

Euro: protection against counterfeiting for countries that have adopted or not adopted the euro

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At the 12 February 2001 ECOFIN Council, the delegations reached a political agreement on the regulation concerning the protection of the Euro against counterfeiting, based on Article 123 (4) of the Treaty. The agreement also concerns a parallel regulation based on Article 308 of the ECT which ensures that the regulation applies equally to Member States outside the Economic and Monetary Union. The new draft Council regulation fulfills the same objectives as the initial proposal. Its purpose being to strengthen the legal protection of Euro banknotes and coins in time for their introduction on 1 January 2002. The new draft Regulation covers, as in the previous version, the processing of technical and statistical information relating to counterfeiting, the processing of operational and strategic data, and cooperation and mutual assistance. Under the terms of the Regulation, credit institutions, and any other institutions engaged in the sorting and distribution to the public of notes and coins as a professional activity, including establishments whose activity consists in exchanging notes and coins of different currencies, such as bureaux de change, shall be obliged to withdraw from circulation all Euro notes and coins received by them which they know or have sufficient reason to believe to be counterfeit. They should immediately hand them over to the competent national authorities. Each Member State shall take the necessary measures to ensure that the establishments which fail to discharge their obligations shall be subject to effective, proportionate and deterrent sanctions. The Regulation also contains provisions relating to: - gathering and access of technical and statistical data by the competent national authorities and the role of the ECB; - the obligation of the competent national authorities to transmit counterfeit notes and coins for identification to the National Analysis Centres (NAC) or National Coin Analysis Centres (NCAC) (which should be established by the Member States) and to communicate their findings to the ECB; - cooperation amongst the competent national authorities to protect the Euro against counterfeiting; - centralisation of information at national level; - definition of competent national authorities (the remaining open question on this issue was resolved by the adoption of a Council declaration which takes note of the existing situation in two Member States concerning the competence of police and judicial authorities); - relations with third countries and relevant international organisations; - unauthorised notes. The European Parliament has been consulted but not yet delivered its opinion. The agreed texts, will be sent to the European Parliament so as to take them into account when drafting its opinion. The text will also be communicated to the ECB for information. Lastly, it should also be noted that the protection of the Euro against criminal activity in the context of the criminal justice systems of the Member States will be secured by a third pillar instrument currently being examined by Justice and Home Affairs working groups.