



Euro coin authentication - developments and prospects

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Outline : Proposed legislation on authentication of euro coins

- State of affairs
- What is authentication; who is obliged by law
- How is authentication carried out
- How is it verified by the authorities
- Rejected euro coins: counterfeit-unfit
- Conclusion

1) State of affairs

- January 2009: Modification of R. 1338/2001, laying down measures necessary for the protection of the euro against counterfeiting

⇒ Obligation to check for counterfeits

- Commission proposal of September 2009:
Regulation on procedures for coin authentication
- Currently discussed at the Council and European Parliament
- Adoption expected before the end of 2010

2) What is authentication of euro coins; who is obliged by law

- Testing authenticity of euro notes and coins which are put back into circulation and detection of counterfeits
- *“Credit institutions, and, within the limits of their payment activity, other payment service providers, and any other institutions engaged in the processing and distribution to the public of notes and coins.”*
- CITs explicitly included

3) How is authentication carried out

- Either with well adjusted machines or (for smaller quantities) manually by trained staff
- Machines to be capable of authenticating coins – succeed detection test
- Testing possibility at the national coin analysis centres or at the ETSC
- List published by Commission – three-year derogation possible

4) Verification: control and auditing by Member States

- Annual on-the-spot controls in the institutions
- Number of machines to be verified each year:
volume of euro coins processed by these machines
at least **25%** of coins issued
- Transitional period until end 2014: machines
representing at least **10%** of coins issued
- Capacity of the institutions to authenticate euro
coins to be audited

5) Rejected euro coins: counterfeit-unfit

- All suspect coins to be sent to the designated national authorities
- Unfit coins are reimbursed – unless deliberately altered
- Unfit coins are withdrawn from circulation by authorities and destroyed

5a) Handling fees (above 1 kilo)

- Member States may withhold from reimbursement:
 - a handling fee of **5%** of the face value of the submission;
 - plus **15%** if counterfeits are discovered or wrong content declared;
 - plus **20%** if coins contaminated.
- Member States may provide for exemptions from fees if the company cooperates closely

5b) Packaging of euro coins unfit for circulation

- Packaging standards: national
- Otherwise, labelled, in standardised bags or boxes
- Member States may check submitted euro coins unfit for circulation for quantity and authenticity;
 - if anomalies, the entire bag or box shall be checked

5c) Information to be provided by companies

If requested, the following information to be provided to the authorities, as a minimum:

- types and number of machines used;
- location of each machine; and
- volume of processed coins for each machine per year and per denomination, at least for the three highest denominations.

6) Time of implementation

- **Implementation 2012**
- Unfit coins: immediately
- Time necessary for the preparation
- Transitional periods are provided

Conclusions

**Concrete prospect for the
implementation of legal
obligation to check
authenticity of re-circulated
euro coins**



Thank you for your attention

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