Basic information

1998/0911(CNS) CNS - Consultation procedure	Procedure lapsed or withdrawn
Combating fraud and counterfeiting: security of the non-cash means of payment **Subject** 7.30.30.06 Action to combat economic fraud and corruption	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
LIBE Civil Liberties and Internal Affairs	SCHMID Gerhard (PSE)	23/07/1998

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	POMÉS RUIZ José Javier (PPE)	05/10/1998

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2136	1998-11-23

Key events

Date	Event	Reference	Summary
01/07/1998	Legislative proposal published	COM(1998)0395	Summary
14/09/1998	Committee referral announced in Parliament		
26/10/1998	Vote in committee		Summary
26/10/1998	Committee report tabled for plenary, 1st reading/single reading	A4-0396/1998	
16/11/1998	Debate in Parliament		
23/11/1998	Resolution/conclusions adopted by Council		
01/05/1999	End of procedure in Parliament		
06/08/2004	Additional information		Summary

Technical information

Procedure reference	1998/0911(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legal basis	Treaty on European Union (after Amsterdam) M K.3-p2b
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	LIBE/4/10275

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0396/1998 OJ C 379 07.12.1998, p. 0005	26/10/1998	
Text adopted by Parliament, 1st reading/single reading		T4-0649/1998 OJ C 379 07.12.1998, p. 0017-0037	17/11/1998	Summary
Interim resolution adopted by Parliament		T4-0650/1998 OJ C 379 07.12.1998, p. 0018-0037	17/11/1998	
Interim resolution adopted by Parliament		T4-0651/1998 OJ C 379 07.12.1998, p. 0018-0039	17/11/1998	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(1998)0395	01/07/1998	Summary
Document attached to the procedure	COM(1998)0474	22/07/1998	Summary
Follow-up document	COM(2001)0011	09/02/2001	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

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

1998/0911(CNS) - 17/11/1998 - Text adopted by Parliament, 1st reading/single reading

In adopting the report by Mr Gerhard SCHMID (PSE, D), the European Parliament approved, subject to certain amendments, the draft framework for action on combating fraud and counterfeiting of non-cash means of payment. In order to combat effectively fraud and counterfeiting of non-cash means of payment, Parliament called for such fraud to be classified as a criminal offence in all Member States and for perpetrators to be punished. Parliament called for the adoption of a range of measures (including a voluntary undertaking by the industry, legislation or other measures adopted in the context of the internal market) with regard to payment cards (electronic signatures), the use of payment cards on the Internet, automatic teller machines, software and on-line banking transactions. In order to protect the euro, it recommended an exchange of information between the European Central Bank and national central banks and the setting-up of a database containing technical particulars concerning false or counterfeit euro banknotes and coins. It called on the Commission to submit a proposal for a multidisciplinary training programme for officers responsible for combating counterfeiting of means of payment and for the banking and trade sectors. The powers of Europol should be extended to include combating counterfeiting of means of payment.

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

1998/0911(CNS) - 22/07/1998 - Document attached to the procedure

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.

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

1998/0911(CNS) - 01/07/1998 - Legislative proposal

OBJECTIVE: to propose a framework for action on combating fraud and counterfeiting of non-cash means of payment. CONTENT: the need to find a suitable response to the problem of criminal activities involving payment instruments is particular pressing in the light of current institutional, financial and technological changes, especially the changeover to the single currency and the introduction of the information society, which calls for transparent, safe and efficient electronic payment. This communication contains an evaluation of the problem by the European Commission and sets out a framework of measures which seek to promote a suitably ?safe environment? for payment instruments. It comprises two sections: 1) First, the Commission presents a proposal for a draft joint action. The objective of this action is to ensure that fraud involving any non-cash means of payment is treated as a criminal offence subject to effective, appropriate and deterrent penalties in all Member States and to ensure that suitable cooperation mechanisms are introduced so that these crimes can be effectively prosecuted. The join action deliberately avoids terms which are strictly defined under current criminal legislation because they do not cover the same crimes in all countries. The approach chosen relies rather on a description of acts which should be considered as criminal offences throughout the Union. 2) Secondly, a series of additional actions designed to prevent fraud is brought to the attention of all interested parties (payment sector as a whole, including network operators, issuers and individual users, competent authorities etc.). Comments should be sent to the Commission by 31 December 1998. The Commission also states that: - it is currently working on a

proposal for a directive which makes provision for a special prudential to guarantee the financial reliability of issuers of electronic money in order to increase consumer confidence in this new means of payment; - it intends to update a 1987 recommendation in order to ensure that the relationship between buyers and acceptors is clearly defined in the field of electronic payment instruments.

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

1998/0911(CNS) - 09/02/2001 - Follow-up document

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.