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

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OBJECTIVE: the communication from the Commission concerns the establishment of a framework for protecting the euro against counterfeiting, incorporating strategies for prevention, training, cooperation and use of the criminal law. SUBSTANCE: on 07/07/1998 the Board of Governors of the European Central Bank adopted a number of guidelines to protect euro notes. A recommendation refers more particularly to combating counterfeiting and asks the Council, Member States, Europol and the Commission to take the measures required. It is necessary to arrive at a situation which will make it possible as of 01/01/2002 to provide equivalent protection of the European currency against counterfeiting throughout the territory of the EU. For this purpose the Commission proposes to formulate initiatives relating to training, information systems, cooperation and use of the criminal law. 1) Training: the Commission will shortly present a reflection document on professional training policy at Community level with the aim of preventing and combating counterfeiting more effectively. In the field of customs, it is proposed that the scope of the MATTHAEUS programme, which covers the training aspect referred to in the CUSTOMS 2000 decision, be extended to action to combat counterfeiting. In so far as possible, the private sector experts liable to play a role in the detection of counterfeit money could be involved in certain targeted training activities. 2) Information, communication and database systems: on the basis of tried and tested examples, the regulatory provisions could comprise: - a definition of all the activities involved in counterfeiting and forgery of money to permit a homogeneous exchange of information; - a requirement for Member States to communicate all relevant information about counterfeiting and forgery of the euro; - establishment of a computer system comprising an E-mail network and and central database with direct access for national authorities; - rules governing the arrangements for exchanges of information with Community bodies, international organisations (ICPO-Interpol) and third countries; - rules governing protection of personal data; - a requirement for banks to report any instances of fraud they detect to the competent authorities, on pain of administrative penalties. 3) Cooperation, mutual assistance, technical and operational assistance in investigations: with a view to placing the euro in circulation, it is important to exploit existing cooperation networks and for the Commission to provide administrative and operational support. A Community structure of this kind would ensure communication and cooperation with the Member States' contact points and with the authorities responsible for issuing banknotes and coins, as well as with Europol and ICPO-Interpol. The rules must include: - a requirement for the competent national authorities, the Commission, Europol and the ECB to engage in mutual cooperation and assistance; - provisions on cooperation and mutual administrative assistance between the Community and third countries; - the establishment of a specialised forum to ensure effective consultation between national authorities and the European institutions and authorities; - clarification of the Commission's operational assistance role. 4) Protection under criminal law: in parallel with the drafting of the whole regulatory apparatus (defining terms, compiling information, exchange of information, and cooperation), the question of a criminal law aspect relating to the definition of offences, penalties and mutual assistance in legal matters will also be worked out with a view to achieving the target of equivalent protection throughout the Union. The questions of the definition of the victim, victims' rights and the representation of victims in legal proceedings under criminal law will also be given consideration. The Commission believes that a trial period is necessary to test the feasibility of the technical means and the arrangements to be introduced. It accordingly proposes setting a deadline of no later than the year 2000 for the adoption of legislation. This will make it possible to establish and break in protection systems as from 2001.