Combating fraud and counterfeiting: security of the non-cash means of payment

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This Communication builds on the 1998 Communication on fraud and counterfeiting of non-cash means of payment. It is a priority measure under the Financial Services Action Plan and outlines a number of preventive measures to combat fraud and counterfeiting in payment systems. These are set out in this Fraud Prevention Action Plan. This Communication complements the Framework Decision proposed in this area and the initiative undertaken for the protection of the Euro against counterfeiting. The Commission will co-ordinate action to enhance and promote preventive measures, including information gathering and awareness raising initiatives. It will also aim to attain a high level of fraud prevention through initiatives implemented evenly across the Member States of the European Union. These preventive measures shall be coherent with the initiatives taken in the global approach to crime prevention mentioned above. The measures to be adopted are as follows: - technological developments : the payment industry should provide the highest economically viable level of security for remote electronic payments by mid 2002 at the latest. - exchange of information : the payment industry and the retail sector, while respecting the rights and freedoms of individuals and the competition rules, should expand exchanges of information to promote an earlier detection and notification of fraud attempts. - training programmes : the payment systems industry should implement in all EU Member States a comprehensive law enforcement training programme on preventing fraud and counterfeiting of non-cash means of payment. Relevant players (including Europol and Interpol) should have access to information on training programmes and educational material for law enforcement. - relationships with third countries : third countries should introduce and enforce effectively preventive measures to combat fraud and counterfeiting of non-cash means of payment. The Commission invites the Council and the European Parliament to endorse this Fraud Prevention Action Plan. It establishes a flexible approach. The Commission believes that isolated initiatives cannot offer optimal solutions. Fraud prevention can only be effective through a combination of co-ordinated preventive measures and a comprehensive regulatory environment, including adequate sanctions. The Action Plan is based on partnership and co-operation at all levels. It will be reviewed periodically, the first review being no later than 2003. To this effect, by the end of 2003, the Commission will issue a report, which will assess the progress made in the implementation of the Fraud Prevention Action Plan and propose, if necessary, additional or alternative measures.