

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

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The Commission presented a report under Article 12(5) of 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.

Regulation (EU) No 1210/2010 aims to ensure effective and uniform authentication of euro coins throughout the euro area by providing binding rules for the implementation of common procedures for the authentication of euro coins in circulation and for the implementation of control mechanisms of the authentication procedures by the national authorities.

The Regulation sets out the testing requirements for the coin-processing machines, rules for handling coins unfit for circulation, as well as control mechanisms to be put in place by Member States to ensure the **institutions** are fulfilling their authentication obligation. Furthermore, the Regulation contains rules on the obligation to withdraw unfit coins from circulation.

This report contains an overview of the assessment of the implementation of the provisions of the Regulation based on annual reports submitted by the Member States in order to evaluate the “operation and effects” of the Regulation.

Based on the information reported by the Member States the **authentication procedure in the “institutions” is in place in the majority of the euro area Member States**. Finland, Luxembourg and Ireland are still in the process of fully implementing the Regulation. Italy has indicated that a national decree is in preparation enabling the full implementation of the Regulation.

All Member States of the euro area comply with the **requirement to withdraw coins unfit for circulation**. Some improvements could be considered in relation to the treatment of unfit coins withdrawn from circulation by Member States.

Given that a limited level of experience has been gained so far with the implementation of the Regulation, it is too early to envisage a legislative proposal at this stage. A further fine-tuning of the reporting obligation by Member States is necessary to allow the Commission to draw up a comprehensive picture of the authentication procedures put in place in Member States.

Therefore, the Commission (OLAF) will need to further assess the appropriateness of a possible modification of the Regulation. Some Member States, however, have already identified **some areas for improvement which are summarised below**:

- modify Article 3(1) of the Regulation and to introduce an extra category of machines which could be used to comply with the authentication obligation;
- ensure: (i) that the number of coins processed by national authorities in the premises of Central Banks, which are currently not considered “institutions”, should be taken into account when assessing the compliance with the 25% referred to in Article 6(3); (ii) that the annual compliance should be linked to the number of institutions checked rather than the number of coin-processing machines checked; (iii) that there are less detailed rules for planning and conducting annual on-the-spot controls;

- look into a further alignment of the conditions for reimbursement of unfit coins as stipulated in Article 8(2) of the Regulation given the diverging national practices.

Based on its evaluation, OLAF will discuss the way forward with its stakeholders. Options available could include a modification of the Regulation or a clarification of the **European Technical and Scientific Centre** (ETSC), established by Commission Decision 2005/37/EC, which defines the Guidelines on implementation of the Regulation.