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Macroeconomic policies
Euro protection and euro cash

The protection of euro coins in 2022

Situation as regards euro coin counterfeiting and the activities of the European
Technical & Scientific Centre (ETSC)

Based on Article 4 of Commission Decision C(2004) of 29 October 2004

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EXECUTIVE SUMMARY

- ▶ In the framework of the Commission's activities for the protection of the euro against counterfeiting, the European Technical and Scientific Centre (ETSC) analyses and classifies every new type of counterfeit euro coin, coordinates the activities of the Counterfeit Coin Experts Group (CCEG)¹, participates in other institutional groups with regard to the protection of euro coins against counterfeiting, and provides training under the *Pericles IV* programme.
- ▶ The ETSC has been assuming a central role in performing advanced technical analysis and in the certification process of the coin-processing machines used for the authentication of euro coins, their adjustment and in defining the technical specifications for the detection test. To better reflect this evolution in the role of the ETSC, in 2022 the Commission prepared amendments to the Commission Decision establishing the ETSC, which were adopted on 17 March 2023 ([Commission Decision \(EU\) 2023/616](#)²).
- ▶ The number of counterfeit coins detected in circulation and received by the Coin National Analysis Centres (CNACs) in 2022 increased by 46.18% compared to 2021.

The number of detected counterfeit coins in 2022 was 322 074 (2 euro, 1 euro and 50 cent denominations represent respectively 91.4%, 5.4% and 3.2% of the total counterfeits detected in circulation).

The overall value of counterfeit coins detected in circulation in 2022 was EUR 611 323, which is again much higher than in 2021.
- ▶ The counterfeits of commemorative euro coins ("commemorative counterfeits") registered a significant increase and maintained an important share of the total 2 euro counterfeit coins detected in circulation, confirming the trend of the last years.
- ▶ The number of new variants created in 2022 remained at high levels, providing a strong indication that the production of new counterfeits is ongoing.

¹ Commission Decision C(2015) 6968 final of 19.10.2015 setting up the Counterfeit Coin Experts Group on the Commission's policy and Regulations regarding the protection of euro coins against counterfeiting. See Section 3.2.1.

² OJ L 80, 20.3.2023, p. 96–98.

1. Introduction

1.1. DG ECFIN's mission and mandate

The mission of the Directorate-General for Economic and Financial Affairs (DG ECFIN) is to contribute to the creation of economic conditions in which all Europeans can thrive, now and in the future, and to develop the means for Europe to be a leading force for stability and prosperity in the world.

In pursuing this mission one of the core objectives is to provide policy support for Economic and Monetary Union, to ensure the effective functioning of the euro and to give Europe a strong economic global presence. In this context, the protection of the euro against counterfeiting is key.

1.2. DG ECFIN's role in the protection of the euro

DG ECFIN plays an important role in the area of the protection of the euro banknotes and coins against counterfeiting.

The Commission action regarding the protection of the euro refers mainly to three domains:

- ▶ preparation of political or legislative initiatives for the Commission and reporting on the implementation of EU legislation;
- ▶ training and technical assistance, based mainly on the Pericles programme³;
- ▶ the technical analysis of counterfeit euro coins, through the European Technical and Scientific Centre (ETSC). DG ECFIN implements these tasks in close cooperation with other relevant institutions and in co-ordination with the competent authorities of Member States.

1.3. The European Technical & Scientific Centre (ETSC)

The ETSC was established in 2004 within the European Commission⁴.

Within this framework, the mission of the ETSC is to analyse and classify every new type of counterfeit euro coin⁵, to contribute to the fulfilment of the objectives of the Pericles

³ Regulation (EU) No 331/2014 of the European Parliament and of the Council of 11 March 2014 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme) and repealing Council Decisions 2001/923/EC, 2001/924/EC, 2006/75/EC, 2006/76/EC, 2006/849/EC and 2006/850/EC. OJ L 103, 05.04.2014.

⁴ Council Decision 2003/861/EC of 8 December 2003, concerning analysis and co-operation with regard to counterfeit euro coins. OJ L 325, 12.12.2003; Commission Decision 2005/37/EC of 29 October 2004 establishing the European Technical and Scientific Centre (ETSC) and providing for coordination of technical actions to protect euro coins against counterfeiting, OJ L 19, 21.1.2005; Commission Decision (EU) 2017/1507 of 28 August 2017 amending Decision 2005/37/EC establishing the European Technical and Scientific Centre (ETSC) and providing for coordination of technical actions to protect euro coins against counterfeiting, OJ L 222, 29.8.2017; Commission Decision (EU) 2023/616 of 17 March 2023 amending Decision 2005/37/EC as regards the tasks performed by the European Technical and Scientific Centre (ETSC), OJ L 80, 20.3.2023, p. 96–98.

programme, to assist the Coin National Analysis Centres (CNAC) and generally to collaborate with law enforcement and other competent authorities in taking action against counterfeit euro coins and the strengthening of euro protection.

Following the adoption of the Commission Decision (EU) 2023/616 of 17 March 2023 amending, the ETSC can perform advanced and non-destructive analysis of high quality counterfeit euro coins to inform Europol and law enforcement authorities of emerging threats.

In addition, the ETSC coordinates the necessary actions to protect euro coins against counterfeiting through periodic meetings of the Counterfeit Coin Experts Group (CCEG).

1.4. Structure of the report

This report is presented in line with Commission Decision 2005/37/EC of 29 October 2004 based on Council Decision 2003/861/EC of 8 December 2003. Article 4 of the Commission Decision 2003/861/EC of 8 December 2003 stipulates that “The Economic and Financial Committee, the European Central Bank, Europol and the competent national authorities shall be kept regularly informed of the activities of the European Technical & Scientific Centre (ETSC) and of the situation as regards coin counterfeiting”.

The report is structured according to the above-mentioned requirements. Section 2 provides a detailed overview of the evolution of euro coin counterfeiting in 2022. Section 3 presents the activities that the ETSC carried out in 2022 in order to reinforce the protection of euro coins.

1.5. Data extraction and methodology

The data used by the ETSC is extracted from the Counterfeit Monitoring System (CMS), which is a database managed by the European Central Bank. The CMS database is fed by the Member States’ CNACs. In fact, suspect counterfeit euro coins are sent to CNACs to be analysed and classified.

There are three distinctive moments in the analysis and classification cycle of a suspect counterfeit euro coin. Chronologically they are:

1. When the suspect counterfeit euro coin is detected in circulation;
2. When the suspect counterfeit euro coin is received at a CNAC;
3. When the suspect counterfeit euro coin is analysed, classified and registered in the CMS.

The date of detection is inserted in the CMS by a CNAC when it receives the suspect coin or when the classification (hence registration) is finalised. There is a natural delay between each moment that could also be influenced by Member State CNAC workload and practices.

⁵ In line with the provision of Article 5 of Council Regulation (EC) 1338/2001 as modified by Council Regulation (EC) No 44/2009 of 18 December 2008 (OJ L 17, 22.01.2009).

Consequently, in order to have a reliable overview on the year 2022 (and on the previous ones) the statistical data presented in this report were extracted in May 2023.

2. Situation regarding counterfeit euro coins

A distinction has to be made between counterfeit euro coins detected in circulation and those seized before circulation. Counterfeits seized before circulation are usually seized by law enforcement authorities before causing financial damage, whereas those detected in circulation are generally detected in coin sorting centres operated by National Central Banks or by credit institutions⁶.

2.1. Counterfeit coins detected in circulation

The total number of counterfeit euro coins removed from circulation in 2022 was 322 074, an increase of about 46.18% compared to 2021.

The breakdown by denomination of counterfeits found in circulation for the last five years is shown in the table below.

Table 1: Counterfeit euro coins detected in circulation⁷, 2018 – 2022

Year	50 cent	1 euro	2 euro	Total	Value (EUR)
2022	10 296	17 381	294 397	322 074	611 323
2021	12 404	12 624	195 286	220 314	409 398
2020	15 648	12 700	182 087	210 429	384 698
2019	19 851	14 523	168 349	202 727	361 146,5
2018	27 095	17 062	146 463	190 622	323 535.5

When compared to 2021, 2022 marks an important increase in counterfeits of the higher denomination (2 euro) coins. In particular, 2 euro denomination counterfeits increased by 50.75%, those of 1 euro increased by 37.68% and those of 50 cent decreased by 16.99% in comparison to 2021.

In particular, in 2022 counterfeits of the 1 euro denomination constitute the second most common (5.4% of the total) overtaking the 50 cent denomination. The 2 euro coin remains by far the most counterfeited denomination, constituting 96.31 % of the total in terms of value (up from 95.40% in 2021).

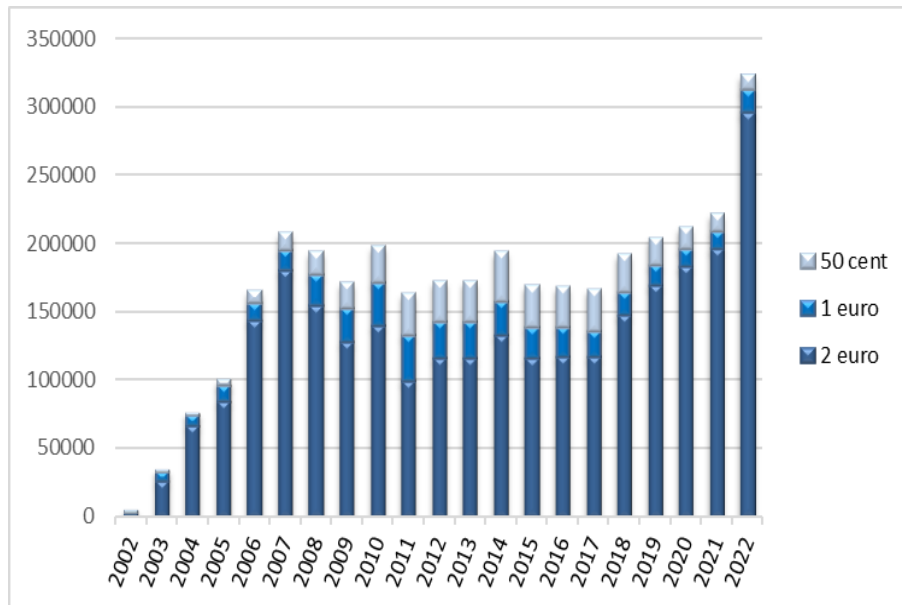
Overall, 3 451 713 counterfeit euro coins have been removed from circulation since the introduction of euro coins in 2002.

The evolution since the introduction of the euro is given in the following chart.

⁶ As referred to in the first subparagraph of Article 6(1) of Regulation (EC) No 1338/2001.

⁷ Source: CMS (counterfeit euro coins detected in circulation, received at CNACs in the year of reference).

Chart 1: Counterfeit euro coins detected in circulation⁸



The counterfeits seized in Germany together with those seized in Greece, Italy and Spain accounted for 61% of the total counterfeits seized in 2022.

2.2. Counterfeit coins seized before circulation

In addition to the counterfeit euro coins removed from circulation, counterfeits are regularly seized before they enter into circulation, mainly in the framework of law enforcement authorities' operations and investigations.

These activities include not only the dismantling of clandestine mints, but also seizures of significant quantities from individuals possibly involved in the distribution of counterfeit coins. These seizures occur on an occasional basis, therefore the number of counterfeits seized before circulation varies significantly from year to year.

The number of coins seized before circulation in 2022, as registered in the CMS, is much higher than the previous year (62 270 pieces). This is due to 2 seizures that took place in Greece by law enforcement. The breakdown per denomination of counterfeit euro coins found before circulation, as registered in the CMS for the last five years, is shown below.

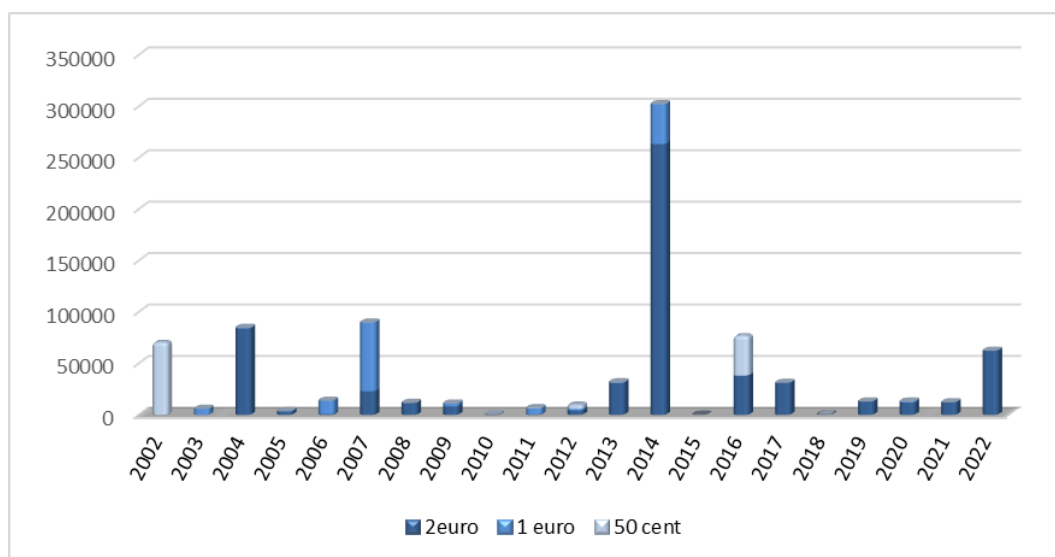
⁸ Source: CMS (counterfeit euro coins detected in circulation, received at CNACs in the year of reference)

Table 2: Counterfeit euro coins detected before circulation, 2018 – 2022

Year	50 cent	1 euro	2 euro	Total	Value (EUR)
2022	0	1	62 269	62 270	124 539
2021	0	0	12 131	12 131	24 262
2020	1	892	11 872	12 765	24 636.5
2019	1	1	12 863	12 865	25 727.5
2018	545	54	134	733	594.5

The evolution of the number of counterfeit coins detected before circulation, since the introduction of the euro in 2002, is presented in the following chart.

Chart 2: Counterfeit euro coins detected before circulation

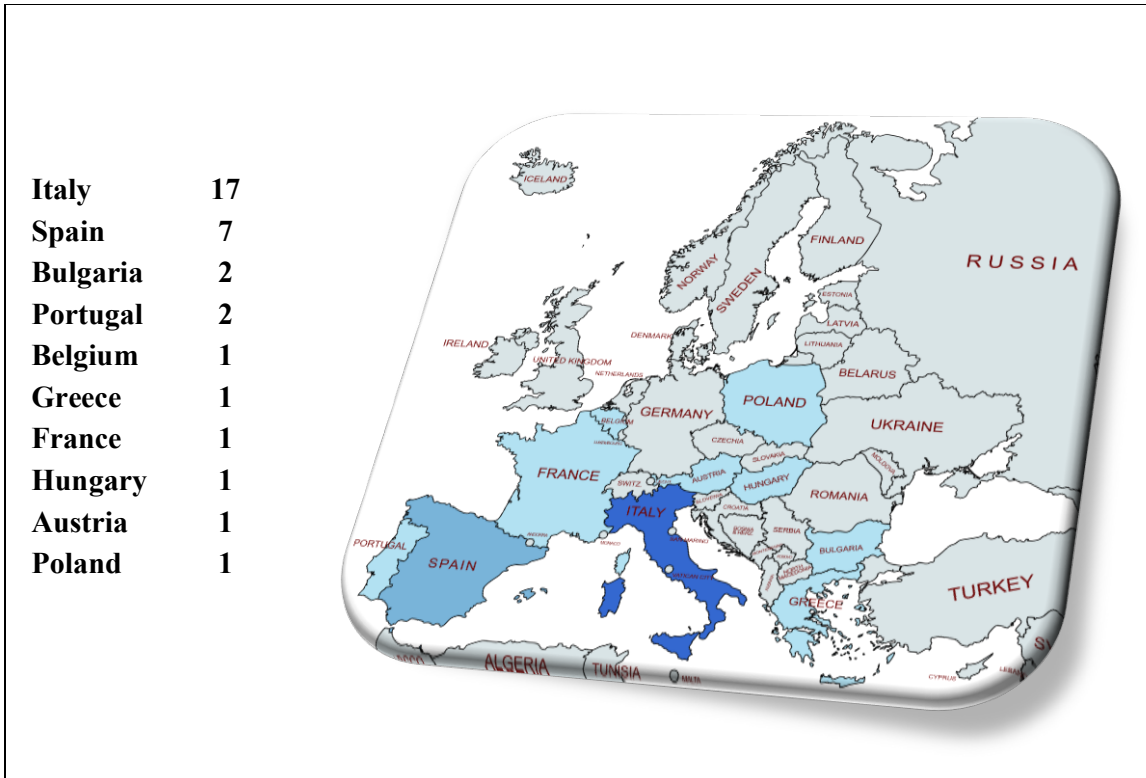


Since 2002 roughly 849 401 counterfeit euro coins have been seized before circulation. This corresponds to a face value of EUR 1 377321. The number and location of illegal mints discovered since 2002 is presented in the following charts.

Table 3: Illegal mints discovered, 2002 – 2022

Year	Date	Place	Denomination (€)	Total
2002	June	Italy	0.50	2
	October	Italy	1 and 2	
2003	May	Portugal	2	3
	August	Italy	1	
	October	Italy	2	
2004	April	Italy	2	3
	April	Spain	2	
	July	Italy	1	
2005	January	Poland	1	3
	October	Hungary	2	
	November	Bulgaria	1	
2006	April	Italy	2	1
2007	March	Italy	1 and 2	2
	March	Spain	2	
2008	March	Austria	0.50	1
2009	/	/	/	0
2010	/	/	/	0
2011	April	Belgium	1	2
	August	Italy	1 and 2	
2012	June	Greece	2	1
2013	January	Italy	1 and 2	1
2014	March	Italy	1	4
	December	Spain	2	
	December	Spain	2	
	December	Spain	2	
2015	October	Italy	2	1
2016	June	Portugal	2	1
	June	Italy	0.50 and 1	1
	June	Italy	0.50	1
2017	/	/	/	0
2018	July	Italy	0.50	2
	September	France	1 and 2	
2019	June	Spain	2	1
2020	March	Italy	2	2
	June	Bulgaria	2	
2021	July	Spain	2	1
2022	April	Italy	2	1
Total				34

Chart 3: Number of illegal mints discovered, 2002 – 2022



3. Activities of the European Technical & Scientific Centre (ETSC)

3.1. Analysis and classification of counterfeit euro coins⁹

Counterfeit coins detected in the Member States are analysed by the CNACs. They are classified according to counterfeit types that have been previously identified and defined by the ETSC. Counterfeits that cannot be classified into one of the already identified classes¹⁰ are sent to the ETSC in order to create a new common class or variant¹¹.

A distinction is made between common classes and local classes. Common classes are created when high quality counterfeit coins or high quantities of the same type of counterfeit coins are detected in more than one EU countries, therefore they have an impact at EU level.

Local classes correspond mostly to counterfeit coins that are detected in smaller quantities and constitute a threat in one EU country. Local classes usually refer to cast counterfeit coins¹².

Common classes are always created by the ETSC and local classes are created by the CNACs.

3.1.1. Common classes (stamped counterfeit coins)

Common classes are counterfeits manufactured through a stamping process¹³, sometimes similar to the one used in official minting. With such a process, larger amounts of counterfeits can be produced; for this reason monitoring at EU level has been applied. Stamped classes usually bear defects which are characteristics of the tools used to produce them. Stamped counterfeit coins are classified into classes and variants according to their defects. Similar defects may indicate that counterfeits have been produced by the same tools, probably indicating the same illegal mint.

New variants of classes indicate a development in production tools, material used or production methodology applied. Variants therefore provide useful indications of the development in counterfeiting activity. The procedure of classification is an important "tool" for law enforcement investigations as it facilitates the monitoring of counterfeit coins from a quality point of view and can provide important information related to links between dismantled illegal mints and existing classes of counterfeit coins.

⁹ Data refer to counterfeit euro coins detected in circulation in the year of reference according to CMS registration.

¹⁰ Class: group of counterfeits having matching technical characteristics, therefore assumed to have the same origin.

¹¹ Variant: "subclass" of a counterfeit class, corresponding to modification of the class, by changing the national side and/or the material used, etc... The variants have distinctive defects, linking them to their "mother class".

¹² Cast coinage refers to coins made by a casting process (casting is a manufacturing method in which a molten metal is injected or poured into a mold - or mould - to form an object of the desired shape).

¹³ Stamping is a type of manufacturing process which shapes sheet metal by punching using a machine press or stamping press.

3.1.2. Overall analysis

Creation of common classes

While the total number of common classes slightly increased, the total number of variants of common classes showed a remarkable increase in 2022.

The number of common classes created by the ETSC every year since the introduction of euro coins is indicated in the table below.

Table 4: Number of newly identified common classes

Year	50 cent	1 euro	2 euro	Total
2002-2011	54	39	39	132
2012	2	2	5	9
2013	2	6	7	15
2014	1	4	5	10
2015	1	-	-	1
2016	7	-	5	12
2017	2	4	8	14
2018	1	4	8	13
2019	2	3	2	7
2020	0	0	0	0
2021	0	0	1	1
2022	0	0	3	3
Total	72	62	83	217

The total number of common classes is 217. Despite the relatively large number of common classes, the bulk of counterfeit coins is still concentrated in a small number of classes.

In particular, in 2022, the family of linked common classes (class 6, 31, 37 and 72) represented 53.26% of the total number of **2 euro** counterfeits registered as detected in circulation in 2022 whereas common class 92 represented 17.6% of the total 2 euro counterfeits.

In total, five classes (class 1, class 6, class 24, class 72, class 92) cover about 74% of the total number of **2 euro** counterfeits seized.

For the 1 euro denomination, 5 classes (class 33, class 49, class 55, class 4, class 63) represent almost 66.2% of the total number of **1 euro** counterfeits seized.

For the **50 cent** denomination, about 44.9% of the counterfeits found in circulation belong to two classes (common classes 1 and 39) and, in total, five classes (class 1, class 39, class 52,

class 53, class 63) are responsible for about 63.3% of the total number of 50 cent counterfeits found in circulation.

Creation of variants

In 2022, 47 new variants (sub-types of common classes) were created.

This brings the total number of variants to 672. The class with the higher number of variants is 2 euro class 6. The number of new variants created by the ETSC every year since the introduction of euro coins is indicated in the table below.

Table 5: Number of newly identified variants of the common classes

Year	50 cent	1 euro	2 euro	Total
2002-2011	15	64	349	428
2012	0	1	3	4
2013	0	3	12	15
2014	0	0	9	9
2015	2	1	13	16
2016	4	3	7	14
2017	0	3	28	31
2018	1	4	18	23
2019	0	1	20	21
2020	0	0	8	8
2021	0	6	50	56
2022	0	0	47	47
Total	22	86	564	672

Commemorative coins

Counterfeits of commemorative euro coins (hereinafter "commemorative counterfeits") have also been found, i.e., 2 euro coins with specific national sides¹⁴.

The first commemorative coins were issued in 2004, and the first counterfeits imitating commemorative coins were detected in 2006. Since 2006, there have been 106 common classes created and several local classes within the Member States.

In total 475 different designs for commemorative coins have been issued, out of which 41 have been counterfeited. The table below depicts the commemorative coins that have been counterfeited (common classes only).

¹⁴ Regulation (EU) No 651/2012 of the European Parliament and of the Council of 4 July 2012 on the issuance of euro coins, OJ L 201, 27.7.2012.

Council Regulation (EU) No 729/2014 of 24 June 2014 on denominations and technical specifications of euro coins intended for circulation. OJ L 194, 02.07.2014.

In addition to the regular coins, there are also commemorative. Member States may issue a commemorative 2 euro coin once a year to celebrate a subject of major national or European relevance. Commemorative coins are legal tender throughout the euro area, and have the same features and properties as regular 2 euro coins. Euro-area Member States may decide to issue a commemorative coin jointly to celebrate a subject of the highest European relevance. In that case, all euro area Member States simultaneously issue a coin bearing the same design on the national side.

Table 6: 2 euro commemorative coins counterfeited (common classes only)

The 5 th decade of the World Food Programme, IT 2004	
The Summer Olympic Games in Athens, GR 2004	
The Belgium-Luxembourg Economic Union, BE 2005	
The 1 st anniversary of the signing of the European Constitution, IT 2005	
The 20 th Winter Olympic Games in Turin, IT 2006	
The German Federal State of Schleswig-Holstein, DE 2006	
The German Federal State of Mecklenburg-Vorpommern, DE 2007	

The 50th anniversary of the Treaty of Rome, AT 2007



The 50th anniversary of the Treaty of Rome, IE 2007



The 50th anniversary of the Treaty of Rome, DE 2007



The 50th anniversary of the Treaty of Rome, ES 2007



The 10th anniversary Economic Monetary Union, BE 2009



The 10th anniversary Economic Monetary Union, IE 2009



The 10th anniversary Economic Monetary Union, ES 2009



The 200th anniversary of the birth of Camillo Benso, Count of Cavour, IT 2010



Federal state of North Rhine-Westphalia, DE 2011



The 30th anniversary of the Day of Music, FR 2011



The 75th anniversary of the Queen Elisabeth Competition, BE 2012



Federal state of Bavaria, DE 2012



Ten years of the Euro, AT 2012



Ten years of the Euro, BE 2012



Ten years of the Euro, DE 2012



Ten years of the Euro, IT 2012



Baden-Württemberg from the 'Länder'-series, DE 2013



The 200th anniversary of the foundation of Arma dei Carabinieri, IT 2014



Niedersachsen from the 'Länder' series, DE 2014



EXPO Milano 2015, IT 2015



25 years of German Unity, DE 2015



The 30th anniversary of the EU flag, gr 2015



Hessen from the 'Länder' series, DE 2015



Saxony (Federal States series), DE 2016



François Mitterrand, FR 2016



The 25th anniversary of independence of the Republic of Slovenia, SI 2016



25th anniversary of the pink ribbon, symbol of the fight against breast cancer, FR 2017



100 years of the Austrian Republic, AT 2018



Berlin ('Federal States' (Bundesländer) series), DE 2018



The 100th birthday anniversary of the great German statesman and Chancellor Helmut Schmidt (1918-2015), DE 2018



Simone Veil, FR 2018



70 years since the union of the Dodecanese, GR 2018



Charles de Gaulle, FR 2020



Bundesländer series – Saxony-Anhalt. De 2021



3.2. Coordination of actions to protect euro coins against counterfeiting: CCEG and other groups

The primary mission of the ETSC is the technical and scientific analysis, and classification in common classes, of counterfeit coins.

The Commission coordinates the activities of competent authorities for the protection of euro coins against counterfeiting. This co-ordination takes place mainly within the Counterfeit Coin Experts Group (CCEG), as well as through other coin related groups.

3.2.1. The Counterfeit Coin Experts Group (CCEG)

In line with its establishing Commission Decision, the CCEG, chaired by the Commission, is the group serving:

- ▮ to assist the Commission in the preparation of legislative proposals and delegated acts and policy initiatives for the protection of euro coins against counterfeiting;
- ▮ to establish cooperation between the Heads of the Coin National Analysis Centres established in accordance with Article 5(1) of Regulation (EC) No 1338/20014, the Commission, the European Technical Scientific Centre (ETSC), the European Central Bank (ECB) and Europol in matters relating to policy initiatives and actions aimed at an efficient anti-counterfeiting strategy;
- ▮ to provide advice and expertise to the Commission for implementing Union legislation, programmes and policies, in particular with regard to Regulation (EU) No 1210/2010;
- ▮ to exchange experience and establish good practices for the protection of euro coins against counterfeiting;
- ▮ to raise awareness among the public authorities involved in the protection of the euro against counterfeiting about upcoming threats and to monitor the implementation of effective repressive measures for an anti-counterfeiting policy strategy;
- ▮ to promote training initiatives for the protection of euro coins against counterfeiting;
- ▮ to promote and develop studies and to ensure technical support in facilitating counterfeiting detection activities;
- ▮ to discuss issues relating to the technical specifications of counterfeit euro coins.

The CCEG held two meetings in 2022.

The ‘ETSC Work Team’, formally a sub-group of the CCEG¹⁵, chaired by the ETSC, held 4 meeting of technical coin experts from several CNACs in 2022 to address the following:

- ▮ Revision of common procedures for analysis and classification of suspect counterfeit euro coins and drafting a new manual of procedures;
- ▮ Practical implementation of the updated ETSC Guidelines;

¹⁵ In line with Article 5 of the Commission Decision C(2015) 6968 final of 19.10.2015 setting up the Counterfeit Coin Experts Group on the Commission's policy and Regulations regarding the protection of euro coins against counterfeiting.

- ▶ Technical issues related to the main current threats, namely common class 2E92 and the 2E72 family;
- ▶ Improvement/changes of CMS2;
- ▶ Preparation of the "4th meeting of the 1210 Platform"¹⁶.

3.2.2. Other institutional groups

During 2022, the ETSC provided updates to the following groups on coin counterfeiting and possible mitigating actions:

- ▶ the Euro Counterfeiting Experts Group (ECEG), in the framework of Council Regulation (EC) No 1338/2001. This group, chaired by the Commission, brings together counterfeit experts from law enforcement, central banks and ministries. It meets three times per year. A number of coin protection related issues were discussed. In 2022, the ETSC reported to the ECEG on the following: the statistics on coin counterfeiting, the ETSC Annual Report, the Report to the EFC under Article 12(4) of Regulation (EU) No 1210/2010 of the European Parliament and of the Council of 15 December 2010 concerning authentication of euro coins and handling of euro coins unfit for circulation, as well as the progress made on legislative issues concerning coin authentication, with particular reference to the update of the ETSC Guidelines;
- ▶ the Euro Coin Sub-Committee (ECSC) of the Economic and Financial Committee brings together representatives from coin issuing authorities of Member States. Commission initiatives are systematically discussed in the group. In 2022 the main issues addressed concerned the evolution of euro coin counterfeiting and the implementation of Regulation (EU) No 1210/2010.
- ▶ the Mint Directors Working Group (MDWG) brings together the heads of the Mints of the EU Member States. In 2022 the ETSC updated the group on the status of euro coin counterfeiting;
- ▶ the CEG (Counterfeit Experts' Group). These meetings are organised by the ECB and bring together experts on banknote counterfeiting. The ETSC is invited to exchange and present information on coin counterfeiting and to contribute to updating the CMS with respect to the euro coins part;
- ▶ the Analytical Project (AP) SOYA meeting. These meetings are organised by Europol and include representatives of Law Enforcement Agencies from Member States and third countries having cooperation agreements with Europol. The ETSC participated in the annual AP SOYA meeting held in 2022 providing participants with an overview on euro coin counterfeiting statistics and the main threats with respect to euro coin counterfeiting.

3.2.3. Test Packs used by Member States

The designated national authorities of the Member States perform detection tests in line with Articles 4 and 6 of Regulation (EU) No 1210/2010, using Test Packs¹⁷.

¹⁶ See Section 3.4.1.

The ETSC initiated the revision of the “European Technical Procedure of the Detection Test” in order to ensure the homogeneity of Test Packs among the Member States. The revision took place in the context of the ETSC WT meetings.

As a result, the ETSC WT re-designed the Test Packs, in terms of re-defining the technical specifications of the samples and slightly increasing the number of samples of the Test Packs.

The updated Test Packs were introduced on 1st January 2020 and they are currently used by Member States to perform detection tests in line with Article 4 of the Regulation No 1210/2010 and on-the-spot controls in line with Article 6 of Regulation.

3.2.4. Medals and tokens similar to euro coins

With a view to preventing fraud and avoiding confusion regarding euro coins, the European Union has in place Council Regulation (EC) No 2182/2004¹⁸ concerning medals and tokens similar to euro coins amended by Council Regulation (EC) No 46/2009¹⁹, prohibiting the production and sale of medals and tokens similar to euro coins.

The Commission has the responsibility of specifying whether the protective provisions referred to in the amended Regulation (EC) No 2182/2004 have been respected and whether a metallic object is a "medal and token" after having consulted the CCEG.

Following the adoption of Commission Decision C(2016)1785 final on a sub-delegation of the empowerment relating to the implementation of Council Regulation (EC) No 2182/2004, the competence to decide whether a coin-like object falls under the Regulation and whether to prohibit or allow such an object, now lies with DG ECFIN, after discussion in the CCEG.

In 2022 one case was submitted to the ETSC by Italy, to be assessed in line with Council Regulation (EC) No 2182/2004 concerning medals and tokens similar to euro coins amended by Council Regulation (EC) No 46/2009.

The Commission/ETSC, after having consulted the CCEG, assessed the case. The coin was considered technically as a “medal and token” within the meaning of Article 1 (c) and the “medal and token” falls within the prohibition of Article 2.

3.3. Assistance to national authorities

The technical assistance provided by the ETSC to relevant authorities is essential to strengthen the protection of the euro coins against counterfeiting.

The ETSC may provide assistance to Member States’ CNACs and police agencies and to third country authorities, based on Cooperation Arrangements with the third countries concerned²⁰.

¹⁷ A test pack is composed of representative types of counterfeit euro coins.

¹⁸ OJ L 373, 21.12.2004.

¹⁹ OJ L 17, 22.01.2009.

²⁰ Administrative Cooperation Arrangements with Albania, Kosovo, Montenegro, North Macedonia, Serbia and Turkey have been concluded.

Support given by the ETSC is based on interaction between law enforcement officials and technicians. The effectiveness of this approach has been proved in recent years, as it has significantly improved the quality of investigations into currency counterfeiting by furnishing additional expertise.

As a follow-up of a big seizure of counterfeit euro coins (41 450) performed by Greek customs at Peiraeus harbour in February 2022, ETSC paid a visit to the CNAC-EL at the Forensic Science Division/Hellenic Police premises in order to offer the proper support on-the-spot. Samples were taken for analysis, based on which new variants of common class 2E92 were created.

3.4. Training

3.4.1. Pericles actions for the protection of the euro coins

The ‘Pericles IV’ programme is a Union financing instrument aimed at reinforcing the protection of euro banknotes and coins against counterfeiting, by means of seminars, conferences, staff exchanges, studies and other actions undertaken by Member States or the Commission.

In 2022, the ETSC organised under the Pericles IV programme the “4th meeting of the Platform 1210 (Madrid, 4 and 5 October 2022). The “Platform 1210” represents a consolidated networking instrument for enhancing the implementation of Regulation (EU) No 1210/2010 by maintaining a close and transparent cooperation among all stakeholders. As for the previous editions, the conference brought together participants from coin-processing machine (CPM) companies, cash-in-transit (CIT) companies, European Commission, European Central Bank and Member States National Authorities

The 4th meeting was focused on sharing concerns following the business recovery from the pandemic (future challenges and market evolution), identifying main issues at stake and providing an overview on the main technical developments for coin processing machines.

3.4.2. Cooperation with third countries

The ETSC continued supporting the Montenegrin authorities with technical expertise in 2022. Thanks to the current legal framework in place, the cooperation between the ETSC and the Central Bank of Montenegro (CBCG) is prompt and efficient. Figures reported depict an increase in counterfeit euro coins in that country, especially belonging to a specific common class, namely common class 2E72.

Moreover, the ETSC assisted the Albanian and North Macedonian authorities by providing technical information on request on cases of suspect euro coins detected in circulation in their respective countries.

Moreover, a 1 day online training on “basic analysis and classification of counterfeit euro coins” was organized for the staff of the National Bank of the Republic of North Macedonia.

Furthermore, the ETSC assisted the Kosovo²¹ authorities, on request, in the analysis of suspect euro coins that were detected in circulation and before circulation.

²¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

3.5. Coin-related legislative instruments and developments

3.5.1. Administrative provisions

The European Commission's policy with regard to anti-counterfeiting is based on four pillars: prevention, repression, training and cooperation.

The "authentication" process is vital with respect to prevention. Regulation (EU) No 1210/2010, adopted in December 2010, and concerning authentication of euro coins and handling of euro coins unfit for circulation, constitutes the legally binding instrument guaranteeing equal standards for the authentication of euro coins throughout the euro area. It introduces specific obligations with regard to the authentication procedures to be applied by the institutions concerned, and the necessary controls to be conducted by Member State authorities.

Following Article 7 of the Regulation, and in order to assist the Member States in implementing these procedures, the ETSC has defined the technical specifications for the detection test and drafted the "ETSC guidelines" related to controls, checks and auditing by Member States and the rules for the rectification of non-compliance²².

According to Article 12(4) of the Regulation, the Commission presented to the EFC its annual report on developments and results concerning authentication of euro coins and euro coins unfit for circulation²³, based on an analysis made by the ETSC of the Member States' contributions. The main results and tendencies are shown in Annex 3.

Moreover, when implementing Article 3 of Regulation (EU) No 1210/2010, institutions shall use only the types of coin-processing machines (CPM) that have successfully passed a detection test carried out by the designated national authority or by the ETSC. An overview of the activities of the Member State testing centres is available in Annex 4.

3.5.2. Criminal law provisions

The protection of euro notes and coins and other currencies against counterfeiting is also ensured by criminal law. The European Parliament and the Council adopted Directive 2014/62/EU²⁴ (hereinafter the 'Directive'), which reinforces the criminal law rules to protect the euro and other currencies against counterfeiting.

This Directive, which replaces Council Framework Decision 2000/383/JHA and was adopted in May 2014, introduces efficient investigative tools and improves prevention by

²² The ETSC Guidelines were distributed, for internal use only, to the CNACs (Coin National Analysis Centres, competent national authorities as referred to in Article 2(b) of Council Regulation (EC) No 1338/2001).

²³ C(2021) 7371.

²⁴ Directive 2014/62/EU of the European Parliament and of the Council of 15 May 2014 on the protection of the euro and other currencies against counterfeiting by criminal law, and replacing Council Framework Decision 2000/383/JHA (OJ L151, 21.5.2014, p.1).

allowing for the analysis of counterfeits by competent authorities, further enhancing the protection of the euro and other currencies from criminal measures.

Criminal offences have been modernised in this Directive. It is a criminal offence to produce and distribute not yet issued notes and coins; which is important in relation to the issuing of new euro notes (denomination 20 euro and higher).²⁵

It further includes an introduction of a maximum sanction of at least 5 years imprisonment for distribution offences, including not yet issued notes and coins; the maximum sanction of 8 years imprisonment for production offences should now include not yet issued notes and coins²⁶.

The Directive introduces the use of more effective investigation tools such as those that are used in combatting organised crime or other serious crime cases (like the interception of communications, covert surveillance including electronic surveillance, the monitoring of bank accounts and other financial investigations)²⁷.

Member States have to ensure that during criminal proceedings the examination by the National Analysis Centres (NACs) and CNACs of suspected counterfeit euro notes and coins is permitted without any delay²⁸.

The deadline for the Members States to transpose the Directive into their national legislation was 23 May 2016. In accordance with Article 12, the Commission submitted in 2019 a report on the application of the Directive to the European Parliament and the Council²⁹.

An external contractor carried out an assessment of the completeness and conformity of national legislation with the Directive under a Commission framework contract. Based on the compliance assessment results, the Commission will consider the appropriate actions in order to ensure compliance of national legislation with the Directive's provisions.

²⁵ See Article 3(3) of Directive 2014/62/EU.

²⁶ See Article 5 of Directive 2014/62/EU.

²⁷ See Article 9 of Directive 2014/62/EU.

²⁸ See Article 10 of Directive 2014/62/EU.

²⁹ COM (2019) 331 final.

4. Conclusions and policy priorities

Following the pandemic, 2022 showed an overall recovery of all main activities related to handling of euro coins. However, stakeholders confirm that a full resumption of normal business will take time, especially given changes in the cash cycle (drop in number of cash transactions, the fitness of genuine coins in circulation) and the effects of the energy crisis, high inflation, and supply chain difficulties on coin processing business. Nevertheless, the well-established system of protection of euro coins against counterfeiting responded effectively and the network of authorities in charge of the protection of the euro assured business continuity under the guidance of the ETSC.

This report shows the following:

- ▶ the number of counterfeit euro coins found in circulation in 2022 has exceeded 320 000 pieces per year, which is the highest level on record and a significant increase compared to the last 2 years;
- ▶ a large number of new types of counterfeit euro coins were detected and registered, confirming that the criminal production capacity remains strong and that constant vigilance and cooperation is necessary to safeguard confidence in euro coins;

As policy priorities, with a view to maintaining a high level of protection for euro coins, future initiatives should aim in particular at the following:

- ▶ continuing to monitor the implementation of Regulation (EU) No 1210/2010 and the implementation of the updated "ETSC guidelines";
- ▶ promoting studies, in the framework of Pericles IV programme, on new detection technologies and security features of coins, in order to keep ahead of counterfeiters;
- ▶ supporting law enforcement by sharing technical information on new developments (high quality counterfeit classes) and on local phenomena, including in third countries;
- ▶ reinforcing cooperation with neighbouring third countries through the implementation of Administrative Cooperation Arrangements (ACAs), including updating the ACA with Türkiye.
- ▶ resuming cooperation and awareness-raising actions together with the Chinese authorities on supporting Member States in their investigations on the production of reassembled and altered coins re-imported to the EU.

Annex

The Commission's report to EFC for the year **2021** presented according to Article 12 (4) of Regulation (EU) No 1210/2010, shows the following tendencies in comparison with the previous one:

- ▶ The global COVID-19 pandemic has profoundly affected the implementation of the Regulation (EU) No 1210/2010. Consequently, the following trends in comparison with the Commission's report to the EFC for the year 2020 are reflected in the current report for the year 2021;
- ▶ There was a significant decrease in the number of coins which have been authenticated in 2021 compared to the previous years. The decrease is considered marginal when comparing to 2020, the first year affected by the pandemic. Nevertheless, almost 12 billion coins were authenticated;
- ▶ A lower number of suspect counterfeit coins have been analysed;
- ▶ The absolute number of unfit coins reimbursed was higher than the previous year;
- ▶ The number of controls carried out has marginally increased compared to 2020 but still significantly decreased compared to 2019 which was not affected by the pandemic (- 62.82%);
- ▶ The number of coin-processing machines checked marginally increased compared to 2020 , however when comparing to the year 2019 not affected by the pandemic, this number is substantially lower (-50.30%);
- ▶ The number of machines functioning properly, among those checked, increased in comparison to 2020 as well as the number of machines demonstrating non conformity;
- ▶ 15 out of 19 Member States of the euro area carried out controls of the correct implementation of the authentication obligation by the institutions referred to in Article 6 of the Regulation;
- ▶ Due to the COVID-19 pandemic, Estonia, Ireland and Austria did not carry out controls in 2021 of the correct implementation of the authentication obligation;
- ▶ Luxembourg still does not carry out controls and consequently did not comply with the criteria of 25%. Nevertheless, the Luxembourg government adopted the necessary legislation in order to comply with its obligation to carry out these controls in future;
- ▶ Due to the COVID-19 pandemic, Germany, Estonia, Ireland, Cyprus, Austria, Slovenia, Slovakia and Finland did not comply with the criteria of 25% referred to in Article 6(3) of the Regulation.

As stated above, the pandemic heavily impacted the achievement of the objectives of the Regulation in 2021, although an improvement can be observed in 2021.

The following charts offer an overview on the main figures described above.

Chart 4: Volume of euro coins authenticated in 2012 – 2021

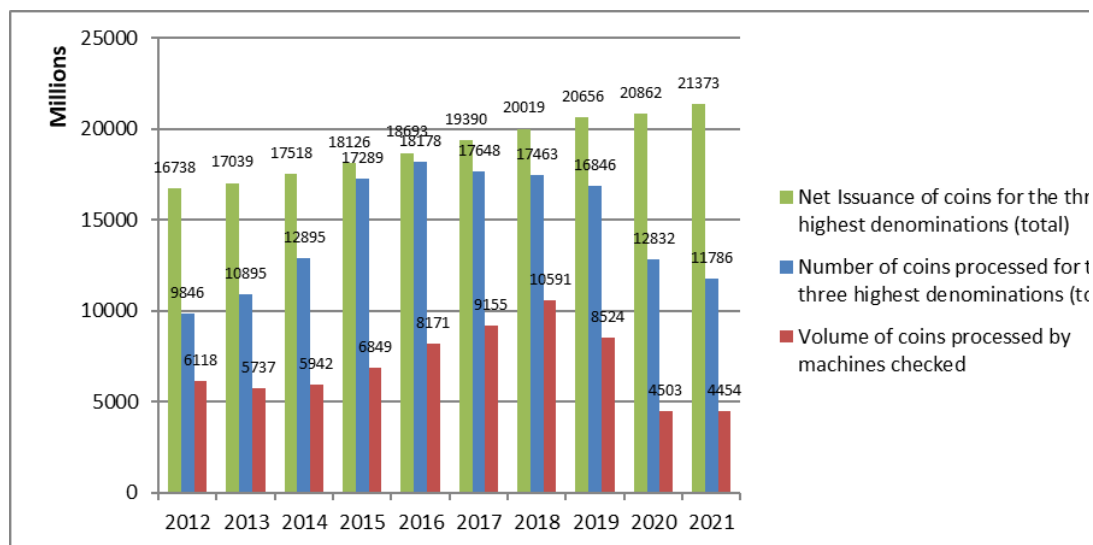


Chart 5: Controls carried out in 2012 – 2021

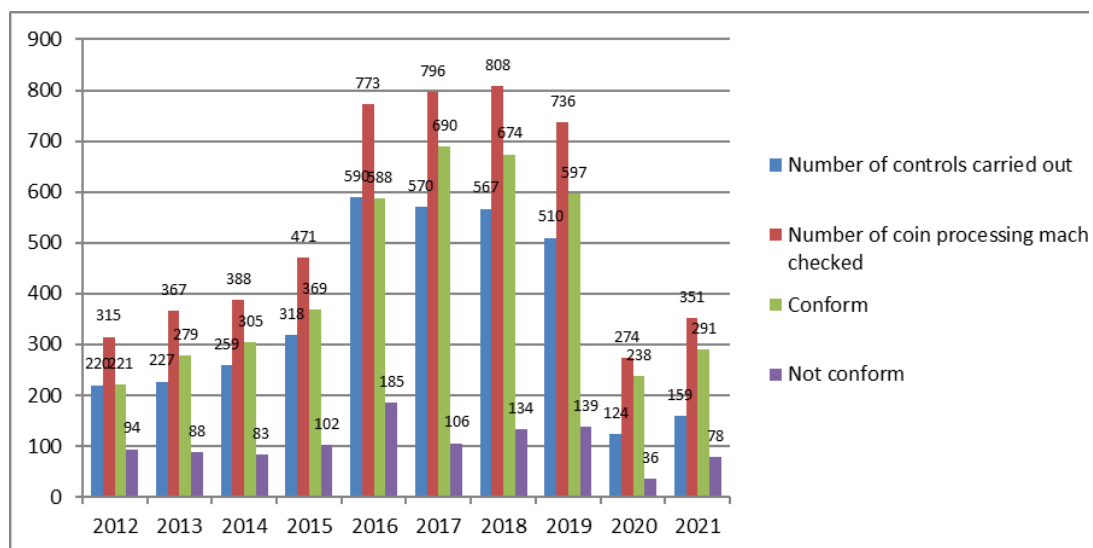


Chart 6: Counterfeit coins and unfit coins in 2012 – 2021

