



# Commission's contribution to prevent fraud and counterfeiting of euro coins

**Olivier LOUIS**  
**OLAF/ETSC**

*Protection of the euro coins*

# Overview

- 1. The Commission's technical coordination to protect euro coins against counterfeiting.
- 2. The Commission Recommendation on the authentication of euro coins and handling of euro coins unfit for circulation.
- 3. The Council Regulation on medals and tokens similar to euro coins.





# 1. Commission's technical coordination to protect euro coins against counterfeiting

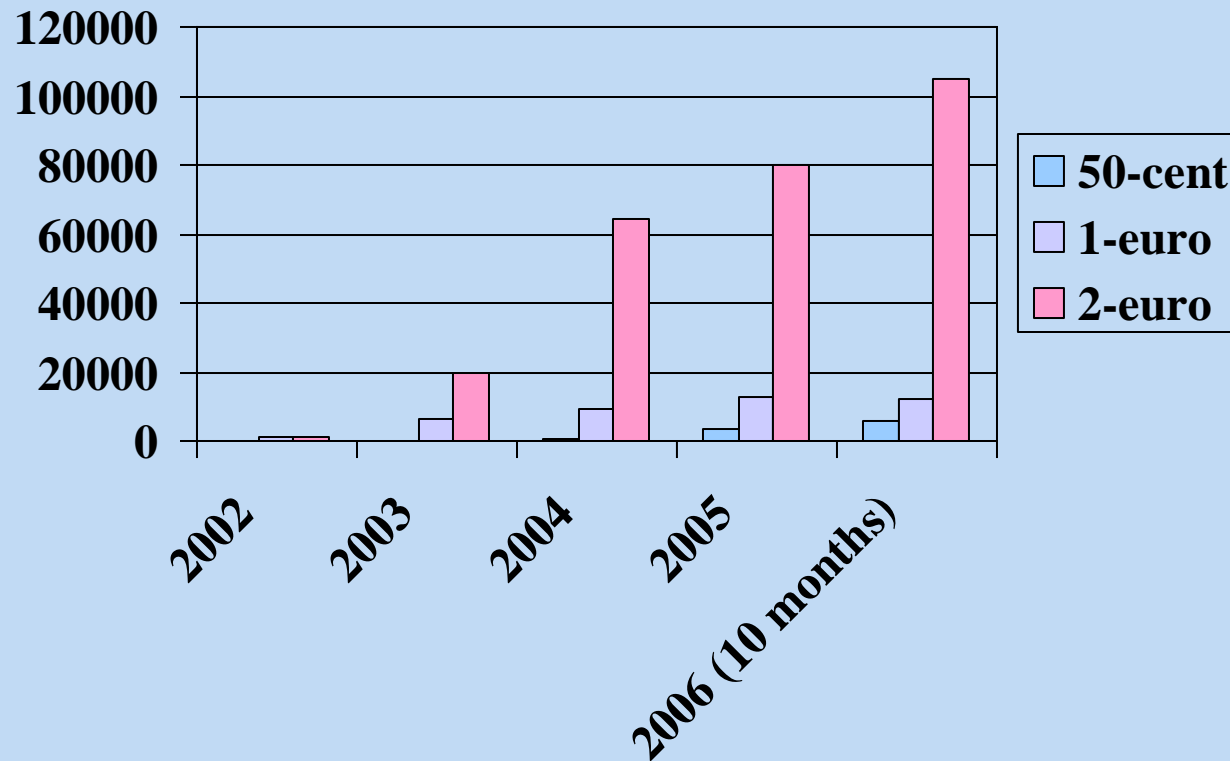
# 1.1 ETSC's mission

- Tech. & scientific (forensic) analysis, classification of new stamped counterfeit euro coins in the CMS.
- Design and maintenance of a technical framework (procedures, register of materials, euro-like objects).
- Assistance, expertise & training to Coin National Analysis Centres, Europol, National Central Offices, Police authorities.
- Cooperation with other institutions (Commission, ECB, MDWG) and the industry.
- Contribution to OLAF's legislative initiatives (Regulation on medals & tokens, Coin authentication).
- Participation at the Counterfeit Coin Expert Group (CCEG) chaired by OLAF.



# 1.2 Statistics

Total amount of counterfeit coins found **IN CIRCULATION**





## **2. Commission Recommendation on authentication of euro coins and handling of euro coins unfit for circulation**

# 2.1 Coin authentication - Definition

Commission Recommendation of 27 May 2005 (2005/504/EC) concerning “authentication of euro coins and handling of euro coins unfit for circulation”.

Authentication of euro coins: the process of verifying the authenticity of euro coins.

- Aim: to reject counterfeits, unfit genuine euro coins, foreign coins similar to the euro and other metallic objects such as medals and tokens similar to euro coins.
- Method: through automated electromechanical sorting machines or manually.



## 2.2 Coin authentication - Principles for authent. and testing

- Denominations to be authenticated, as a minimum: 2 euro; 1 euro; 50 cent.
- Quantity of euro coins to be authenticated each year in each of the Member States (M.S.): at least 10% of the total net volume issued.
- Authentication to be carried out centrally and/or within the coin handling process, under the supervision of M.S.
- M.S. to carry out checks and light audits to the appropriate number of credit institutions and other professional cash handlers at least once a year.



## 2.2 Coin authentication - Principles for authent. and testing

- In addition to regular checks done by M.S., sorting machines are tested by the ETSC and CNACs in cooperation with manufacturers. Machines tested are centrally listed by the ETSC with a 12-month validity period.
- Sorting and detection tests are performed on the basis of a selection of appropriate families of counterfeits defined by the ETSC.
- Problems of recognition of a particular type of 2-euro counterfeits by most sorting machines have appeared in 2005. Manufacturers are invited to address this issue.



## 2.3 Euro coins unfit for circulation - Definition

Genuine euro circulation coins which are:

- defective; or
- altered by relatively long circulation or by accident (dimensions, weight, colour, corrosion, edge damages); or
- deliberately altered (other than counterfeits).
- Aim: establishment of common rules for handling and reimbursement or replacement of unfit euro coins for all euro area M.S.
- Method: unfit coins rejected in the process of authentication through automated sorting.



## 2.4 Euro coins unfit for circulation - Principles for processing unfit coins

### Common rules:

- Reimbursement/replacement irrespective of national side, for individuals and companies established in M.S. or outside the euro area.
- Uniform handling fee.
- Quantity, authenticity and visual appearance of unfit coins to be checked, through sampling methods.
- Standardized bags/boxes for submission.





### **3. Council Regulation (EC) 2182/2004 of 6 Dec. 2004 on medals and tokens similar to euro coins**

## 3.1 The aim of the rules

- The European market for medals and tokens needs to be regulated.
- Setting a level playing field for the manufacturers and users of medals and tokens.
- Similarity with euro coins needs to be forbidden in terms of visual and machine-readable characteristics.
- Method agreed for defining the degree of similarity.
- Minimising euro-coin related fraud and confusion for the public.

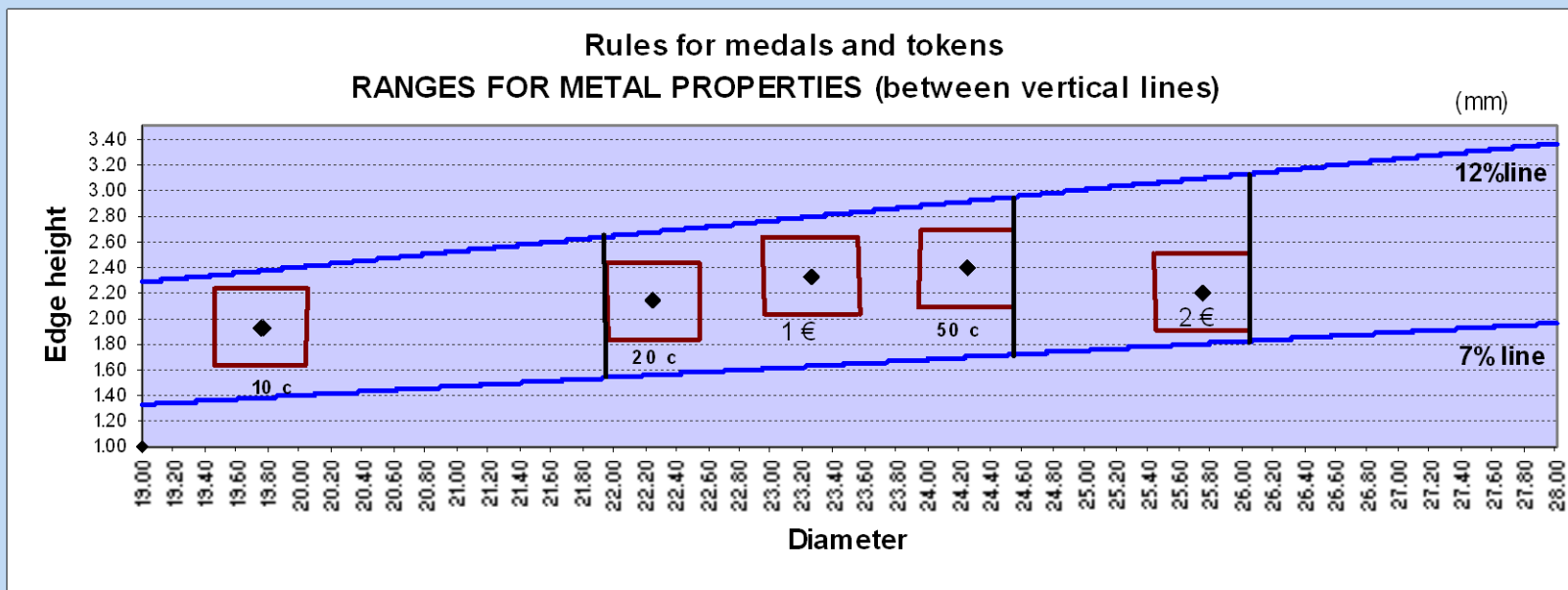


## 3.2 What needs to be forbidden for medals and tokens

- Visual characteristics, which may lead to confusion and fraud as regards the euro coins. The Commission is competent to declare whether a design is similar to common or national side.
- Dimensions similar to the ones of euro coins.
- Metal properties, specific to euro coins.



# 3.3 Ruled ranges for dimensions and metal properties



# 4. Cooperation with the industry and EVA

- Numerous meetings have been held with the competent authorities, the industry and EVA, for the protection of euro coins.
- This cooperation will be continued, notably for a further implementation throughout the E.U. of the Commission's Recommendation concerning the authentication of euro coins, especially with regard to the adjustment and/or improvement of coin-processing machines.





Thank you  
for your  
attention

E-mail: [olivier.louis@monnaiedeparis.fr](mailto:olivier.louis@monnaiedeparis.fr)

Tel.: +33.(0)5.56.07.78.55