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Committee on Civil Liberties, Justice and Home Affairs

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*****I**

DRAFT 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 (the 'Pericles 2020' programme) (COM(2011)0913 – C7-0510/2011 – 2011/0449(COD))

Committee on Civil Liberties, Justice and Home Affairs

Rapporteur: Anthea McIntyre

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* is an indication for the relevant departments showing 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 that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages 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 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme) (COM(2011)0913 – C7-0510/2011 – 2011/0449(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2011)0913),
 - 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 (C7-0510/2011),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Central Bank of 2 March 2012,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Civil Liberties, Justice and Home Affairs (A7-0000/2012),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) The Commission should adopt the annual work programmes setting out the priorities, the budget breakdown and the evaluation criteria for the grants for activities. In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should

Amendment

(13) In order to define the annual work programmes specifying the objectives pursued, the expected results, the method of execution and their total amount including the adjustments to the breakdown of the budget, as well as the evaluation criteria for the grant for activities, the power to adopt acts in

be conferred on the Commission.

accordance with Article 290 of the Treaty of the Functioning of the European Union should be delegated to the Commission. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

Or. en

Justification

The definition of priorities and actions, specifying objectives, expected results, methodology and evaluation criteria is a significant policy choice intended to supplement or amend the primary policy elements as established in this Regulation. It is therefore suitable to delegate powers to the Commission in accordance with Article 290 TFEU.

Amendment 2

Proposal for a regulation Article 1

Text proposed by the Commission

The multiannual action programme ‘Pericles 2020’ (hereinafter referred to as ‘the Programme’) is hereby established to promote activities for the protection of the euro against counterfeiting and related fraud. The Programme shall run from 1 January 2014 to 31 December 2020.

Amendment

The multiannual action programme ‘Pericles 2020’ (hereinafter referred to as ‘the Programme’) is hereby established to promote activities for the protection **and safeguarding** of the euro against counterfeiting and related fraud. The Programme shall run from 1 January 2014 to 31 December 2020.

Or. en

Amendment 3

Proposal for a regulation Article 2

Text proposed by the Commission

The Programme shall **contribute to** increased transnational cooperation for the protection of the euro at Union level and internationally **and** to the greater effectiveness of these operations **on the basis** of best **practices**, common standards and joint specialised training.

Amendment

The Programme shall **actively encourage** increased transnational cooperation for the protection of the euro at Union level and internationally **with the Union's trading partners and shall contribute** to the greater effectiveness of these operations **through the sharing** of best **practice**, common standards and joint specialised training.

Or. en

Amendment 4

Proposal for a regulation Article 3

Text proposed by the Commission

The general objective of the Programme shall be to prevent and combat counterfeiting and fraud thus enhancing the competitiveness of the European economy and securing the sustainability of public finances.

Amendment

The general objective of the Programme shall be to prevent and combat counterfeiting and fraud thus enhancing the competitiveness of the European economy and securing the sustainability of public finances **whilst at the same time demonstrating the Union's ability to tackle serious organised crime.**

Or. en

Amendment 5

Proposal for a regulation Article 4 – paragraph 1

Text proposed by the Commission

The specific objective of the Programme

Amendment

The specific objective of the Programme

shall be to protect the euro banknotes and coins against counterfeiting and related fraud, by supporting and **supplement** the measures undertaken by the Member States and assisting the competent national and European authorities in their efforts to develop between themselves and with the European Commission a close and regular cooperation, also including third countries and international organisations.

shall be to protect the euro banknotes and coins against counterfeiting and related fraud, by supporting and **supplementing** the measures undertaken by the Member States and assisting the competent national and European authorities in their efforts to develop between themselves and with the European Commission a close and regular cooperation, also **where appropriate** including third countries and international organisations.

Or. en

Amendment 6

Proposal for a regulation Article 7 – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) judicial officers and specialist lawyers in this field;

deleted

Or. en

Amendment 7

Proposal for a regulation Article 7 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) any other group of specialists concerned (such as chambers of commerce and industry or comparable structures capable of providing access to small and medium-sized enterprises, retailers and cash-in-transit companies).

deleted

Or. en

Amendment 8

Proposal for a regulation

Article 7 – paragraph 2 – point f

Text proposed by the Commission

(f) specialist bodies concerned in the field of duplication and certification technologies, ***printers and engravers***;

Amendment

(f) specialist bodies concerned in the field of duplication and certification technologies;

Or. en

Amendment 9

Proposal for a regulation

Article 7 – paragraph 2 – point g

Text proposed by the Commission

(g) ***any other*** body offering specific expertise, including, where appropriate, such bodies from third countries and in particular from accession candidate countries.

Amendment

(g) ***a body or individual*** offering specific expertise, including, where appropriate, such bodies from third countries and in particular from accession candidate countries.

Or. en

Amendment 10

Proposal for a regulation

Article 8 – paragraph 4 – point b introductory paragraph

Text proposed by the Commission

(b) Technical, scientific and operational support, including in particular:

Amendment

(b) Technical, scientific and operational support ***as appears necessary for training seminars organised as part of the programme***, including in particular:

Or. en

Amendment 11

Proposal for a regulation

Article 8 – paragraph 4 – point b subparagraph 1

Text proposed by the Commission

– any measure which establishes teaching resources at European Union level (***handbook of EU legislation***, information bulletins, practical manuals, glossaries and lexicons, databases, especially in the area of scientific assistance or technology watch) or computer support applications (such as software);

Amendment

– any ***appropriate*** measure which establishes teaching resources at European Union level (information bulletins, practical manuals, glossaries and lexicons, databases, especially in the area of scientific assistance or technology watch) or computer support applications (such as software);

Or. en

Amendment 12

Proposal for a regulation

Article 8 – paragraph 4 – point c

Text proposed by the Commission

(c) Grants to finance the purchase of equipment to be used by specialised anti-counterfeiting authorities for protecting the euro against counterfeiting.

Amendment

(c) Grants to finance the purchase of equipment to be used by specialised anti-counterfeiting authorities for protecting the euro against counterfeiting ***which may be considered only in accordance with Article 10 paragraph 3.***

Or. en

Justification

Clarification; with reference to Recital 8 and in accordance with Article 10 paragraph 3 which states the purchase of equipment shall not be the sole component of the grant agreement.

Amendment 13

Proposal for a regulation Article 10 – paragraph 4

Text proposed by the Commission

The co-financing rate for grants awarded under the programme shall not exceed **80** % of the eligible costs. In exceptional and duly justified cases, defined in the annual work programme referred to in Article 11, the co-financing rate shall not exceed **90** % of the eligible costs.

Amendment

The co-financing rate for grants awarded under the programme shall not exceed **70** % of the eligible costs. In exceptional and duly justified cases, defined in the annual work programme referred to in Article 11, the co-financing rate shall not exceed **80** % of the eligible costs.

Or. en

Amendment 14

Proposal for a regulation Article 11

Text proposed by the Commission

In order to implement the programme the Commission shall adopt annual work programmes. They shall set out the objectives pursued, the expected results, the method of ***implementation*** and their total amount. They shall also contain a description of the actions to be financed, an indication of the amount allocated to each action and an indicative ***implementation*** timetable. They shall include for grants the priorities, the essential evaluation criteria and the maximum rate of co-financing.

Budget allocated to communication actions to be carried out by the Commission under this Regulation shall also cover the corporate communication of the political priorities of the European Union.

Amendment

The Commission shall adopt delegated acts in accordance with Article 11a concerning the definition of the annual work programmes. They shall set out the objectives pursued, the expected results, the method of ***execution*** and their total amount, ***including the adjustments to the breakdown of the budget.*** They shall also contain a description of the actions to be financed, an indication of the amount allocated to each action and an indicative ***execution*** timetable. They shall include for grants the priorities, the essential evaluation criteria and the maximum rate of co-financing.

Budget allocated to communication actions to be carried out by the Commission under this Regulation shall also cover the corporate communication of the political priorities of the European Union ***within the***

context of the scope of the Programme.

Or. en

Justification

As the annual work programme contains elements that are significant policy choices, intended to supplement or amend the primary policy elements as established in this Regulation, it is suitable to delegate powers to the Commission in accordance with Article 290 TFEU with respect to the adoption of the annual work programme.

Amendment 15

**Proposal for a regulation
Article 11 a (new)**

Text proposed by the Commission

Amendment

Article 11a

Exercise of the delegation

- 1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.***
- 2. The power to adopt delegated acts referred to in this Regulation shall be conferred on the Commission from 1 January 2014 to 31 December 2017. The delegation of power shall be tacitly extended until 31 December 2020, unless the European Parliament or the Council opposes such extension no later than three months before the end of the initial period.***
- 3. The delegation of power referred to in Article 11 may be revoked at any time by the European Parliament or by 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.***

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to this Regulation shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Or. en

Amendment 16

Proposal for a regulation Article 12 – paragraph 1

Text proposed by the Commission

1. The Programme shall be implemented by the Commission in cooperation with the Member States, through consultations at different stages of the implementation of the Programme, within the appropriate advisory committee provided for in Regulation (EC) No 1338/2001, taking into account relevant measures undertaken by other competent entities, in particular the ECB and Europol. The Commission shall seek to ensure consistency and complementarity between this European Union action programme and other relevant programmes and activities.

Amendment

1. 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, within the appropriate advisory committee provided for in Regulation (EC) No 1338/2001, taking into account relevant measures undertaken by other competent entities, in particular the ECB and Europol. The Commission shall seek to ensure consistency and complementarity between this European Union action programme and other relevant programmes and activities.

Or. en

Amendment 17

Proposal for a regulation Article 12 – paragraph 3

Text proposed by the Commission

3. An evaluation of the Programme shall be carried out by the Commission. No later **then** by 31 December 2017, an evaluation report shall be **established** by the Commission on the achievement of the objectives of all the measures (at the level of results and impacts), the **efficiency of the** use of resources and its European added value, **in view of** a decision on the renewal, modification or suspension of the measures. The evaluation shall additionally address the scope for simplification, its internal and external coherence, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall take into account evaluation results on the long-term impact of the predecessor measures. The longer-term impacts and the sustainability of effects of the Programme shall be evaluated with a view to **feed into** a decision on **a** possible renewal, modification or suspension of a subsequent Programme.

Amendment

An evaluation of the Programme shall be carried out by the Commission. No later **than** by 31 December 2017, an evaluation report shall be **prepared** by the Commission on the achievement of the objectives of all the measures (at the level of results and impacts), the **efficient and cost effective** use of resources and its European added value. **The evaluation report should be prepared with a view to informing** a decision on the renewal modification or suspension of the measures. The evaluation shall additionally address the scope for simplification, its internal and external coherence, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall take into account evaluation results on the long-term impact of the predecessor measures. The longer-term impacts and the sustainability of effects of the Programme shall **also** be evaluated with a view to **informing** a decision on **the** possible renewal, modification or suspension of a subsequent Programme.

Or. en

Amendment 18

Proposal for a regulation Article 13 – paragraph 1

Text proposed by the Commission

1. The Commission shall take appropriate measures ensuring that, when activities financed under this Regulation are implemented, the financial interests of the Union are protected through the application of preventive measures against fraud, corruption and any other illegal activities, through effective checks and, if irregularities are detected, through the recovery of the amounts wrongly paid and, where appropriate, effective, proportionate and deterrent penalties.

Amendment

The Commission shall take appropriate measures ensuring that, when activities financed under this Regulation are implemented, the financial interests of the Union are protected through the application of preventive measures against fraud, corruption and any other illegal activities, through effective checks and, if irregularities are detected, through the recovery of the amounts wrongly paid and, where appropriate, effective, proportionate and deterrent penalties, ***including financial and administrative measures.***

Or. en

Amendment 19

Proposal for a regulation

Article 13 – paragraph 2 – subparagraph 2

Text proposed by the Commission

The European Anti-fraud Office (OLAF) may carry out on-the-spot checks and inspections on ***economic operators*** concerned directly or indirectly ***by*** such funding in accordance with the procedures laid down in Regulation (Euratom, EC) No 2185/96 with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract concerning Union funding.

Amendment

The European Anti-fraud Office (OLAF) may carry out on-the-spot checks and inspections on ***any organisations or companies*** concerned directly or indirectly ***with*** such funding in accordance with the procedures laid down in Regulation (Euratom, EC) No 2185/96 with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract concerning Union funding.

Or. en

EXPLANATORY STATEMENT

Counterfeiting of the Euro is, of course, a serious criminal matter and its relationship with organised crime should be taken into account when assessing the economic and social implications of counterfeiting on citizen's lives. Large scale counterfeiting has potentially damaging consequences for the European economy and stability of the currency itself. However, the Euro is not a heavily forged currency. This is largely due to its design and also to structures at national and Union level which monitor and combat counterfeiting. The Pericles Programme has, to date, played an important part in this process.

This well established Programme has performed a significant function by disseminating best practice in combating counterfeiting and thereby contributed to the safeguarding of the financial interests of the Union. The Commission proposal however, has left some areas too vaguely defined and this Report, therefore, seeks to build on the proposal by targeting the Programme to maximise the use of the funds allocated to it.

Articles 7 and 8 cover a large number of potential target groups and activities and it is important that the Programme does not spread its limited resources too thinly but concentrate on achieving a multiplier effect wherever possible.

The co-financing rates proposed (Article 10) represent a significant financial pressure on the fund and accordingly should be lowered. Accordingly, 70% is a more appropriate level for co-financing with a level of 80% in exceptional circumstances.

The monitoring, evaluation and management mechanisms outlined (Article 12) should ensure that funds are spent in the most cost effective way. Consultations conducted by the Commission at various stages of the implementation of the Programme should concentrate on a two-way flow of ideas in order that lessons can be learned regarding the future implementation of the Programme.

Delegated Acts

In accordance with the powers granted to the European Parliament under the Lisbon Treaty Recital 13 and Article 11 have been modified and 11a has been inserted to implement this Programme under Delegated Acts.