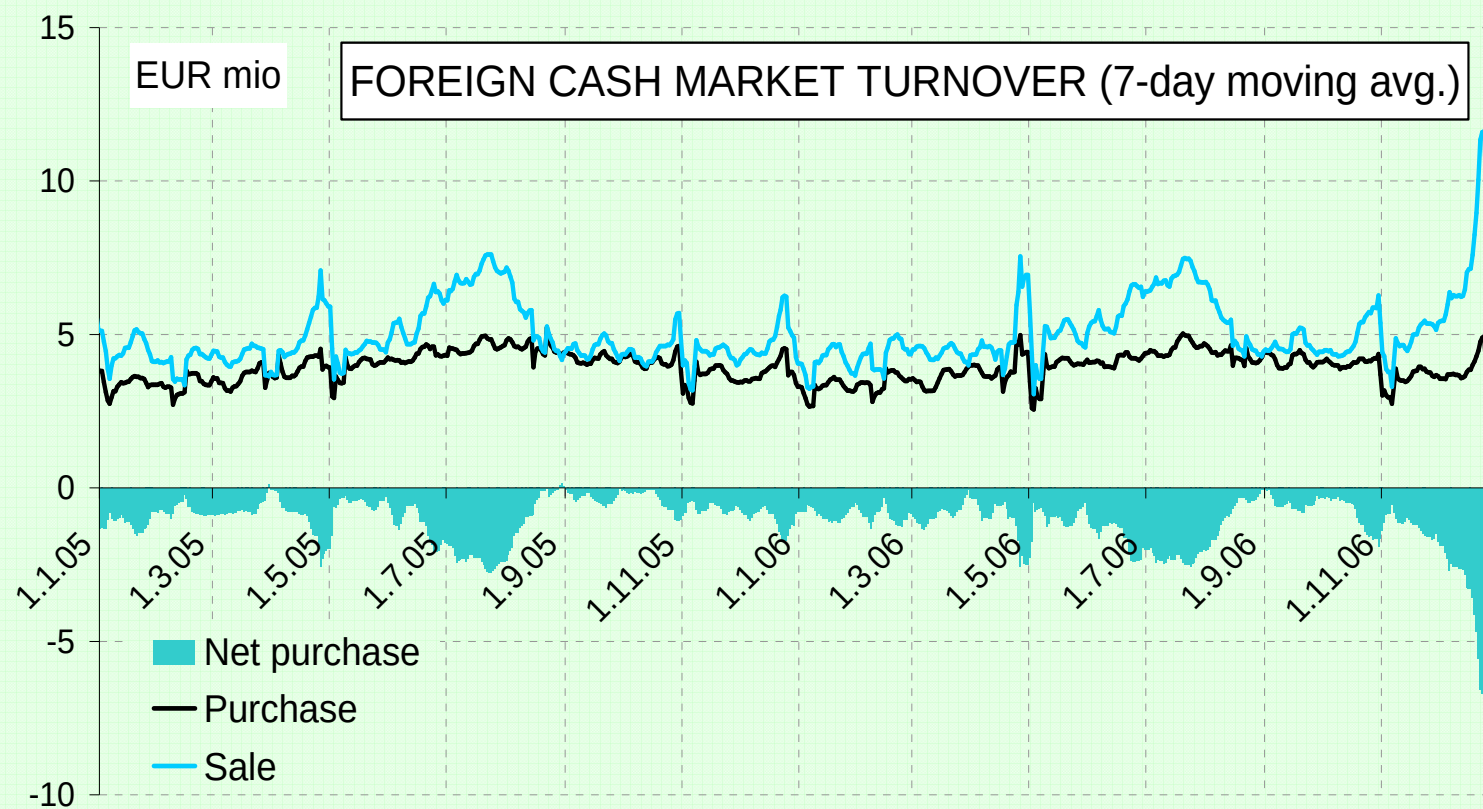
Tolar cash in circulation in year 2005 and 2006, presented in euros



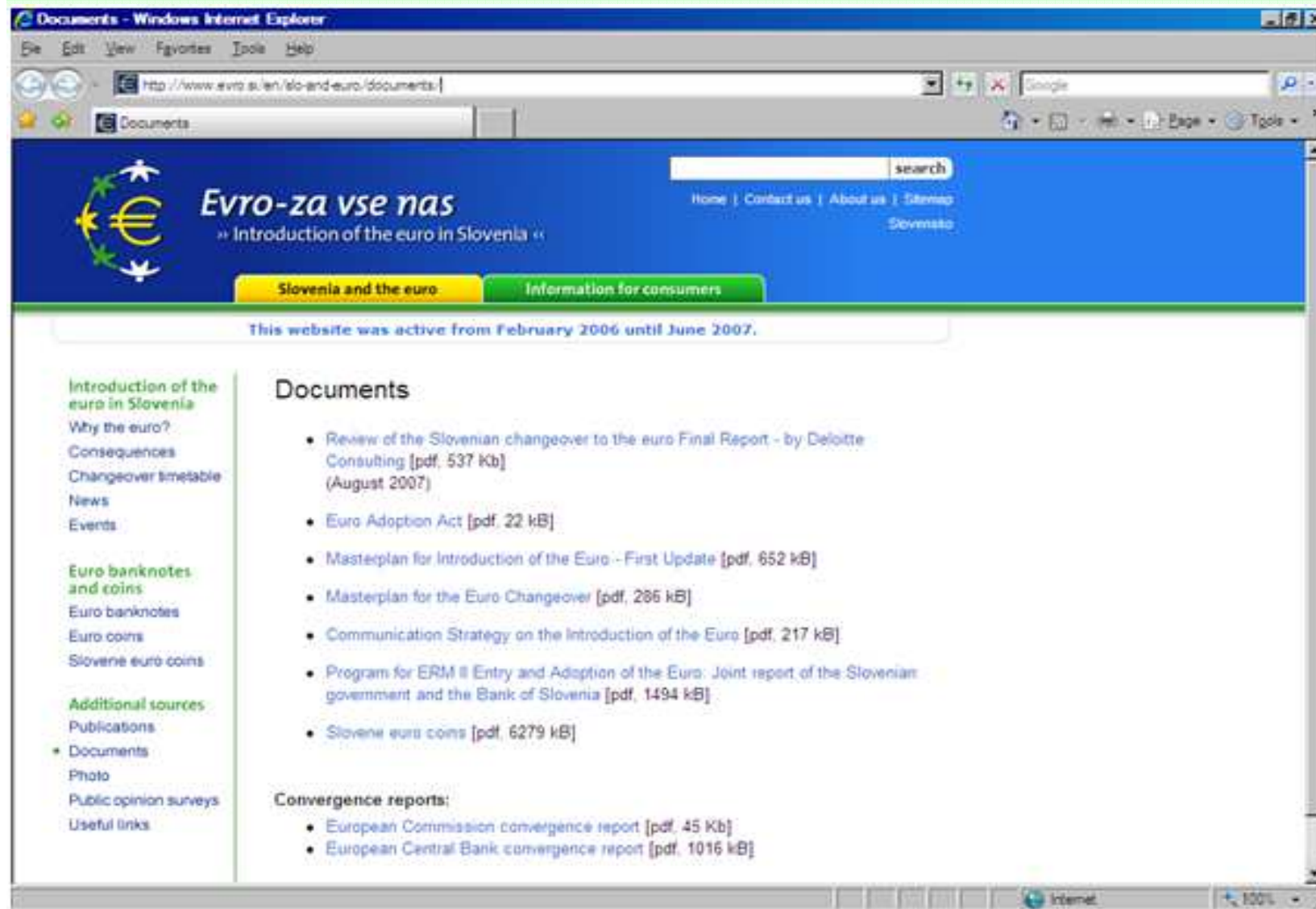
Euro cash in circulation



Ex ante euroization



<http://www.evro.si/en/slo-and-euro/documents/>



**Thank you
for your attention**