

Authentication of euro coins and handling of euro coins unfit for circulation

2009/0128(COD) - 15/12/2010 - Final act

PURPOSE: to achieve effective and uniform authentication of euro coins throughout the euro area.

LEGISLATIVE ACT: Regulation (EU) No 1210/2010 of the European Parliament and of the Council of 15 December 2010 concerning authentication of euro coins and handling of euro coins unfit for circulation.

CONTENT: following an agreement at first reading with the European Parliament, the Council adopted a regulation on proper procedures for the authentication of euro coins and handling of euro coins unfit for circulation.

The new Regulation establishes in a legally binding form a common method for verifying that euro coins are authentic and fit for circulation. It complements Regulation (EC)1338/2001 which requires credit institutions and other payment service providers to ensure that euro notes and coins which they have received and which they intend to put back into circulation are checked for authenticity and that counterfeits are detected. Counterfeiting of euro coins is considered as a significant threat, particularly for the highest coin denominations.

Testing requirements: the new regulation obliges credit institutions to ensure that euro coin authentication is carried out by means of coin processing equipment capable of detecting counterfeits, or manually. Credit institutions may only use the types of coin-processing machines that have successfully passed a detection test carried out by the competent national authority or the Coin National Analysis Centre.

For a transitional period until 31 December 2014, Member States may provide for specific derogations from the first sentence of paragraph 1 for coin-processing machines that were in use on 11 January 2011 and that have proved capable of detecting counterfeit euro coins, euro coins unfit for circulation and other coin-like objects that do not comply with the specifications of genuine euro coins.

Control by Member States: Member States must perform annual on-the-spot controls in institutions with a view to verifying, through detection tests, the proper functioning of a representative number of coin-processing machines used. The number of coin-processing machines to be checked annually in each Member State shall be such that the volume of euro coins processed by those machines during that year represents at least 25 % of the total cumulated net volume of coins issued by that Member State from the introduction of euro coins until the end of the previous year. For a transitional period until 31 December 2014, Member States may decide that the number of coin-processing machines to be checked annually shall be such that the volume of euro coins processed by those machines during that year represents at least 10 % instead of 25%.

Withdrawal and reimbursement of euro coins unfit for circulation: Member States will also be obliged to remove from circulation not only counterfeits but also those genuine euro coins that have become unfit due to long circulation or accident or any other reason. Member States may refuse reimbursement of euro coins unfit for circulation which have been altered either deliberately or by a process that could be reasonably expected to have the effect of altering them.

Each national authority handling euro coins unfit for circulation will be able to apply a handling fee in accordance with this Regulation in order to meet the expenses related to the process. Handling fees should not be applied to the submissions of small quantities of euro coins unfit for circulation.

Reporting, communication and evaluation: Member States shall submit annually reports to the Commission on their activities as regards authentication of euro coins.

To enable Member States to monitor the compliance of institutions with the Regulation, they shall, if so requested, provide the Member States at least annually with at least the following information: (i) the types and number of coin-processing machines used; (ii) the location of each coin-processing machine; and (iii) the volume of coins processed per coin-processing machine, per year and per denomination, for at least the three highest denominations.

The Commission shall present a report to the European Parliament and to the Council by 30 June 2014 on the operation and effects of the Regulation.

ENTRY INTO FORCE: 11/01/2011.

APPLICATION: from 01/01/2012, with the exception of Chapter III (handling of euro coins unfit for circulation) which shall apply from the date of entry into force of the Regulation.