Protection of the Euro against counterfeiting (non-penal aspects)

Lothar Kuhl
Head of Unit “Legislation, Legal affairs & Relations with other institutions”

Brussels, 18 May 2006
The need of a Community legislation to protect the Euro

- Circulation of the euro in twelve Member States and in a number of third countries translates into higher risk

- Efforts of protection could no longer remain at national level
Main legal acts adopted at Community and European level

- Regulations 1338/2001 and 1339/2001 on the protection of the euro against counterfeiting

- Regulation 2182/2004: medals and tokens similar to euro coins
Two Council Regulations: «laying down measures necessary for the protection of the euro against counterfeiting» and «...Member States which have not adopted the euro...»

- Definition of the concept of counterfeiting
- Definition of the competent national authorities
- Procedures of collecting, storing and communicating information relating to counterfeiting
Obligation of the credit institutions and establishments to withdraw from circulation the counterfeit notes and coins and hand them over to the competent national authorities

Cooperation between the competent national authorities, the Commission and the ECB

Centralization of information at national level - Nat. Central Offices - transmission to Europol

International cooperation
Regulations (EC) 1338 and 1339/2001 - competent authorities

Definition of counterfeiting and of competent national authorities: publication in OJ

In “old” Member States:
- 87 authorities for the identification of the counterfeiting
- 15 authorities for analysing the counterfeit notes and coins respectively
- 15 National Central Offices

In new MS: formal notification in process
Designation or establishment of National Analysis Centres of suspected counterfeit notes: all MS

- 16 MS in the Central National Bank
- 9 MS in the law-enforcement services: DK, EL, PT, FI, SE, EE, LV, CY, SL

Counterfeit Analysis Centre (CAC) at ECB
Regulations (EC) 1338 and 1339/2001 - Coin National Analysis Centres

Designation or establishment of Coin National Analysis Centres for suspected counterfeit coins

- 10 MS in law-enforcement services: DK, EL, PT, FI, SE, UK, EE, LV, CY, SL
- 5 MS in Mints: BE, FR, IT, NL, AT (+ ES, IE)
- 10 MS in the National Central Bank: DE, ES, IE, LU, MT, LT, PL, HU, CZ, SK

European Technical and Scientific Centre (ETSC) under the responsibility of the Commission
National Central Offices in all Member States

- Responsibility of law enforcement
- In National Central Banks in Spain and Belgium – manned by police
- Special new Office in Ministry of Finance in Italy
Regulations (EC) 1338 and 1339/2001 - obligations of fin. Institutions

Sanctions against financial institutions: effective, proportionate, deterrent

“Old” Member States:

- 10 MS penal sanctions
  - fine between € 95 et € 325
  - prison max. 5 years (IE)

- 9 MS administrative sanctions
  - Max. varies bet. € 7000 (AT) and € 1 mln (ES)

→ Different national traditions
Regulation 2182/2004: medals and tokens similar to euro coins

- Prohibition of medals and tokens similar to euro coins
  - when they bear the terms euro, euro cent, the euro symbol or designs similar to the euro coin designs;
  - when their size and alloy properties are similar to the ones of euro coins.
- Exemptions and derogations: as provided
- Sanctions
  - to lay down by Member States and inform the Commission.
Conclusion

The *acquis* in the area of the protection of the euro means:

- a complete and efficient mechanism
- national elements and a community structure
- technical and legal measures combined.
Thank you for your attention