



EUROPEAN CENTRAL BANK

EUROSYSTEM

# The Europa series of euro banknotes

**Ton Roos**

Director Banknotes  
European Central Bank

ESTA Conference, Marseille, France  
2-4 June 2013

# Content

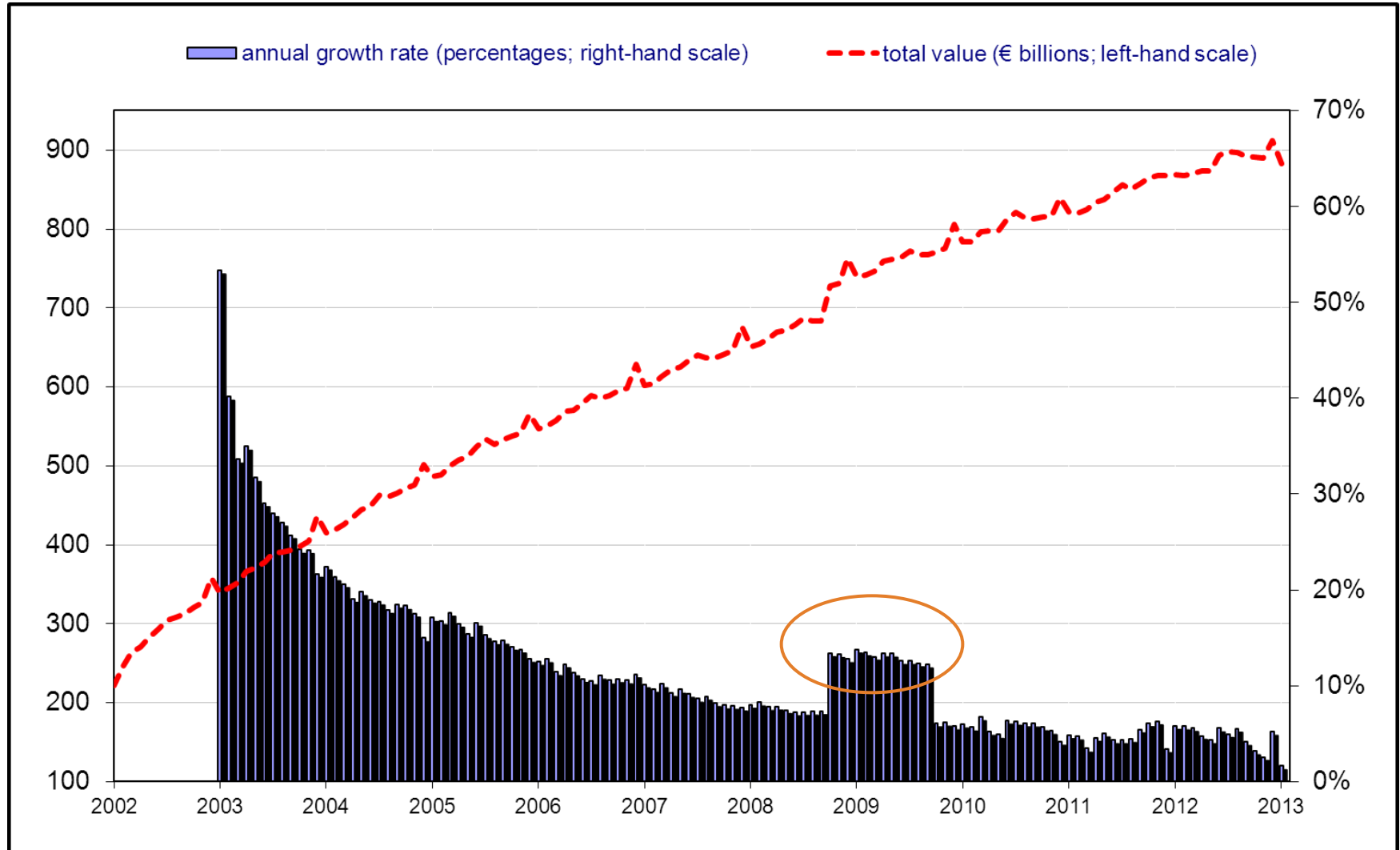
- Euro banknote figures
- The Europa series
  - Why?
  - Characteristics
  - Roadmap
  - Challenges
  - Issuance scenarios
- Testing organisation for the Europa series
  - Steps
  - Lessons learned third party testing
- Remarks on the CIT sector

# Euro banknotes: Figures

- Euro banknotes and coins in circulation for 11 years
- Used by over 332 million citizens in the euro area
- 15.2 billion euro banknotes in circulation (March 2013)
- A face value of EUR 896 billion (March 2013)
- 2013 production of 8 billion banknotes
- 33 billion banknotes processed per year by the Eurosystem



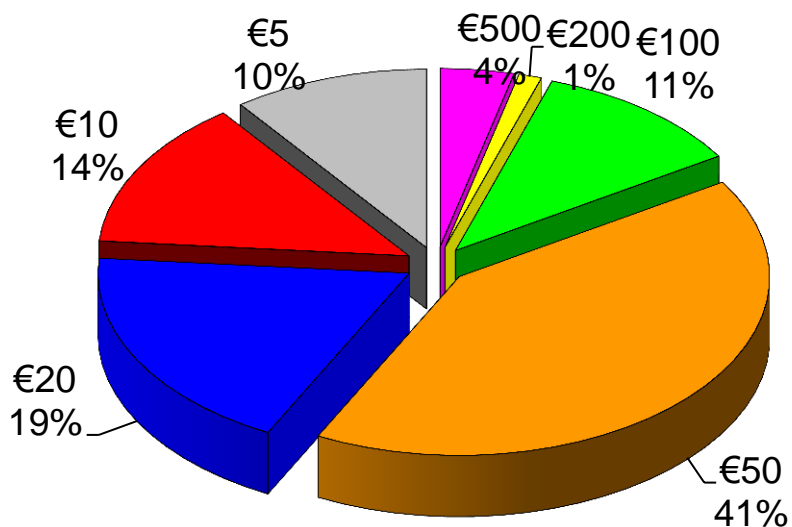
# Development of the euro banknote circulation



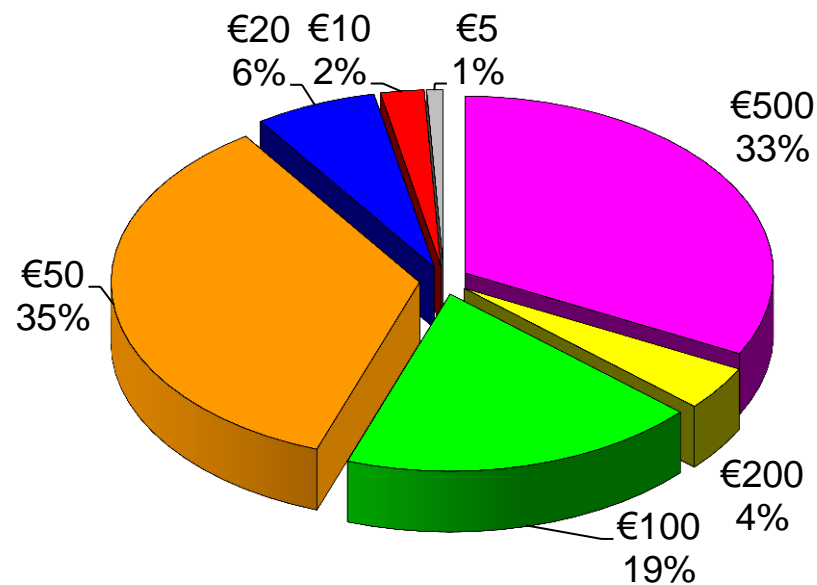
# Circulation by denomination (March 2013)

	€500	€200	€100	€50	€20	€10	€5	Total
Number (in mio.)	583.3	182.6	1,683.8	6,286.7	2,864.2	2,044.6	1,550.2	15,195.5
Value (in EUR bn.)	291.6	36.5	168.4	314.3	57.3	20.4	7.8	896.4

Share in number

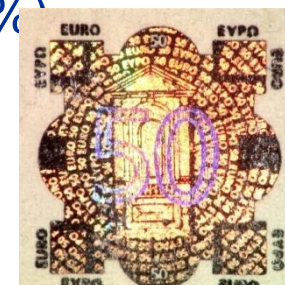


Share in value



# Counterfeiting

- 2012: +/- 531,000 pieces, with a face value of around EUR 26.8 million
- If counterfeits circulate for one year before withdrawal (not likely), 40 banknotes per million are counterfeits
- The overall quantity of counterfeits withdrawn from circulation in 2012 was 12.4% lower compared with the figures for 2011
- Professional counterfeits (85%), casual counterfeits (15%)
- Quality and deceptiveness vary



# Europa series: Why?

- Duty to safeguard the **integrity** of the euro banknotes and to take advantage of the improvements offered by the technological progress
- Euro banknotes need to be up to date with **improved design and security features**
- To maintain the **public's confidence** in the currency
- The Europa series will continue to offer **protection against counterfeiting**, making euro banknotes even more secure
- The new series aims to be **more durable**, thereby reducing the impact on the environment and improving the quality of circulation

# Europa series: Characteristics

- **Denomination range**
- **Design**
  - Theme, design styles, dominant colours, new euro area countries (and languages)
- **New and improved**
  - New/improved level 1 features designed for the public
  - Specific level 2 and level 3 features for machines (NCBs and third parties)
  - Mix of upgraded and new features
  - Improved durability
- **Issuance scheme**
  - Gradual introduction in ascending order of denominations, starting with the €5 banknote
  - Parallel circulation



# Europa series: €5 (front and back)



# €5 first series compared to Europa series



- **Evolution**, not revolution. Consistency between the two series
- Europa series banknotes visually modified to give them a **fresh look** and to accommodate a range of **new and enhanced security features**, which make it easy to differentiate between the two series
- Each banknote denomination in the Europa series maintains the **same dominant colour**
- Design of the Europa series continues to be based on the “**ages and styles**” theme with the main design elements being windows, doorways and bridges
- Design also takes into account the **countries** which have joined the European Union, and their **languages**, since the launch of the first series
- **Tactile marks** on the Europa series also on the lower denominations (front of the banknote)

# Europa series: Roadmap

On the basis of the successful completion of the three activities, the following planning is foreseen:

## **€5 planning:**

- Pilot printing in 2011 / 2012
- Large Scale Production 2012 / 2013
- Issuance 2 May 2013

## **€10 planning:**

- Pilot printing in 2012 / 2013
- Large Scale production 2013 / 2014
- Issuance 2014

## **€20 planning:**

- Pilot printing in 2013 / 2014
- Large Scale production 2014 / 2015
- Issuance 2015

# The new €10 – Communication

## To BEMs

- Early availability of the technical information package (August 2012) as well as availability of samples for testing purposes well in advance

## To cash-handlers, and other stakeholders

*Objective: Encourage early adaptation of cash handling machines and authentication devices & reach a satisfactory awareness level by cash handlers of the new €10 banknote and its features*

- Communication activities similar to the ones used for the new €5
- Specific communication to cash-handlers associations
- Information material to cash handlers including direct marketing to points of sales
- Update of e-learning tools with the new €10

# The new €10 – Communication

## To the general public

*Objective: Reach a satisfactory awareness level by the general public of the new €10 banknote and its features*

- Communication activities similar to the ones used for the new €5
- Public Relations activities combined with information material to media and the general public
- Information material (leaflet and poster)
- Update of dedicated website with the new €10 [www.new-euro-banknotes.eu](http://www.new-euro-banknotes.eu)
- Viral Films on the Feel-Look-Tilt method

[Link to "Feel-Look-Tilt - Pizza"](#)

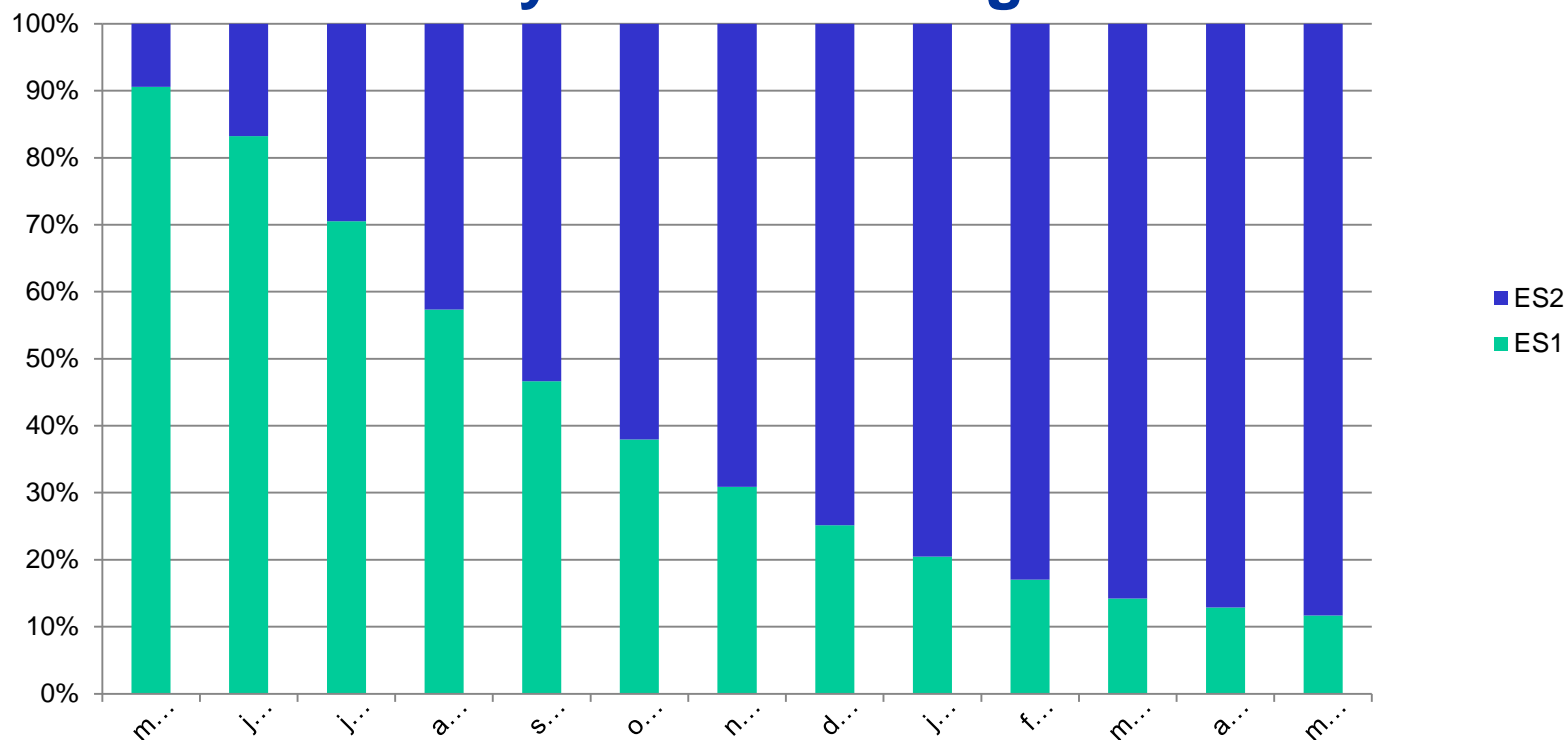
[Link to "Feel-Look-Tilt - Roof tile"](#)

# Europa series €5: Issuance scenarios

- Each NCB determines its own scenario for the issuance of the new €5 banknotes (ES2 €5), depending on remaining stocks of banknotes from the 1<sup>st</sup> series (ES1 €5), the cash cycle, banks' requirements
- Some NCBs will issue only new €5s in the first months, and thereafter a mix of ES1 and ES2, others issue a mix of ES1 and ES2 from the start
- NCBs issue remaining stocks of ES1 banknotes until their stocks are empty, and at the latest until end-April 2014
- Lessons learned for the ES2 €10 are considered, e.g. re-circulation of ES1 €10 banknotes may be allowed

# Issuance modalities for ES1/ES2 banknotes

- **Scenario 1: issuing the remaining stocks of the ES1 €5 as of the launch – ratio ES1/ES2 = 50/50% on average**
- **AGGREGATED Eurosystem modelling**



# Testing organisation for the Europa series – Four steps

- Four steps for each denomination\*:
  1. Provision of information: May 2011 for €5
  2. 1<sup>st</sup> testing round at NCBs: Q4 2011 for €5
  3. 2<sup>nd</sup> testing round at NCBs: Q4 2012 for €5
  4. Loan of banknotes for in house testing at BEM's premises
- Official tests for listing in ECB website



# Testing organisation for the Europa series

## –Step 1

### Step 1: provision of information

- August 2012 for ES2 €10
- Technical information package (TIP)
- Presentation on the features of the denomination
- Information on the further steps and Q & A

90 BEMs got the TIP

# Testing organisation for the Europa series

## –Step 2 and 3

### Step 2 and 3: 1<sup>st</sup> and 2<sup>nd</sup> round of tests at NCBs

- 1<sup>st</sup> round: Q4/2012 for ES2 €10 for BEMS only
- 2<sup>nd</sup> round: Q4/2013 for ES2 €10 for BEMs and third parties
- At the NCB of the country where the BEM's or third parties' headquarters is located or where its main operational activities are (or wish)
- 5 consecutive days per BEMs and third parties, at one NCB
- 1,000 new banknotes at NCB premises [more on request]
- Banknotes representative of the production available
- BEMs to answer a feedback questionnaire

57 BEMs participated in 1<sup>st</sup> round

# Testing organisation for the Europa series – Step 4

## Step 4: In-house tests and further tests at NCBs' premises

- As of 11 January 2013 NCBs offered the possibility to third parties to carry out tests outside the NCB at their own premises
- For BEMs, cash-handlers, CITs, banks and distributors of banknote handling machines or devices
- Maximum of 1,000 ES2 €5 could be borrowed
- Condition: signing of a “collateralised loan agreement”
- Third parties could also carry out tests at NCBs' premises (after signing confidentiality declaration)

# Learning lessons third party testing

- Not only BEMs, but all relevant third parties in banknote handling and processing should be informed of testing facilities and of the need for adaptation of the machines and devices
- Testing facilities with ‘final’ large-scale production banknotes should be offered earlier (ideally 6-9 months in advance)
- Procedure (collateralised loan agreement) could be simplified, in particular for very small quantities borrowed (10-20 banknotes)
- 8 weeks in advance of the launch date ‘lighter’ requirements in terms of security and handling

# Some remarks on the CIT sector

## Message last year's ESTA conference:

### The Eurosystem would:

- increase its attention to the implementation of the ECB Recirculation Decision
- monitor more closely the cash processing sector, and consider if further professionalization is desired

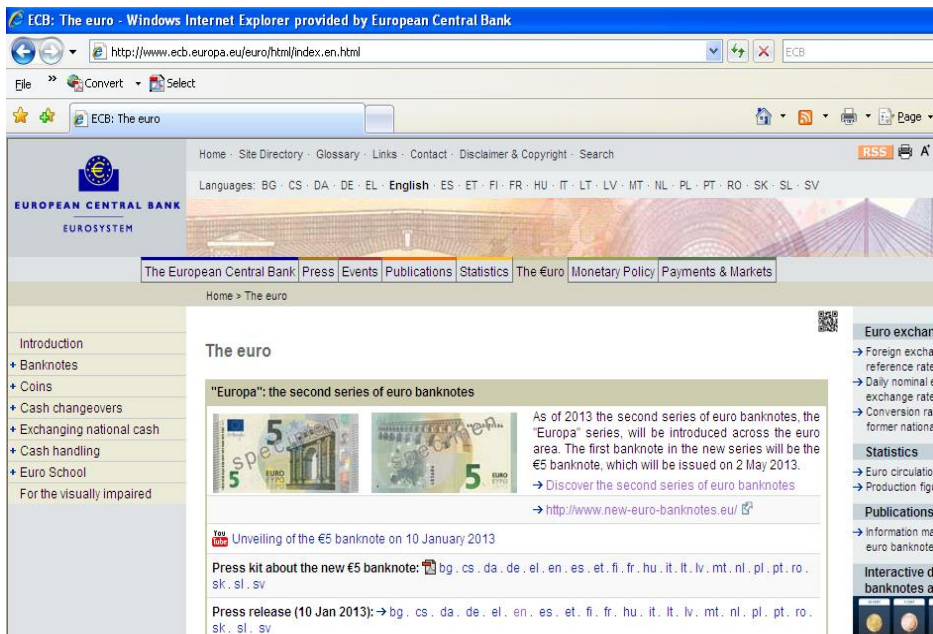
### To this end we:

- started preparations for an assessment of the implementation of the ECB Recirculation Decision
- started an internal study on the CIT sector (functioning, main issues/challenges, country differences)
- started work to better understand issues with the possible standardisation of ATM cassettes
- Started a study on the reliable detection of IBNS notes in sorting machines in order to prevent recirculation of these notes

# Thank you for your attention

Please visit us at [www.ecb.europa.eu/euro](http://www.ecb.europa.eu/euro)

And <http://www.new-euro-banknotes.eu/>



The screenshot shows the ECB website in Internet Explorer. The browser address bar displays <http://www.ecb.europa.eu/euro/html/index.en.html>. The page header includes the ECB logo and navigation links: Home, Site Directory, Glossary, Links, Contact, Disclaimer & Copyright, and Search. A language selector shows 'English' as the active language. The main navigation bar contains: The European Central Bank, Press, Events, Publications, Statistics, The Euro, Monetary Policy, and Payments & Markets. The main content area is titled 'The euro' and features a section for 'Europa: the second series of euro banknotes'. This section includes an image of a 5 Euro banknote and text stating: 'As of 2013 the second series of euro banknotes, the "Europa" series, will be introduced across the euro area. The first banknote in the new series will be the €5 banknote, which will be issued on 2 May 2013.' Below this, there is a link to 'Discover the second series of euro banknotes' and a link to <http://www.new-euro-banknotes.eu/>. A sidebar on the right contains links for Euro exchange, Statistics, Publications, and Interactive displays.



The banner features the text 'EURO BANKNOTES 7+1' and 'NEW €5 IN YOUR POCKETS AS OF 2 MAY 2013'. Below the text is a row of Euro banknotes, including a 5 Euro banknote and various denominations from 10 to 100 Euro. The bottom of the banner reads 'FIRST SERIES & EUROPA SERIES BANKNOTES'. The background is a dark green gradient.