Protection against counterfeiting: medals and tokens similar to euro coins

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PURPOSE: To regulate the use of the terms "euro", "eurocent" and the "euro symbol" and to establish a level playing field for the production of medals and tokens. PROPOSED ACT: Council Regulation CONTENT: The proposed Council Regulation has been formulated in order to regulate the use of the terms "euro" and "eurocent" and of the euro symbol on metallic objects having the appearance and/or technical properties of coins (medals and tokens) and to define the similarity to the euro coins that should be banned for medals and tokens. There are two risks associated with the fraudulent use medals and tokens mimicking the real euro coins. Firstly, citizens could believe that metallic objects have legal tender status if they show the text appearing on euro coins or euro symbol. Secondly, medals or tokens could be used fraudulently in coin operated machines, if their size and metal properties are close to euro coins. Although the EU Commission Recommendations of 2002 on medals and tokens has offered useful guidance on regulating medals and tokens it has proven to be less than fully effective. The last year has shown that more needs to be done to establish rules concerning technical properties. This also offers the advantage of providing a clear, common, unambiguous legal instrument mandatory for all interested parties. A number of rising incidents have alerted the Commission on the need to offer harmonised provisions. Incidents, for example, where euro-coin like medals have been produced and come into circulation instead of the genuine euro coins. Other incidents include cases of coin like objects being fraudulently used in coin operated machines. The proposed Regulation would create a set of definitions relating to medals and tokens, in line with the Commission Recommendation of 2002. The reference band for the size of medals and tokens is set out in a number of combinations between values for diameter and values for edge height. These will then serve as a reference in which to establish whether or not a medal or token is considered to be similar to the one of the euro coins. The Regulation provides for a set of restriction and include under what circumstances the use, "euro" or "euro cent" or the euro symbol on the surface of medals and tokens is prohibited. There is a further prohibition on the use of designs similar in appearance to genuine euro coins since the designs in themselves are protected by national provisions. The design of the two euro coin is also protected as are the coin's edges and edge design. Exceptions to the rules are outlined. For example, tokens and coins which are very different in size to the actual euro coins are exempted as are medals and tokens with a large hole in the centre. Other provisions allow for authorised derogations to the size restrictions. However, only under two conditions: - the size of the medals and tokens, although inside the reference band, should not be in the immediate vicinity of the euro coins and - the metal properties should be sufficiently different fromthe ones of the euro coins. All derogations must be communicated to the European Technical and Scientific Centre (ETSC). On another point it was considered necessary to avoid upsetting the functioning of companies which use such tokens as part of their activity - such as casinos. For that purpose it has been proposed that medals and tokens not observing the rules but existing at the time of entry into force of this Regulation should only be replaced when they reach the end of their life-time and at the latest by the end of 2012. Lastly, this Regulation shall only apply to the participating Member States. A second Regulation will extend the effects of the proposed Regulation to non-participating Member States.