



Plenary sitting

A8-0069/2019

7.2.2019

*****I**
REPORT

on the proposal for a regulation of the European Parliament and of the Council establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2021-2027 (the 'Pericles IV programme')
(COM(2018)0369 – C8-0240/2018 – 2018/0194(COD))

Committee on Civil Liberties, Justice and Home Affairs

Rapporteur: Dennis de Jong

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ▬ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION	5
EXPLANATORY STATEMENT	18
PROCEDURE – COMMITTEE RESPONSIBLE	19
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE	20

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2021-2027 (the ‘Pericles IV programme’) (COM(2018)0369 – C8-0240/2018 – 2018/0194(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2018)0369),
 - having regard to Article 294(2) and Article 133 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0240/2018),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Civil Liberties, Justice and Home Affairs (A8-0069/2019),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The Union and the Member States have set themselves the objective of laying down the measures necessary for the use of the euro as a single currency. Those measures include protecting the euro against counterfeiting and related fraud, ***thus empowering*** the effectiveness of the

Amendment

(1) The Union and the Member States have set themselves the objective of laying down the measures necessary for the use of the euro as a single currency. Those measures include protecting the euro against counterfeiting and related fraud ***to ensure*** the effectiveness of the Union’s

Union's economy and **securing** the sustainability of public finances.

economy and **secure** the sustainability of public finances.

Amendment 2

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) Actions with the aim of promoting exchanges of information and staff, technical and scientific assistance and specialised training help significantly to protect the Union's single currency against counterfeiting and related fraud and therefore to attain a high and equivalent level of protection across the Union, whilst demonstrating the Union's ability to tackle serious organised crime.

Amendment

(3) Actions with the aim of promoting exchanges of information and staff, technical and scientific assistance and specialised training help significantly to protect the Union's single currency against counterfeiting and related fraud and therefore to attain a high and equivalent level of protection across the Union, whilst demonstrating the Union's ability to tackle serious organised crime. ***Such actions also help addressing the common challenges and links with money laundering and organised crime.***

Amendment 3

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) A programme for the protection of the euro against counterfeiting contributes to raising the awareness of Union citizens, improving the protection of the euro, especially through the constant dissemination of results of actions supported by that programme.

Amendment

(4) A programme for the protection of the euro against counterfeiting contributes to raising the awareness of Union citizens, ***increasing their confidence in that currency and*** improving the protection of the euro, especially through the constant dissemination of results of actions supported by that programme.

Amendment 4

Proposal for a regulation

Recital 4 a (new)

(4a) Sound protection of the euro against counterfeiting is a key component of a secure and competitive EU economy, and directly linked to the EU objective of improving the efficient functioning of the Economic and Monetary Union.

Amendment 5

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) In *the* Communication to the European Parliament and to the Council on the mid-term evaluation of the *Pericles 2020* Programme, the Commission came to the conclusion that the continuation of the *Pericles 2020 programme* beyond 2020 should be supported, given its *EU* added value, its long-term impact and the sustainability of its actions.

Amendment

(6) Contrary to standard procedure, a separate impact assessment of the Programme was not carried out. This can be partly explained by the fact that in 2017 the Commission carried out a mid-term evaluation of the Programme, supported by an independent report^{1a}. Although the report is generally positive about the Programme, it expresses concerns about the limited number of competent authorities participating in the activities of the Programme and the quality of the key performance indicators used for measuring the results of the Programme. In its Communication to the European Parliament and to the Council on the mid-term evaluation of the Programme of the Pericles 2020 Programme and its ex ante evaluation in the form of a Staff Working Document accompanying its proposal (COM(2018)0369), the Commission came to the conclusion that the continuation of the Programme beyond 2020 should be supported, given its *Union* added value, its long-term impact and the sustainability of its actions and contribution to combating organised crime.

^{1a} SWD(2017)444 final and Ares(2917)3289297 '30/06/2017

Amendment 6

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) The advice contained in the mid-term evaluation was that actions financed under the Pericles 2020 Programme should be continued, ***taking into account possibilities*** to simplify the submitting of applications, to encourage differentiation of beneficiaries, to continue focusing on emerging and recurrent counterfeiting threats and to streamline the key performance indicators.

Amendment

(7) The advice contained in the mid-term evaluation was that actions financed under the Pericles 2020 Programme should be continued, ***while addressing the need*** to simplify the submitting of applications, to encourage differentiation of beneficiaries ***and the participation of a maximum of competent authorities from various countries in the activities of the Programme***, to continue focusing on emerging and recurrent counterfeiting threats and to streamline the key performance indicators.

Amendment 7

Proposal for a regulation

Recital 7 a (new)

Text proposed by the Commission

Amendment

(7 a) Counterfeiting hotspots have been detected in third countries and the counterfeiting of the euro is acquiring a growing international dimension; therefore, capacity building and training activities involving the competent authorities of third countries should be considered essential to achieve the effective protection of the Union's single currency and should be further encouraged in the context of the Programme.

Amendment 8

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) Therefore a new Programme for the period 2021-2027 (the ‘Pericles IV programme’) should be adopted. It should be ensured that the Pericles IV programme is consistent with, and complementary to, other relevant programmes and actions. The Commission should therefore carry out all the necessary consultations with regard to evaluating needs for the protection of the euro with the principal parties involved, in particular the competent national authorities designated by the Member States, the European Central Bank and Europol, within the committee referred to in Regulation (EC) No 1338/2001, particularly as regards exchanges, assistance and training, for the purpose of the application of the Pericles IV programme.

Amendment

(8) Therefore a new Programme for the period 2021-2027(the ‘Pericles IV programme’) should be adopted. It should be ensured that the Pericles IV programme is consistent with, and complementary to, other relevant programmes and actions. The Commission should therefore carry out all the necessary consultations with regard to evaluating needs for the protection of the euro with the principal parties involved, in particular the competent national authorities designated by the Member States, the European Central Bank and Europol, within the committee referred to in Regulation (EC) No 1338/2001,particularly as regards exchanges, assistance and training, for the purpose of the application of the Pericles IV programme. ***Moreover, the Commission should draw on the vast experience of the European Central Bank in relation to the conduct of training and the provision of information on counterfeit euro banknotes when implementing the programme.***

Amendment 9

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) This Regulation complies with the principles of added value and proportionality. The Pericles IV programme should facilitate cooperation among the Member States and between the Commission and the Member States in order to protect the euro against counterfeiting, without impinging on Member States’ responsibilities, and using resources more efficiently than could be done at national level. Action at Union level is necessary and justified as it clearly assists Member States in collectively

Amendment

(10) This Regulation complies with the principles of added value and proportionality. The Pericles IV programme should facilitate cooperation among the Member States and between the Commission and the Member States in order to protect the euro against counterfeiting, without impinging on Member States’ responsibilities, and using resources more efficiently than could be done at national level. Action at Union level is necessary and justified as it clearly assists Member States in collectively

protecting the euro and encourages the use of common Union structures to increase cooperation and information exchange between competent authorities.

protecting the euro and encourages the use of common Union structures to increase cooperation and *timely and comprehensive* information exchange between competent authorities.

Amendment 10

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) In order to *ensure uniform conditions for the implementation of the Pericles IV programme, implementing powers* should be *conferred on* the Commission. The Commission should adopt annual work programmes setting out the priorities, the budget breakdown and the evaluation criteria for the grants for actions. The exceptional and duly justified cases, in which an increase in co-financing is necessary in order to give the Member States greater economic flexibility, thus enabling them to carry out and complete projects to protect and safeguard the euro in a satisfactory manner, should be part of the annual work programmes.

Amendment

(12) In order to *supplement and amend non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union* should be *delegated to* the Commission *in respect of work programmes as provided for in Article 10 and indicators as provided for in Article 12 and the Annex*. The Commission should adopt annual work programmes setting out the priorities, the budget breakdown and the evaluation criteria for the grants for actions. The exceptional and duly justified cases, in which an increase in co-financing is necessary in order to give the Member States greater economic flexibility, thus enabling them to carry out and complete projects to protect and safeguard the euro in a satisfactory manner, should be part of the annual work programmes. *It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts*

systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

Amendment 11

Proposal for a regulation

Article 2 – paragraph 1 – subparagraph 2

Text proposed by the Commission

To prevent and combat counterfeiting and related fraud, thus **enhancing the competitiveness of** the Union's economy and securing the sustainability of public finances.

Amendment

To prevent and combat counterfeiting and related fraud, thus **preserving the integrity of the euro banknotes and coins, which strengthens the trust of citizens and business in the genuineness of these banknotes and coins therefore enhances the trust in** the Union's economy, **while** and securing the sustainability of public finances.

Amendment 12

Proposal for a regulation

Article 3 – paragraph 1

Text proposed by the Commission

1. The financial envelope for the implementation of the Programme for the period from 1 January 2021 to 31 December 2027 shall be EUR 7 700 000 (in current prices).

Amendment

1. The financial envelope for the implementation of the Programme for the period from 1 January 2021 to 31 December 2027 shall be EUR 7 700 000 ^{1a} (in current prices).

^{1a} **Indicative amount only, depending on overall MFF.**

Amendment 13

Proposal for a regulation

Article 4 – paragraph 2

Text proposed by the Commission

2. The Programme shall be

Amendment

2. The Programme shall be

implemented by the Commission in cooperation with the Member States, through regular consultations at different stages of the implementation of the Programme, ***taking into account*** relevant measures undertaken by other competent entities, in particular the European Central Bank and Europol.

implemented by the Commission in cooperation with the Member States, through regular consultations at different stages of the implementation of the Programme, ***whilst ensuring consistency and avoiding unnecessary duplication with*** relevant measures undertaken by other competent entities, in particular the European Central Bank and Europol. ***To this effect, when preparing the work programmes pursuant to Article 10, the Commission shall take into account existing and planned ECB and Europol activities against euro counterfeiting and fraud.***

Amendment 14

Proposal for a regulation

Article 6 – paragraph 1 – point a – indent -1 (new)

Text proposed by the Commission

Amendment

- ***best practices in preventing counterfeiting and fraud relating to the euro;***

Amendment 15

Proposal for a regulation

Article 6 – paragraph 1 – point a – indent 3

Text proposed by the Commission

Amendment

— use of detection tools ***with computer back-up;***

— use of detection tools;

Justification

To ensure all possible tools are covered.

Amendment 16

Proposal for a regulation

Article 6 – paragraph 1 – point b – indent 4

Text proposed by the Commission

Amendment

— support for cooperation in operations involving at least two States when such support **is not** available from other programmes of European institutions and bodies;

— support for cooperation in operations involving at least two States when such support **cannot be made** available from other programmes of European institutions and bodies;

Amendment 17

Proposal for a regulation
Article 6 – paragraph 3

Text proposed by the Commission

Amendment

3. The groups referred to in paragraph 2 of this Article may include participants from third countries **if that is important for the fulfilment of the objectives provided for in Article 2.**

3. The groups referred to in paragraph 2 of this Article may include participants from third countries.

Justification

The objectives of Article 2 (and of the whole Regulation) must be pursued anyway.

Amendment 18

Proposal for a regulation
Article 10 – paragraph 1

Text proposed by the Commission

Amendment

1. The **Programme shall be implemented by** work programmes as referred to in Article 110 of the Financial Regulation.

1. The **Commission is empowered to adopt delegated acts in accordance with Article 11 to adopt** work programmes as referred to in Article 110 of the Financial Regulation.

Amendment 19

Proposal for a regulation
Article 11 – paragraph 2

Text proposed by the Commission

Amendment

2. The delegation of power referred to in **Article 12(2)** shall be conferred on the Commission from 1 January 2021 until 31

2. The delegation of power referred to in **Articles 10(1) and 12(2)** shall be conferred on the Commission from 1

Amendment 20**Proposal for a regulation
Article 11 – paragraph 3***Text proposed by the Commission*

3. The delegation of power referred to in **Article 12(2)**, may be revoked at any time by the European Parliament or the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment 21**Proposal for a regulation
Article 11 – paragraph 4***Text proposed by the Commission*

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.

Amendment 22**Proposal for a regulation
Article 12 – paragraph 3***Text proposed by the Commission*

3. The Commission shall provide annual information on the results of the

Amendment

3. The delegation of power referred to in **Articles 10(1) and 12(2)**, may be revoked at any time by the European Parliament or the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016, **as well as representatives from the ECB and Europol.**

Amendment

3. The Commission shall provide annual information on the results of the

Programme to the European Parliament **and to** the Council, taking into account the quantitative and qualitative indicators set out in the Annex to this proposal.

Programme to the European Parliament, the Council, **the European Central Bank, Europol, Eurojust, and the European Public Prosecutor's Office (EPPO)**, taking into account the quantitative and qualitative indicators set out in the Annex to this proposal.

Amendment 23

Proposal for a regulation Article 13 – paragraph 3

Text proposed by the Commission

3. The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, the Council **and** the European Central Bank.

Amendment

3. The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, the Council, the European Central Bank, **Europol, Eurojust, and the European Public Prosecutor's Office.**

Amendment 24

Proposal for a regulation Article 14 – paragraph 1

Text proposed by the Commission

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results), by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

Amendment

1. The recipients of Union funding shall acknowledge the origin and ensure the **transparency and** visibility of the Union funding (in particular when promoting the actions and their results), by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.

Amendment 25

Proposal for a regulation Annex I – paragraph 1 – introductory part

Text proposed by the Commission

The Programme will be monitored closely on the basis of a set of indicators intended to measure the extent to which the general and specific objectives of the Programme have been achieved. To that end, data will be collected as regards the following set of key indicators:

Amendment 26

**Proposal for a regulation
Annex I – paragraph 1 – point a**

Text proposed by the Commission

(a) *Number of counterfeit euros detected;*

Amendment 27

**Proposal for a regulation
Annex I – paragraph 1 – point b**

Text proposed by the Commission

(b) *Number of illegal workshops dismantled; and*

Amendment 28

**Proposal for a regulation
Annex I – paragraph 1 – point c**

Text proposed by the Commission

(c) *Feedback* received from *participants in the actions financed by the*

Amendment

The Programme will be monitored closely on the basis of a set of indicators intended to measure, ***at minimal administrative burdens and costs***, the extent to which the general and specific objectives of the Programme have been achieved. To that end, data will be collected as regards the following set of key indicators:

Amendment

(a) ***The number of Member States and third countries, of which competent national authorities have participated in the activities under the Programme;***

Amendment

(b) ***The number of participants and their satisfaction rate as well as any other feedback they may have given concerning the usefulness of the activities under the Programme;***

Amendment

(c) ***Information*** received from ***national competent authorities of the number of counterfeit euros detected and***

Programme.

illegal workshops dismantled as a direct consequence of improved co-operation through the Programme.

Amendment 29

Proposal for a regulation Annex I – paragraph 2 – introductory part

Text proposed by the Commission

The data and information for the key performance indicators shall be collected annually by the *following actors*:

Amendment

The data and information for the key performance indicators shall be collected annually by the *Commission and the beneficiaries of the Programme.,*

EXPLANATORY STATEMENT

The Rapporteur has based his amendments on close consideration of the mid-term evaluation of the Pericles 2020 Programme, consisting of an external report, followed by the Commission Communication (COM(2017)741 final) and a Commission Staff Working Document (SWD(2017)444 final). Although the mid-term evaluation contains much relevant information, in the Rapporteur's view, it cannot replace a proper impact assessment, with all the safeguards inherent to such an assessment. However, the Rapporteur did not want to prolong procedures by insisting on such an IA.

The mid-term evaluation showed that in general the Pericles 2020 Programme meets its objectives. Concerns were expressed with regard to the lack of participation in the Programme's activities by Competent National Authorities, as in practice mainly the French, Spanish and Italian CNAs seem to benefit from the programme's activities.

The second concern was the lack of relevant key performance indicators. The ones used measure the number of counterfeit euros detected and the number of illegal workshops dismantled, but these indicators do not provide any information on the link between these statistics and the programme's contribution to these.

The Rapporteur shares these concerns. By more closely involving Member States' competent national authorities in the setting up of annual work programmes, the Rapporteur hopes to increase their participation.

With regard to the key performance indicators, the Rapporteur has replaced those listed in the Commission proposal (Annex) by a set of indicators directly measuring the effectiveness of the programme's activities.

Finally, the Rapporteur has examined in detail the ECB's opinion. He agrees with the ECB that co-operation between the Commission and the ECB under the new Pericles IV Programme should be strengthened. In his opinion, the same holds for co-operation with Europol. The current Commission proposal leaves too much scope for actions running in parallel, thus risking to overlap each other. Hence, in Articles 4, 10, 12 and 13 references to ECB and, whenever relevant, Europol have been introduced by the Rapporteur.

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2021-2027 (the 'Pericles IV programme')			
References	COM(2018)0369 – C8-0240/2018 – 2018/0194(COD)			
Date submitted to Parliament	31.5.2018			
Committee responsible Date announced in plenary	LIBE 11.6.2018			
Rapporteurs Date appointed	Dennis de Jong 27.9.2018			
Discussed in committee	11.10.2018	7.1.2019	29.1.2019	4.2.2019
Date adopted	4.2.2019			
Result of final vote	+: -: 0:	43 0 0		
Members present for the final vote	Asim Ademov, Michał Boni, Daniel Dalton, Laura Ferrara, Romeo Franz, Kinga Gál, Ana Gomes, Filiz Hyusmenova, Sophia in 't Veld, Eva Joly, Dietmar Köster, Cécile Kashetu Kyenge, Roberta Metsola, Claude Moraes, József Nagy, Péter Niedermüller, Judith Sargentini, Giancarlo Scottà, Helga Stevens, Traian Ungureanu, Josef Weidenholzer, Kristina Winberg			
Substitutes present for the final vote	Carlos Coelho, Dennis de Jong, Gérard Deprez, Anna Hedh, Lívia Járóka, Petr Ježek, Sylvia-Yvonne Kaufmann, Maite Pagazaurtundúa Ruiz, Barbara Spinelli, Axel Voss			
Substitutes under Rule 200(2) present for the final vote	Birgit Collin-Langen, Pascal Durand, Stefan Eck, Stefan Gehrold, Françoise Grossetête, John Howarth, Ramón Jáuregui Atondo, Paul Rübig, Julie Ward, Tiemo Wölken, Gabriele Zimmer			
Date tabled	7.2.2019			

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

43	+
ALDE	Gérard Deprez, Filiz Hyusmenova, Sophia in 't Veld, Petr Ježek, Maite Pagazaurtundúa Ruiz
ECR	Daniel Dalton, Helga Stevens, Kristina Winberg
EFDD	Laura Ferrara
ENF	Giancarlo Scottà
GUE/NGL	Stefan Eck, Dennis de Jong, Barbara Spinelli, Gabriele Zimmer
PPE	Asim Ademov, Michał Boni, Carlos Coelho, Birgit Collin-Langen, Kinga Gál, Stefan Gehrold, Françoise Grossetête, Lívia Járóka, Roberta Metsola, József Nagy, Paul Rübig, Traian Ungureanu, Axel Voss
S&D	Ana Gomes, Anna Hedh, John Howarth, Ramón Jáuregui Atondo, Sylvia-Yvonne Kaufmann, Dietmar Köster, Cécile Kashetu Kyenge, Claude Moraes, Péter Niedermüller, Julie Ward, Josef Weidenholzer, Tiemo Wölken
VERTS/ALE	Pascal Durand, Romeo Franz, Eva Joly, Judith Sargentini

0	-

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention