

Abstract

This rigorosum thesis focuses on the influence of the introduction of the euro on the Czech legal system, especially with respect to financial law issues. It describes the basic legal provisions regulating the euro on the European level (regulations, directives, and statements) and the national level together with the latest decision making practice of the European Court of Justice and Supreme Court of the Czech Republic and Prague High Court in this respect. European regulations have a direct affect on the Czech Republic. However, the Czech Republic has an exemption according to clause 139 of the Treaty on the Functioning of the European Union as a member state which has not introduced euro yet, therefore some legal provisions are not applicable. The Czech Republic has some past experience with introducing a new monetary unit, as after the split-up of former Czechoslovakia in 1992 the Czech crown was introduced as Czech legal tender.

The main part of the theses examines in detail the Czech financial law legal regulations that have to be changed because of the introduction of the euro. There are approximately 310 Czech acts that have to be amended accordingly. The main reasons for the amendments are the following: (i) the legal acts contain amounts in Czech crowns, which could be not automatically converted to euro using clause 14 of Council Regulation (EC) no. 974/98 of 3 May 1998, (ii) the legal acts contain references to interest rates announced by the Czech National Bank or other inconsistent references (eg deposits protected by the deposit-guarantee schemes are paid in Czech crowns), and (iii) the transposition of the European directives was made in the past and the converted amounts from the European directives are inconsistent with regard to the official EUR/CZK exchange rate. Some new acts also have to be adopted because of the complexity of the regulated area (especially a new Act on the Czech National Bank, the effectiveness of which has to be postponed until the moment the euro is introduced and a General Act on the Introduction of the Euro, which will contain the general rules applicable to other affected provisions such as the rules for rounding, rules for dual circulation, rules for conversion, etc).

The introduction of the euro will also have an essential impact on the functioning of the Czech National Bank. This thesis therefore describes the main tasks for the Czech National Bank and Czech commercial banks before and after the introduction of the euro. The

practical impacts of issues surrounding how the introduction of the euro are will be solved, such as the rounding of amounts, dual pricing, cash change and replacement of market indexes, are also addressed.

Keywords: introduction of euro, financial law, Czech National Bank