



Chapter 32 - Protection of the euro against counterfeiting (non-penal aspects)

Explanatory Meeting

5 December 2018, Brussels

These slides accompany the explanation of the acquis to Albania and North Macedonia and can only be used for that purpose. Their content is subject to further development of the acquis and interpretation by the Court of Justice of the European Union

Outline of the presentation

- Geneva Convention of 1929 for the suppression of counterfeiting currency
- Overview of EU legislation for the protection of the euro
- Fundamental measures – Reg.1338/2001
- Structure of protection of the euro
- Authentication – Reg. 1210/2010
- Medals and tokens – Reg. 2182/2004
- European Technical and Scientific Centre (ETSC)
- The Pericles Programme and the regional cooperation

International Convention for the Suppression of Counterfeiting Currency, Geneva, 1929

- UN Convention: Definition of counterfeiting offences
- Principle of non-discrimination: no distinction between domestic and foreign currency in punishments
- Creation of Central offices for counterfeiting investigations
- Importance of ratification

EU legislation for the protection of the euro

- Fundamental measures: Council Regulation (EC) 1338/2001 amended by Council Regulation (EC) 44/2009
- Authentication of euro: ECB Decision 2010/14 (banknotes) and Regulation (EU) 1210/2010 (coins)
- Medals and tokens similar to euro coins: Council Regulation (EC) 2182/2004 amended by Council Regulation (EC) 46/2009
- European Technical and Scientific Centre (ETSC): Council Decision 2003/861/EC followed by Commission Decision 2005/37/EC as amended by Commission Decision (EU) 2017/1507
- Pericles Programme: Council Decision 2001/923/EC amended by Council Decision 2006/849/EC and 2006/75/EC

Fundamental measures

Reg. 1338/2001 amended by Reg. 44/2009 – for euro area MS

Reg. 1339/2001 amended by Reg. 45/2009 – for non-euro area MS

- Definition of counterfeiting (Art.1), counterfeit notes and coins, competent national authorities (Art.2)
- Procedures for gathering, storing and exchange of technical and statistical data on counterfeits (Art.3) and for transmission of suspected notes and coins for analysis (Art.4&5)
- Obligation for "financial institutions" to withdraw and hand over counterfeits (Art.6)
- Co-operation at national and international level (Art.7-9)
- Dedicated bodies – competent national authorities (Art. 4(1) and 5(1)) & European bodies (Art. 4(4) and 5(4))

Fundamental measures

Reg. 1338/2001 amended by Reg. 44/2009 – for euro area MS

Reg. 1339/2001 amended by Reg. 45/2009 – for non-euro area MS

Art. 4 (notes) & Art. 5 (coins) – Obligation to transmit counterfeit notes and coins for analysis:

- ✓ MS to designate National Analysis Centre (NAC) – Art. 4(1) and Coin National Analysis Centre (CNAC) – Art.5(1)
- ✓ Competent national authorities to permit examination of each type of suspected counterfeit note or coin by NAC or CNAC – Art.4(2&3) and Art.5(2&3)
- ✓ Every new type of suspected counterfeit note to be sent to ECB – Art. 4(2)
- ✓ Every new type of suspected counterfeit coin to be sent to ETSC in DG ECFIN- Art. 5(2)

Fundamental measures

Reg. 1338/2001 amended by Reg. 44/2009 – for euro area MS

Reg. 1339/2001 amended by Reg. 45/2009 – for non-euro area MS

Art. 6 - Obligation for institutions to:

- ✓ Check the authenticity of euro notes and coins before putting them back into circulation
- ✓ Withdraw from circulation suspected counterfeit euro notes and coins
- ✓ Hand them over to the competent national authorities

How the European Commission protects the euro

The 4 pillars which provide protection against euro counterfeiting



		NATIONAL LEVEL	EU LEVEL
TECHNICAL ANALYSIS	BANKNOTES	NAC (National Analysis Centre)	ECB/CAC (Counterfeiting Analysis Centre)
	COINS	CNAC (Coin National Analysis Centre)	DGECFIN/ETSC (European Technical & Scientific Centre)
LEA COORDINATION (Banknotes and coins)		NCO (National Central Office)	EUROPOL
AUTHENTICATION (Banknotes and coins)		Designated national authorities	ECB ETSC

Authentication of euro coins

Regulation (EU) No 1210/2010

Contains rules on implementation of Art. 6 of Regulation 1338/2001 with regards to COINS

- Art. 3(1) – obligation for institutions to authenticate before recirculating by:
 - Coin-processing machines included on the ETSC list
 - Trained personnel
- Art. 3(2) – obligation to submit all suspected coins and coins unfit for circulation to CNACs
- Art. 4&5 – requirements for coin processing machines
 - capable of withholding the known types of counterfeits
 - successfully tested by CNAC or ETSC and published on the list of ETSC

Authentication of euro coins

Regulation (EU) No 1210/2010

- Art. 6 – annual controls by Member States inside institutions (functioning of machines, procedures in place)
- Art. 7 – ETSC to define guidelines (specifications of detection test for machines, training practices, controls by MS, reporting)
- Art. 8 to 11 – coins unfit for circulation (MS to withdraw and reimburse unfit coins, destruction of unfit coins, handling fees, packaging)
- Art. 12 – annual reporting to the Commission – details in the guidelines

Medals and tokens

Reg. 2182/2004 amended by Reg. 46/2009 - for euro area MS

Reg. 2183/2004 amended by Reg. 47/2009 - for non-euro area MS

- Art.2 - Prohibits medals and tokens similar to euro coins (risk of confusion for the public) based on design and size/shape
- Art.3 - Provides for exceptions
- Art.4 - Gives power to the Commission to decide:
 - Whether a metallic object is to be considered medal or token within the meaning of art. 1(c) of the Regulation
 - Whether a medal or token falls within the prohibition of Art.2
 - Grant specific derogations/authorisations to use term euro, euro cent or euro symbol in case where no risk of confusion exists

The European Technical and Scientific Centre (ETSC)

- Analyse and classify every new type of counterfeit euro coin
- Assist CNACs and law enforcement authorities in analysis and strengthening of protection
- Contribute to fulfillment of Pericles programme
- Coordinate periodic meetings of counterfeit coin experts - CCEG

Pericles Programme

The European instrument to protect the Euro (1 million per year)

The programme's philosophy: Multi- disciplinarily, complementarity , transnationality

Priorities 2019:

- ✓ Supporting activities aimed at improving cooperation among those Member States which are particularly affected by the production and distribution of counterfeits
- ✓ Fostering cooperation with authorities of those third countries where there is suspicion of or evidence for counterfeit euro production
- ✓ Maintaining an efficient framework for the protection of the euro in South Eastern Europe
- ✓ Topical developments (security features, enhanced implementation of the authentication Regulation, raw materials on internet, support for the establishment / reinforcement of NCO's)

Pericles Programme

The European instrument to protect the Euro (1 million per year)

Since 2002:

- More than 210 actions were implemented (technical trainings, Conferences, workshops, staff exchanges, studies)
- More than About 7.500 participants from more than 85 nationalities

Over the last four years:

- From Tirana - in 8 actions
- From Skopje – in 3 actions



Thank you for the attention

Unit DDG1.C.5 "Euro Protection and euro cash"
Directorate C
Directorate-General for Economic and Financial Affairs