



EUROPEAN PARLIAMENT

2009 - 2014

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*Committee on Economic and Monetary Affairs*

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**2009/0128(COD)**

6.4.2010

**\*\*\*I**

## **DRAFT REPORT**

on the proposal for a regulation of the European Parliament and of the Council  
concerning authentication of euro coins and handling of euro coins unfit for  
circulation  
(COM(2009)0459 – C7-0207/2009 – 2009/0128(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Slavi Binev

### ***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***

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* alerts the relevant departments to parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act which the draft act seeks to amend includes a third and fourth line identifying respectively the existing act and the provision in that act affected by the amendment. Passages in a provision of an existing act that Parliament wishes to amend, but the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in passages of this kind are indicated thus: [...].

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council concerning authentication of euro coins and handling of euro coins unfit for circulation (COM(2009)0459 – C7-0207/2009 – 2009/0128(COD))

(Ordinary legislative procedure: first reading)

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2009)0459),
  - having regard to Article 123(4) of the EC Treaty, pursuant to which the Council consulted Parliament (C7-0207/2009),
  - having regard to the Communication from the Commission to the European Parliament and the Council entitled "Consequences of the entry into force of the Treaty of Lisbon for ongoing interinstitutional decision-making procedures" (COM(2009)0665),
  - having regard to Article 294(3) and Article 133 of the Treaty on the Functioning of the European Union,
  - having regard to the opinion of the European Central Bank of 16 November 2009<sup>1</sup>,
  - having regard to Rule 55 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A7-0000/2010),
1. Adopts the position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council, the Commission and to the national parliaments.

### Amendment 1

#### Proposal for a regulation

##### Recital 5

*Text proposed by the Commission*

(5) In order to achieve the necessary coordination *in* the implementation of the authentication procedures, the details of testing requirements for coin

*Amendment*

(5) In order to achieve the necessary coordination *of* the implementation of the authentication procedures, the details of testing requirements for coin

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<sup>1</sup> OJ C 284, 25.11.2009, p.6.

authentication, as well as the specifications for checking unfit euro coins, should be further determined by the European Technical and Scientific Centre (ETSC) established by Commission Decision 2005/37/EC of 29 October 2004.

authentication, as well as the specifications for checking unfit euro coins ***and other practical implementation provisions***, should be further determined by the European Technical and Scientific Centre (ETSC) established by Commission Decision 2005/37/EC of 29 October 2004, ***after having consulted the counterfeit coin experts group referred to in this Regulation.***

Or. en

#### *Justification*

*The Recital is brought in line with the text of the Regulation, notably Article 4(3).*

### **Amendment 2**

#### **Proposal for a regulation Recital 5 a (new)**

*Text proposed by the Commission*

*Amendment*

***(5a) In order to allow for a gradual adjustment of their current system of rules and practices to the provisions of this Regulation, the Member States should, during a transitional period of three years from 1 January 2012, be able to provide for derogations regarding the types of coin-processing machines to be used for the authentication of euro coins and for the number of those machines to be verified each year.***

Or. en

#### *Justification*

*The Regulation should provide for certain derogations.*

### **Amendment 3**

#### **Proposal for a regulation Recital 6 a (new)**

*Text proposed by the Commission*

*Amendment*

***(6a) It is for each Member State to introduce applicable penalties for infringements, with a view to achieving an equivalent authentication of euro coins and handling of euro coins unfit for circulation throughout the Union.***

Or. en

*Justification*

*The Regulation should provide for penalties in case of infringements.*

### **Amendment 4**

#### **Proposal for a regulation Recital 6 b (new)**

*Text proposed by the Commission*

*Amendment*

***(6b) Each institution performing euro coins authentication may apply a handling fee in accordance with this Regulation in order to cover the institution's expenses related to the process.***

Or. en

*Justification*

*The authentication process will incur expenses to the institutions involved.*

## Amendment 5

### Proposal for a regulation Article 2 – point d

*Text proposed by the Commission*

(d) "institutions" **mean** the institutions referred to in Article 6(1) of Regulation (EC) No 1338/2001.

*Amendment*

(d) "institutions" **means** the institutions referred to in Article 6(1) of Regulation (EC) No 1338/2001 **but excludes the institutions referred to in the third indent of the first subparagraph of Article 6(1) of Regulation (EC) No 1338/2001;**

Or. en

*Justification*

*Economic agents engaged on a secondary basis in the processing and distribution to the public of coins within the limit of these secondary activities should be exempted (e.g. retailers who operate ATMs).*

## Amendment 6

### Proposal for a regulation Article 2 – point d a (new)

*Text proposed by the Commission*

*Amendment*

**(da) "CCEG" means the counterfeit coin experts referred to in Commission Decision 2005/37/EC.**

Or. en

## Amendment 7

### Proposal for a regulation Article 3 – paragraph 1 – point a

*Text proposed by the Commission*

*Amendment*

(a) **mainly** by means of coin processing machines included in the list of coin-processing machines, referred to in Article

(a) by means of coin processing machines included in the list of coin-processing machines, referred to in Article 5(3); or



5(3); or

Or. en

*Justification*

*In order to avoid disproportionate obligations, especially with respect to the lowest denominations, more flexibility in the choice of the authentication methods should be provided for.*

**Amendment 8**

**Proposal for a regulation**

**Article 3 – paragraph 1 – point b**

*Text proposed by the Commission*

(b) by trained personnel.

*Amendment*

(b) by personnel trained ***in accordance with the modalities defined by Member States.***

Or. en

*Justification*

*In order to avoid disproportionate obligations, especially with respect to the lowest denominations, more flexibility in the choice of the authentication methods should be provided for.*

**Amendment 9**

**Proposal for a regulation**

**Article 3 – paragraph 2**

*Text proposed by the Commission*

2. Following the authentication procedure all counterfeit euro coins and euro coins unfit for circulation shall be sent to the designated national authorities. ***As regards euro coins unfit for circulation, the provisions of Chapter III shall apply.***

*Amendment*

2. Following the authentication procedure all ***euro coins suspected to be*** counterfeit and euro coins unfit for circulation shall be sent to the designated national authorities.

Or. en

### *Justification*

*A 'qualitative' distinction between counterfeit coins and coins unfit for circulation is very difficult to make. Coins unfit for circulation are a kind of 'by-product' of the identification process of counterfeit coins. The last sentence was moved to the next paragraph.*

## **Amendment 10**

### **Proposal for a regulation Article 3 – paragraph 3**

#### *Text proposed by the Commission*

3. Counterfeit euro coins delivered to the competent national authorities in accordance with Article 6 of Regulation (EC) No 1338/2001 shall not be subject to handling or other fees.

#### *Amendment*

3. Counterfeit euro coins delivered to the competent national authorities in accordance with Article 6 of Regulation (EC) No 1338/2001 shall not be subject to handling or other fees. ***As regards euro coins unfit for circulation, the provisions of Chapter III shall apply.***

Or. en

### *Justification*

*See justification to Article 3 para 2.*

## **Amendment 11**

### **Proposal for a regulation Article 4 – paragraph 1**

#### *Text proposed by the Commission*

1. The institutions shall ***have their*** coin processing machines ***tested*** by the designated national authorities or by the European Technical and Scientific Centre (ETSC) ***by conducting a detection test.*** ***Such*** test shall be designed to ensure that a coin processing machine is capable of rejecting the known types of counterfeit coins and all other coin-like objects that do not comply with the specifications of genuine euro coins.

#### *Amendment*

1. ***In implementing Article 3(1),*** the institutions shall ***use only the types of*** coin processing machines ***that have successfully passed a detection test conducted*** by the designated national authorities or by the European Technical and Scientific Centre (ETSC) ***and that were listed on the website referred to in Article 5(3) at the time of their purchase.*** ***The institutions shall ensure that those machines are regularly adjusted to maintain their detection capability, taking into consideration the modifications***

*introduced in the list referred to in Article 5(3). The detection test shall be designed to ensure that a coin-processing machine is capable of rejecting the known types of counterfeit **euro** coins and, in the process, **euro coins unfit for circulation** and all other coin-like objects that do not comply with the specifications of genuine euro coins.*

Or. en

#### *Justification*

*It should be possible that machines that have been successfully tested once can be used by several institutions, without re-running a test for each institution. The detection test should be restricted to types of coin processing machines, while more flexibility should be given regarding the inclusion of machines in the list, compensated by an obligation of maintenance. Coins unfit for circulation are rejected 'in the process', as the machines are not specifically designed for this purpose.*

#### **Amendment 12**

##### **Proposal for a regulation**

##### **Article 4 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1a. For a transitional period of three years from 1 January 2012, Member States may provide specific derogations from the provisions of the first sentence of paragraph 1, for coin-processing machines that have been in use on ...\* and that have proved capable of detecting counterfeit euro coins, euro coins unfit for circulation and other coin-like objects that are not genuine euro coins, even if they are not included in the list referred to in Article 5(3). Such derogations shall be adopted after consultations with the CCEG.***

***\* OJ please insert date of entry into force of this Regulation.***

Or. en

### *Justification*

*More flexibility should be given regarding the inclusion of machines in the list.*

## **Amendment 13**

### **Proposal for a regulation Article 4 – paragraph 2**

#### *Text proposed by the Commission*

2. The ETSC ***shall define*** the technical specifications for the detection test, as well as the relevant thresholds for acceptance of genuine coins.

#### *Amendment*

2. The ***Commission shall provide that the ETSC, after having consulted the CCEG, defines*** the technical specifications for the detection test ***and other practical implementation provision, such as the period of validity of the detection test report, the information to be included in the list referred to in Article 5(3), the guidelines related to control, checks and auditing by Member States, the rules of procedure for the rectification of non-compliance,*** as well as the relevant thresholds for acceptance of genuine coins.

Or. en

### *Justification*

*It is more convenient that the Commission gives a 'mandate' to the ETSC, which should define more details on the technicalities related to the detection test.*

## **Amendment 14**

### **Proposal for a regulation Article 6 – paragraph 1**

#### *Text proposed by the Commission*

1. Member States shall put in place the controls ***necessary to ensure that the authentication obligations are carried out by the institutions.***

#### *Amendment*

1. Member States shall put in place the controls ***provided for in paragraphs 2 to 4a.***

Or. en

## Amendment 15

### Proposal for a regulation Article 6 – paragraph 2

*Text proposed by the Commission*

2. Member States shall perform annually on-the-spot controls in the institutions with a view to verifying the proper functioning of a representative number of coin-processing machines through detection tests. Where **appropriate**, Member States shall obtain assurance that **the staff expected to check the authenticity of euro coins is** duly trained **in manual authentication**.

*Amendment*

2. Member States shall perform annually on-the-spot controls in the institutions with a view to verifying the proper functioning of a representative number of coin-processing machines **used** through detection tests. Where **staff of the institutions controlled is expected to check manually the authenticity of euro coins put back into circulation**, Member States shall obtain assurance **from those institutions** that **their staff are** duly trained **for that purpose**.

Or. en

*Justification*

*As checks can also be conducted manually, the staff doing this should be duly trained.*

## Amendment 16

### Proposal for a regulation Article 6 – paragraph 3

*Text proposed by the Commission*

3. The number of machines to be verified each year in each Member State shall be such that the volume of euro coins processed by these machines during that year represents at least **one-third** of the total cumulated net volume of coins issued by that Member State from the introduction of the euro coins until the end of the previous year. The number of machines to be verified shall be calculated on the basis of the volume of the three highest denominations of euro coins intended for circulation.

*Amendment*

3. The number of machines to be verified each year in each Member State shall be such that the volume of euro coins processed by these machines during that year represents at least **25 %** of the total cumulated net volume of coins issued by that Member State from the introduction of the euro coins until the end of the previous year. The number of machines to be verified shall be calculated on the basis of the volume of the three highest denominations of euro coins intended for circulation. **Notwithstanding paragraph 3a, Member States shall ensure that**

*machines are verified alternately.*

Or. en

*Justification*

*25% is a compromise. In the course of time a larger scope of machines will be inspected.*

## **Amendment 17**

### **Proposal for a regulation**

#### **Article 6 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

***3a. In the event that the number of machines to be verified, as obtained by applying the calculation method provided for in paragraph 3, is higher than the number of machines operating in one Member State, all the machines operating in that Member State shall be verified.***

Or. en

*Justification*

*This amendment covers the case of small Member States.*

## **Amendment 18**

### **Proposal for a regulation**

#### **Article 6 – paragraph 3 b (new)**

*Text proposed by the Commission*

*Amendment*

***3b. For a transitional period of three years from 1 January 2012, Member States may decide, following notification to the Commission, that the number of machines to be verified each year shall be such that the volume of euro coins processed by those machines during that year represents at least 10 % of the total cumulated net volume of coins issued by that Member State from the introduction of the euro coins until the end of the***

*previous year.*

Or. en

*Justification*

*To provide for flexibility for Member States which need to adapt their current procedures, a transitional period should be introduced.*

**Amendment 19**

**Proposal for a regulation**

**Article 6 – paragraph 4 – point a**

*Text proposed by the Commission*

(a) the existence of a written policy ***and organization for detecting counterfeits;***

*Amendment*

(a) the existence of a written policy ***providing instructions related to either the use of automatic coin-processing equipment or the manual sorting, as appropriate;***

Or. en

**Amendment 20**

**Proposal for a regulation**

**Article 6 – paragraph 4 – point d a (new)**

*Text proposed by the Commission*

*Amendment*

***(da) the existence of internal control procedures describing the modalities and the frequency of the controls to be carried out by the institution in order to ensure that its sorting centres or its staff follows the instructions referred to in point (a).***

Or. en

*Justification*

*More details on the elements that should be monitored by the Member States.*

## Amendment 21

### Proposal for a regulation

#### Article 6 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

***4a. Where a Member State detects non-compliance with this Regulation, the institution concerned shall take the measures to ensure that the non-compliance is rectified within a reasonable period of time.***

Or. en

*Justification*

*Institutions should be obliged to take corrective measures in case of non-compliance.*

## Amendment 22

### Proposal for a regulation

#### Article 7 – paragraph 2

*Text proposed by the Commission*

*Amendment*

2. Member States shall reimburse or replace euro coins that have become unfit ***as a result of*** long circulation or accident. Member States may refuse reimbursement of euro coins unfit for circulation which have been altered either deliberately or by a process that could be reasonably expected to have the effect of altering them, notwithstanding reimbursement of coins collected for charitable purposes, such as ‘fountain coins’.

2. Member States shall reimburse or replace euro coins that have become unfit ***due to*** long circulation or accident ***or that have been otherwise rejected during the authentication procedure.*** Member States may refuse reimbursement of euro coins unfit for circulation which have been altered either deliberately or by a process that could be reasonably expected to have the effect of altering them, notwithstanding reimbursement of coins collected for charitable purposes, such as ‘fountain coins’.

Or. en

*Justification*

*The scope for unfitness should be wider.*



## Amendment 23

### Proposal for a regulation Article 8 – paragraph 1

#### *Text proposed by the Commission*

1. A handling fee of 5% of the face value of the submitted euro coins unfit for circulation **shall** be withheld from the reimbursement or the replacement of these euro coins. The handling fee **shall** be supplemented by an additional 15% fee of the face value of the submitted euro coins in case the entire bag or box is checked as provided in **Article 10**.

#### *Amendment*

1. A handling fee of 5% of the face value of the submitted euro coins unfit for circulation **may** be withheld from the reimbursement or the replacement of these euro coins. The handling fee **may** be supplemented by an additional 15% fee of the face value of the submitted euro coins in case the entire bag or box is checked as provided in **Article 10(2)**.

Or. en

#### *Justification*

*The application of handling fees should not be an obligation but an option.*

## Amendment 24

### Proposal for a regulation Article 8 – paragraph 2

#### *Text proposed by the Commission*

2. Member States may provide for general exemptions from handling fees in cases where the submitting legal or natural persons cooperate closely and regularly with the designated national authorities in withdrawing from circulation counterfeit euro coins and euro coins unfit for circulation.

#### *Amendment*

2. Member States may provide for general **or partial** exemptions from handling fees in cases where the submitting legal or natural persons cooperate closely and regularly with the designated national authorities in withdrawing from circulation counterfeit euro coins and euro coins unfit for circulation **or where it serves the public interest**.

Or. en

#### *Justification*

*The scope for exemptions from (optional) handling fees should be widened.*

## Amendment 25

### Proposal for a regulation Article 8 – paragraph 4

*Text proposed by the Commission*

4. Without prejudice to the exemption provided for in paragraph 2, a maximum quantity of one kilogramme euro coins unfit for circulation per denomination is exempted from the handling fee each year for one submitting legal or natural person.

*Amendment*

4. Without prejudice to the exemption provided for in paragraph 2, a maximum quantity of one kilogramme euro coins unfit for circulation per denomination is exempted from the handling fee each year for one submitting legal or natural person.  
***If that limit is exceeded, all the coins submitted may be subject to a fee.***

Or. en

*Justification*

*The amendment prevents that the 'one kilogramme rule' is being circumvented by splitting large submissions into smaller ones.*

## Amendment 26

### Proposal for a regulation Article 8 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

***4a. If an individual submission includes coins contaminated to such a degree that they may be deemed to harbour a health risk for handlers, the charges levied in accordance with paragraph 1 shall be supplemented by a further fee of the face value of the submitted euro coins equivalent to 20 % of the nominal value.***

Or. en

*Justification*

*The amendment deals with submissions implying a health risk.*

## Amendment 27

### Proposal for a regulation

#### Article 9 – paragraph 1 – point b

*Text proposed by the Commission*

(b) each bag or box shall bear the indications of the submitting entity, the value and the denomination contained, the weight, date of packaging and bag/box number; the submitting entity shall provide a packaging list with an overview of the bags or boxes submitted;

*Amendment*

(b) each bag or box shall bear the indications of the submitting entity, the value and the denomination contained, the weight, date of packaging and bag/box number; the submitting entity shall provide a packaging list with an overview of the bags or boxes submitted; ***where coins have been treated with chemical or other hazardous substances, the standard packaging units must be accompanied by a written declaration specifying the exact substances which have been used;***

Or. en

*Justification*

*The amendment deals with submissions implying a health risk (see also amendment to Article 8).*

## Amendment 28

### Proposal for a regulation

#### Article 10 – paragraph 1 – introductory part

*Text proposed by the Commission*

1. Member States ***shall*** check submitted euro coins unfit for circulation as follows:

*Amendment*

1. Member States ***may*** check submitted euro coins unfit for circulation as follows:

Or. en

*Justification*

*Member States should be granted more flexibility as regards the modalities for checks.*

## **Amendment 29**

### **Proposal for a regulation**

#### **Article 10 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***2a. Member States may also refuse to accept euro coins, where the acceptance or processing of such coins constitutes a health risk for human handlers or if a submission fails to meet packaging and labelling standards, and provide for measures to be adopted with respect to the legal and natural persons having submitted such coins.***

Or. en

*Justification*

*The amendment deals with submissions implying a health risk (see also amendments to Article 8 and Article 9 para 1 point (b)).*

## **Amendment 30**

### **Proposal for a regulation**

#### **Article 11**

*Text proposed by the Commission*

*Amendment*

#### ***Article 11***

***deleted***

***Flow of information and communication  
Member States shall ensure that information concerning the authorities designated for reimbursement or replacement and specific modalities, such as packaging requirements and fees, is made available on the appropriate web sites and through the appropriate publications.***

Or. en

*Justification*

*The text is moved to the next Article.*

## Amendment 31

### Proposal for a regulation Article 12 – title

*Text proposed by the Commission*

Reporting **and** communication

*Amendment*

Reporting, communication **and evaluation**

Or. en

## Amendment 32

### Proposal for a regulation Article 12 – paragraph 1

*Text proposed by the Commission*

1. Member States shall submit reports to the Commission on their euro coin authentication activities on an annual basis. The information provided shall include the number of controls carried out *under* Article 6(2) and coin processing machines tested, the test results, the volume of coins processed by these ***institutions***, the number of suspect euro coins analysed and the number of reimbursed euro coins unfit for circulation.

*Amendment*

1. Member States shall submit reports to the Commission on their euro coin authentication activities on an annual basis. The information provided shall include the number of controls carried out *pursuant to* Article 6(2) and coin processing machines tested, the test results, the volume of coins processed by these ***machines***, the number of suspect euro coins analysed and the number of reimbursed euro coins unfit for circulation, ***as well as the derogations provided for in Article 4(1a) and Article 6(3b)***.

Or. en

*Justification*

*Reporting requirements should also cover the derogations provided for.*

## **Amendment 33**

### **Proposal for a regulation**

#### **Article 12 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***1a. In order to enable Member States to monitor the compliance of the institutions with this Regulation, the institutions shall, where so requested, provide, on at least an annual basis the Member States with the following information, as a minimum:***

***(a) types and number of machines used;***

***(b) location of each machine; and***

***(c) volume of processed coins for each machine per year and per denomination, at least for the three highest denominations.***

Or. en

*Justification*

*Member States must be given certain information which is indispensable for their monitoring activity.*

## **Amendment 34**

### **Proposal for a regulation**

#### **Article 12 – paragraph 1 b (new)**

*Text proposed by the Commission*

*Amendment*

***1b. Member States shall ensure that information concerning the authorities designated for reimbursement of replacement and specific modalities such as packaging requirements and fees is made available on the appropriate web sites and through the appropriate publications.***

Or. en

*Justification*

*This amendment ensures a wider and more transparent publicity.*

**Amendment 35**

**Proposal for a regulation**  
**Article 12 – paragraph 2**

*Text proposed by the Commission*

2. The Commission shall report to the Economic and Financial Committee on developments concerning euro coin authentication and euro coins that are unfit for circulation.

*Amendment*

**2. *After analysis of the received reports of the Member States*, the Commission shall *present an annual* report to the Economic and Financial Committee on developments *and results* concerning euro coin authentication and euro coins that are unfit for circulation.**

Or. en

*Justification*

*A consolidated annual report from the Commission will ensure transparency of the process and its results.*

**Amendment 36**

**Proposal for a regulation**  
**Article 12 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Amendment*

**2a. *The Commission shall report to the European Parliament and to the Council by 30 June 2014 on the operation and the effects of this Regulation. The report may be accompanied, where necessary, by legislative proposals implementing in further detail, or amending, the provisions of this Regulation, in particular as regards Article 6.***

Or. en

*Justification*

*Deadline for report of the Commission regarding application of the Regulation.*

**Amendment 37**

**Proposal for a regulation**  
**Article 13**

*Text proposed by the Commission*

*Amendment*

**Article 13**  
**Applicability**

**deleted**

***This Regulation shall apply in the  
participating Member States listed in  
Annex to Regulation (EC) No 974/1998.***

Or. en

*Justification*

*This Article is no longer needed with the entry into force of the Lisbon Treaty.*

**Amendment 38**

**Proposal for a regulation**  
**Article 13 a (new)**

*Text proposed by the Commission*

*Amendment*

**Article 13a**  
**Penalties**

***Member States shall lay down the rules on  
penalties applicable to infringements of  
the provisions of this Regulation and shall  
take all measures necessary to ensure that  
they are implemented. The penalties  
provided for must be effective,  
proportionate and dissuasive.***

Or. en

*Justification*

*In order to grant more legal certainty, a provision on penalties should be inserted.*



## Amendment 39

### Proposal for a regulation Article 14 – paragraph 2

*Text proposed by the Commission*

It shall apply from 1 January 2012.

*Amendment*

It shall apply from 1 January 2012 ***with the exception of the provisions of Chapter III which shall apply from...\****

***\* OJ please insert date of entry into force of this Regulation.***

Or. en

*Justification*

*A rapid implementation of the provisions concerning euro coins unfit for circulation should be ensured.*

## Amendment 40

### Proposal for a regulation Article 14 – paragraph 3

*Text proposed by the Commission*

This Regulation shall be binding in its entirety and directly applicable in ***the*** Member States in accordance with the Treaty ***establishing the European Community***.

*Amendment*

This Regulation shall be binding in its entirety and directly applicable in ***all*** Member States in accordance with the Treaty ***on the Functioning of the European Union***.

Or. en

*Justification*

*A rapid implementation of the provisions concerning euro coins unfit for circulation should be ensured.*

## EXPLANATORY STATEMENT

The objective of this proposed Regulation is to lay down procedures regarding the authentication of euro coins and the handling of euro coins unfit for circulation.

Counterfeiting of euro coins is a significant threat, particularly for the highest coin denominations. The lack of a mandatory common framework for coin authentication may, in some Member States, constitute an impediment for the institutions concerned to actively look for counterfeits; this creates differences, across the EU, in the degree of protection of the currency. The proposed Regulation constitutes the legally binding instrument now necessary for the establishment of a common method for the euro coin authentication to be applied by the institutions concerned and of the necessary controls by Member States.

In this context, the present proposal aims to ensure the effective implementation, throughout the euro area, of common procedures for authentication of the circulating euro coins and of control mechanisms of these procedures by the authorities.

As a Rapporteur I agree with approach of the Commission and the proposals of the Council (including the linguistic corrections in the text). In order to achieve an improved and more precise text of the Regulation we would like to introduce several amendments to the Commission's proposal.

One of the primary objectives of the Regulation is to ensure that the institutions guarantee that euro coins returning to circulation are subject to an authenticity screening process. The authentication should be implemented through the processing machines of coins included in the list referred to in Article 5 paragraph 3, or through duly trained staff in accordance with methods designated by the Member States. Furthermore, due to the fact that the euro coins authentication inevitably incurs expenses to the institutions involved in this process (credit institutions, and a number of other institutions, such as cash transporters), we suggest including the right of the institutions to retain a handling fee.

We suggest the adding of a new paragraph allowing a transitional period of three years from January 1, 2012, whereby Member States may provide specific derogations from the provisions of the first sentence of Article 4 paragraph 1, for coin-processing machines that have been in use at the time this Regulation enters into force and that have proved their capability to detect counterfeit euro coins, euro coins unfit for circulation and other coin-like objects that are not genuine euro coins, even if they are not included in the list on the website referred to in Article 5 paragraph 3. Such derogations shall be adopted after consultations with the CCEG. The above provision will grant more flexibility for the inclusion of machines in the list.

With regards to Article 6 paragraph 2 we believe that it should be an obligation of the Member States to implement procedures and guidelines such as to guarantee the proper and sufficient training of the staff involved in the euro coins authentication process. This is clarified in the amendment proposed by the Council but we have introduced an additional clarification that Member States shall obtain assurance from the coins authentication

institutions employing this staff that it is duly trained for the purpose.

Further on to the number of machines that are checked annually in each Member State we are in support of the compromise of 25% of the total cumulated net volume of coins issued by that Member State from the introduction of the euro coins until the end of the previous year. It is an achievable volume of coins not only for small EU Member States, but also for those Member States where the number of the machines is large, and at the same time we believe that it is the minimum that shall be done in order to guarantee the main objective of the Regulation, namely, the protection of the euro against counterfeiting. We have suggested another provision, which we find indispensable in order to ensure a greater scope of the machines inspected in the long run, and which is the requirement coins authentication machines to be revised alternately.

Driven by our desire to always allow and respect transparency of the processes in the institutions as well as accessibility and efficiency of their work, we have suggested the introduction of the requirement that the Commission, after receiving and analyzing the reports from the Member States, shall submit to the Economic and Financial Committee an annual report on developments and results concerning euro coin authentication and euro coins that are unfit for circulation.

As a conclusion to the above we would like to mention that this report has been created respecting the principles of subsidiarity and proportionality.