

Euro: protection against counterfeiting

2007/0192A(CNS) - 24/10/2008 - Amended legislative proposal for reconsultation

On 17 September 2007, the Commission submitted to the European Parliament and the Council a proposal for a Council Regulation amending Regulation (EC) No 1338/2001 laying down measures necessary for the protection of the euro against counterfeiting (please refer to the summary dated 17/09/2007 in this procedure file).

The Commission proposal is based on Article 123(4) of the EC Treaty and the European Parliament delivered its opinion on 17 June 2008.

Following the discussions held on its proposal within the Council, the Commission suggested adding **Article 308 of the Treaty as a legal basis.**

In this context, the Working Party on Combating Fraud reached agreement on the present regulation and the parallel regulation on the extension of measures provided for Member States which have not adopted the euro as their single currency (see [CNS/2007/0192B](#)).

In addition to the change of legal basis, the Commission proposal has been reviewed in the following areas:

- obliging credit institutions and any other related institutions to withdraw from circulation all euro notes and coins received by them which they know or have sufficient reason to believe to be counterfeit and hand them over to the competent national authorities;
- ensuring that circulating euro notes and coins are authentic: to that end, credit institutions, other payment service providers and other economic agents involved in the processing and distribution of notes and coins should check the authenticity of the euro notes and coins they receive before they put them back into circulation, except where they come from other establishments or persons themselves subject to obligatory checks or where they have been taken from the authorities authorised to issue them. Other economic agents, such as traders and casinos, should also be subject to these obligations where they supply, on a secondary basis, automated teller machines (cash dispensers), but they may not be involved beyond these secondary activities. In order to comply with the obligation to check for authenticity, these economic agents nevertheless need time to adapt their internal functioning;
- ensuring the appropriate adjustment of equipment is a prerequisite for checking the authenticity of euro notes and coins. In order to adjust the equipment used for the checks for authenticity it is essential that the necessary quantities of counterfeit notes and coins are available at the places where testing is conducted. It is, therefore, important to permit the transporting of counterfeit notes and coins between competent national authorities as well as institutions and bodies of the European Union.

The European Parliament needs to be consulted again.