



Commission Recommendation concerning authentication of euro coins and handling of euro coins unfit for circulation (2005/504/EC)

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Protection of the Euro

Outline – authentication of euro coins

- Aim of authentication of euro coins.
- Recommended practice.
- Principles for authentication and testing.
- Recommended tests.
- Control and adjustment of sorting machines.
- Implementation
- Handling of coins unfit for circulation.



Need for authentication of euro coins

- 365 000 counterfeit coins have been removed or seized by police since 2002
 - Over ten million counterfeit coins may have been produced and may be circulating
- ⇒ Commission Recommendation of 27 May 2005 (2005/504/EC) concerning authentication of euro coins and handling on euro coins unfit for circulation



Aim of authentication of euro coins

To verify the authenticity of euro coins automatically or manually - rejection of:

- counterfeits;
- unfit genuine euro coins;
- foreign coins similar to the euro;
- other metallic objects such as medals and tokens similar to euro coins.



Recommended practice

Member States should carry out or supervise the authentication of the euro coins circulating on their territory (to assist implementation of Council Regulation (EC) 1338/2001):

=> to be conducted during the sorting/recycling process.



Principles for authentication and testing

- Denominations to be authenticated, as a minimum: 2 euro; 1 euro; 50 cent.
- Quantity of euro coins to be authenticated each year in each of the Member States: at least 10% of the total net volume issued.
- Member States to carry out checks to the appropriate number of credit institutions and other professional cash handlers.



Recommended tests

The control of the functioning of sorting machines should be carried out by means of a detection test preceded, if applicable, by a check for sorting:

- *sorting* test to check the capacity of correctly sorting all the euro coin denominations; applicable in the absence of national rules governing the sorting capacity;
- *detection* test to check that the machine is capable of rejecting objects that are not in conformity with the specifications of the euro coins, in particular counterfeit coins.



Control and adjustment of sorting machines

- Tests to be performed at least once a year on each of the sorting machines at the selected establishments, where the authentication takes place.
- Initial adjustment: manufacturers of sorting machines may test their equipment at certain CNACs or the ETSC – summary report to be provided.
- A consolidated list of sorting machines having successfully undergone the tests can be consulted at the CNACs or the ETSC.



Implementation of authentication procedures

9 Member States carry out (or intend to) coin authentication either fully or partially

4 MS full implementation – specific issues:

- NCB is normally supervise operations
- Coins are checked at sorting centres (BE,FR) coin rolling (DE) or at recycling centres (AT)
- 3 MS guarantee that 10% of total net volume is tested (AT, BE, DE)



Euro coins unfit for circulation: Definition

- Genuine euro circulation coins which are defective or damaged (dimensions, weight, colour, corrosion, edge damages);
- 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%.



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 and exemptions

- 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.
- 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 euro coins unfit from circulation.



Packaging of unfit euro coins

- Submitted coins should be sorted per denomination in standardised bags or boxes according to standards of the individual MS.



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).



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.



Implementation of rules on handling unfit coins

- Reimbursement/replacement of unfit coins, irrespective of national side – ensured by 4 MS (BE, FI, DE, L) and partly by NL; ES is working on the issue
- Provisions to refuse reimbursement exist (BE, DE, L)
- Handling fees and/or exemptions (BE, DE, L)
- Standardized bags/boxes (BE, DE, foreseen L)
- Check quantity, authenticity and visual appearance (BE, DE, L)
- Information available to public (DE, L)

New system – to be evaluated within 3 years.





Thank you
for your
attention