

Chapter 32 - Protection of the euro against counterfeiting

(non-penal aspects)

SCREENING SERBIA
Explanatory Meeting
Brussels, 17 October 2013



EUROPEAN COMMISSION



Outline of the presentation

- 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
- Counterfeits monitoring system (CMS)
- European Technical and Scientific Centre (ETSC) in OLAF
- The Pericles Programme and the regional cooperation



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
- Counterfeits monitoring system(CMS): ECB/2001/11
- European Technical and Scientific Centre (ETSC): Council Decision 2003/861/EC followed by Commission Decision 2005/37/EC
- 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))



Structures for euro Protection

Who does what

		NATIONAL LEVEL	EU LEVEL
TECHNICAL ANALYSIS	BANKNOTES	NAC (National Analysis Centre)	ECB/CAC (Counterfeiting Analysis Centre)
	COINS	CNAC (Coin National Analysis Centre)	OLAF/ETSC (European Technical & Scientific Centre)
Law Enforcement COORDINATION (centralisation of info to facilitate the investigation and prevention (Banknotes and coins))		NCO (National Central Office) Art.12 of Geneva convention	EUROPOL



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 OLAF - 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 (New)
- Withdraw from circulation suspected counterfeit euro notes and coins
- Hand them over to the competent national authorities



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 - **Institutions** engaged in the processing and distribution to the public of notes and coins

Broad range of addresses:

- Credit institutions – "an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account" – Article 4(1)(a) of Directive 2006/48/EC
- Other payment service providers and institutions engaged in the processing and distribution to the public of notes and coins, including:
 - Bureaux de change
 - Transporters of funds (NEW)
 - Other economic agents distributing notes via ATMs (ex. casinos) Art



Authentication of euro

ECB Decision 2010/14 (banknotes) and Regulation (EU) 1210/2010 (coins)

Regulation 1338/2001 detailed in:

- ECB Decision 2010/14 (banknotes) + guidelines
- Regulation (EU) 1210/2010 (coins) + guidelines



Authentication of euro coins

Regulation (EU) 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
 - By 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) 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
 - Size and 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 Reg.
 - 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



Counterfeits monitoring system

Decision of the European Central Bank ECB/2001/11

- **Central database** managed by ECB containing all technical and statistical information **on counterfeiting**, both on **euro banknotes and coins**, whether originated in the Member States or in third countries
- Introduction of data by NACs and CNACs
- Access: NCBs of MS, NACs, CNACs, ETSC, Europol + based on agreements third parties or third countries
- National Counterfeit Centres (NCC) within each National Central Bank (NCB) to create a role of security administrator



The European Technical and Scientific Centre (ETSC)

Council Decision 2003/861/EC (for euro area MS) and Council Decision 2003/862/EC (for non-euro area MS)

- Commission to establish ETSC to protect euro coins against counterfeiting



Commission Decision 2005/37/EC establishing the European Technical and Scientific Centre (ETSC) and providing for coordination of technical actions to protect euro coins against counterfeiting

- Established in OLAF



The European Technical and Scientific Centre (ETSC)

Mandate – Art. 2 and 4 of Commission Decision 2005/37/EC

- 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



Cooperation with experts the winning factor

ECEG – Euro counterfeit experts group (policy)

CCEG – Counterfeit coin experts group (technical)

MEMBER STATES

Law
enforcement
Judiciary
Central Banks

Mints
CNACs



COMMON STRATEGY TO PROTECT THE EURO

**ETSC
ECB
EUROPOL
INTERPOL**



The Pericles Programme

Council Decision 2001/923/EC amended by 2006/849/EC and 2006/75/EC – for euro area
Council Decision 2001/924/EC amended by 2006/850/EC and 2006/76/EC – for non-euro area MS

The European instrument to protect the Euro

Established by Council decision 2001/923/EC: training and technical assistance for the protection of the euro against counterfeiting

Budget: 1 MILION EURO PER YEAR



The Pericles' philosophy

Multi-disciplinary

Police
Judiciary
Central banks

Complementary

Complements
national measures

Transnational

At least 2 countries



Pericles Programme

- Annual work programmes: discussed with MS in the Euro Counterfeits Experts Group (ECEG)
- Current programme runs from 2007 to 2013

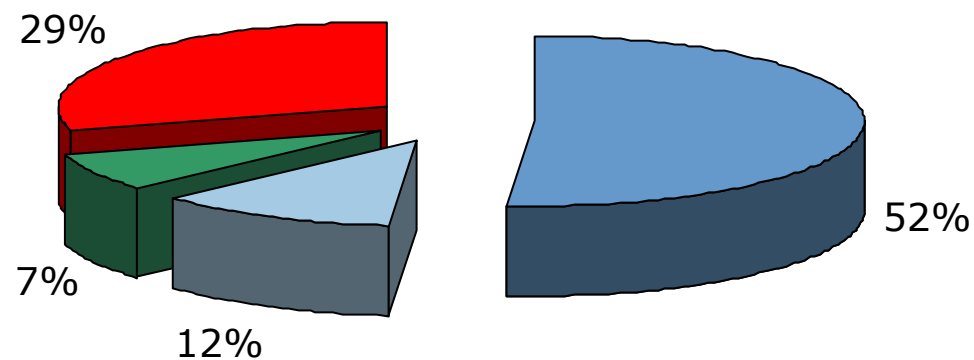
Priorities 2013:

- Focus on Member States at risk
- Strengthening the framework for the protection of the Euro in South Eastern Europe
- Consolidation of regional cooperation in North Eastern Europe
- Continuation of programmes relating to South America
- Targeted use of the programme in vulnerable region of Africa and the Mediterranean region



Pericles Activities 2002-2012

143 activities in total
(more than 7000 participants)



■ Seminars/Trainings ■ Workshops ■ Studies ■ Staff Exchanges



Pericles Actions in Serbia

- One training organised in Belgrade in 2010
 - In cooperation with Central Bank
- Serbia participates on regular basis in the Pericles actions.

