

# Euro: protection against counterfeiting to those Member States which have not adopted the euro as their single currency

2007/0192B(CNS) - 09/12/2008 - 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 (see [CNS/2007/0192A](#)).

The proposed Regulation provides, in a recital, that it **shall also apply to non participating Member States** by virtue of Article 1 of Council Regulation (EC) No 1339/2001 of 28 June 2001 extending the effects of Regulation (EC) No 1338/2001 to those Member States which have not adopted the euro as their single currency.

The European Parliament delivered its opinion on 17 June 2008.

Following discussions held at the time of the examination of the proposal within the Council, it has been decided to **split the proposal into 2 separate texts**: one concerning the Member States which have adopted the euro as their single currency and the other (present proposal) applicable to Member States which have not adopted the euro as their single currency.

In addition to the change of legal basis, the Council reviews the initial proposal and provides for the following elements:

- 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.