



# Commission Recommendation concerning authentication of euro coins and handling of euro coins unfit for circulation

*Part II*

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# Outline

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# Definition of euro coins unfit for circulation

Genuine euro circulation coins which are:

- § defective; or
- § altered by relatively long circulation or by accident (dimensions, weight, colour, corrosion, edge damages);
- § deliberately altered (other than counterfeits).

Technical specifications: if one of the dimensions differs from the one specified for the respective euro coin by at least 0.30 millimetres and/or the weight by at least 5%.



# Recommended practice

- § Aim: Establishment of rules for handling and reimbursement or replacement of unfit euro coins common for all euro area Member States.
- § Lack of common rules for handling and reimbursement of unfit coins among euro area countries - discriminatory treatment.
- § In process of authentication of coins through automated sorting a number of coin-like objects are rejected including, inter alia, counterfeit coins and genuine coins unfit for circulation.



# Principles for reimbursement/ replacement of unfit euro coins

- § Reimbursement irrespective of national side.
- § Reimbursement for individuals and companies established in MS or outside the euro area.
- § Similar conditions to be achieved over a transitional period of three years allowing reimbursement irrespective of the country of origin.
- § Refusal of reimbursement of deliberately altered genuine euro coins, if this is in conflict with national practice or tradition (disrespect of king's effigy, disrespect of issuing authority etc.).



# Handling fees

- § Uniform fee: 5% of the nominal value of the submission - compromise.
- § Additional fee: 15% of the nominal value of each bag/box, if a bag/box contains counterfeits or shows anomalies (wrongly sorted coins, non-euro coins, euro coins with a non-identifiable denomination, other discrepancies).
- § Transport and related costs to be borne by the submitting entity.
- § Counterfeit coins delivered should not be subject to handling or other fees.



# Exemptions from handling fees

## § Exemption from handling fees:

up to one kilogramme of unfit coins per denomination per year for submitting entity.

## § General exemption from handling fees:

where submitting entities cooperate closely and regularly with authorities in withdrawing unfit euro coins from circulation.



# Packaging of unfit euro coins

## (1)

- § Submitted coins should be sorted per denomination in standardised bags or boxes according to standards of the individual MS.
- § Failure to meet these standards may lead to refusal of the submission.
- § In absence of national packaging standards, the bags or boxes should comprise:
  - 500 coins for the denominations of €2 or €1;
  - 1000 coins for the denominations of €0.50, €0.20 and €0.10;
  - 2000 coins for the denominations of €0.05, €0.02 and €0.01.





# Packaging of unfit euro coins

## (2)

- § Clear indications on each bag/box about:
  - submitting entity;
  - value and denomination;
  - weight;
  - date of packaging;
  - bag/box number.
- § Packaging list with an overview of the bags/boxes submitted.
- § If total quantity of unfit euro coins smaller than the above standards, sorting by denomination and submitting in non-standard packaging.



# Checks by the Member States

Member States should check the unfit coins with respect to:

- § **quantity** declared for each of the bags/boxes;
- § **authenticity**, with a view to ensuring that there are no counterfeits;
- § **visual appearance**, with a view to determining whether a bag/box shows anomalies (wrongly sorted coins, non-euro coins, euro coins with a non-identifiable denomination).



# Checks for quantity of coins

- § Weighing of each bag/box.
- § Tolerance range of -2 % and +1% to the nominal weight of the common standard packaging.
- § Equivalent control when national packaging conventions are different from standards.
- § Additional check for visible anomalies.
- § If weight of the bag/box outside the tolerance range, the entire quantity of bag/box concerned need to be processed.



# Checks for authenticity

- § Performed on the samples (minimum representative sample of 10% of quantities submitted for denominations of €2, €1, €0.50, €0.20 and €0.10).
- § Procedures:
  - in case of mechanical/automatic sorting, machines should be adjusted according to the authentication procedures;
  - in other cases, the criteria of CNAC.
- § If one counterfeit is detected, the entire quantity in the bag/box need to be authenticated.



# Checks for visual appearance

- § Performed on the 10 % samples.
- § If anomalies greater than 1%, relevant bag/box should be re-checked and the proportion of non-reimbursable coins should be determined through one of the methods:
  - manual examination of entire quantity of coins in bag/box concerned (in a way defined by competent national authorities);
  - check for visual appearance of additional 10% sample from the bag/box. The combined proportion of non-reimbursable coins counted in the two samples is extended to the entire content of the bag/box.



# Communication by the Member States

Member States should ensure that information concerning the services designated for reimbursement or replacement and specific modalities, such as packaging standards and fees, is available on the web sites and publications.



# Evaluation

New system – to be evaluated within 3 years with respect to:

- § harmonisation of the conditions for reimbursement or replacement of unfit coins;
- § appropriateness of abrogating exemptions from handling fees;
- § possibility of providing for a compensation mechanism among MS for the unfit coins reimbursed;
- § potential need for legislation.





Thank you  
for your  
attention