

Protection of the euro against counterfeiting: extending the Pericles programme until 31 December 2013

2006/0078(CNS) - 23/05/2006 - Legislative proposal

PURPOSE : to amend and extend until the end of 2013 Decision 2001/923/EC establishing the PERICLES programme on counterfeiting.

PROPOSED ACT : Council Decision.

CONTENT : PERICLES, the Community programme for exchange, assistance and training in the protection of the euro against counterfeiting, was established by Council Decision 2001/923/EC, (see **CNS /2001/0105**), as amended and extended by the Council Decision 2006/75/EC. Article 13(3)(b) requires a detailed report on the implementation and results of the PERICLES Programme referred to above to be submitted to the European Parliament and the Council by 30 June 2006. The Commission presents a report responding to that requirement, and a proposal to amend the Decision.

Since early Summer 2003, the number of counterfeit euro banknotes detected in circulation has stabilised at about 50 000 a month, a level below the pre-euro levels, lower than the US dollar and extremely low compared to the nine billion genuine euro banknotes in circulation. At the same time, the number of counterfeit euro coins is continuing to increase but also remains low by historical standards. In addition, the police forces have successfully conducted a number of operations to dismantle workshops and seize large numbers of counterfeit banknotes and coins before they enter into circulation. This overall favourable situation is the result of a long preparation at both legislative and institutional level and demonstrates the high level of cooperation achieved in EU and at international level.

The PERICLES programme is playing a significant role in achieving the present results in the protection of the euro and the fight against the crime of counterfeiting, through the exchange of information and the development of cooperation. Continuing vigilance is needed in order to maintain and build on the results currently achieved in the fight euro counterfeiting. Training and technical assistance plays an important role in this respect, hence the need to continue the PERICLES programme.

Based on the PERICLES evaluation report of 30 November 2004 it is proposed that the Council Decision 2001/923/EC now be extended until 31 December 2013. PERICLES initially ran from 1 January 2002 until end 2005. The Council decided to extend the programme up until 31 December 2006 taking into consideration the fact that at the time of discussions Community financial perspectives were available only until 2006. The agreement reached at the Council provided that the PERICLES programme should be further extended for a number of years, up to 2011, as was proposed at the time by the Commission.

In detail, the Council considered the following grounds for extending the programme:

- continuing vigilance in order to maintain or reduce the current level of euro banknote counterfeiting and avoid any increase in euro coin counterfeiting that would undermine the confidence of the public;
- training/informing new staff and extend the training to sectors that have less benefited from the PERICLES programme, namely financial agents, prosecutors and technical staff;

- training relevant staff in the features of the new generation of the euro banknotes, to be issued at the end of this decade;

- particularly insisting on training and technical assistance in the new Member States, with priority to those who will first introduce the euro as their single currency.

There is a manifest need for continuous training and technical assistance for the protection of the euro. This is both because Member States are likely to join the euro area and due to the need for continuous updating of expertise in relevant services.

The Council reached final agreement on the financial perspectives for the period 2007- 2013 at the European Council meeting on 15-16 December 2005. It is current practice that Community financing programmes match the duration of the Community's financial perspectives. This contributes to streamlining the approval of programmes and avoiding procedures to fill gap periods.

In the light of the above considerations, it is proposed that the PERICLES programme be extended for a further period of seven years, until the end of 2013 with an unchanged yearly amount of EUR 1 million per year. The new end-date is 31 December 2013, and the reference amount is set at EUR 7 million. The date of application will be 1 January 2007.

This proposal is closely linked to the concurrent proposal to extend to the non-participating Member States the application of this proposed Decision amending and extending Decision 2001/923/EC establishing the PERICLES programme. (Please see procedure reference **CNS/2005/0079**).

For further information concerning the financial implications of this measure, please refer to the financial statement.