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ANNEX – PART 2/2

**ANNEX**

*to the*

**COMMISSION DECISION**

**on the financing of the Pericles IV programme and the adoption of the annual work  
programme for 2025**

Subject: **Update of the Pericles IV strategy: priority action points**

This paper updates the previous Pericles Strategy<sup>1</sup> and describes the priority action points of the Pericles implementation for the upcoming year. It is presented to the Euro Counterfeiting Experts Group (ECEG)<sup>2</sup> and will be annexed to the 2025 Annual Work Programme for the Pericles IV programme.

These priorities can be adapted in case of upcoming unexpected new threats in relation to the protection of the euro which require activities financed under the Annual Work Programme for 2025.

The actions which the Pericles programme will focus on 2025 are the following<sup>3</sup>:

- a. Supporting activities aimed at improving cooperation among those Member States which are particularly affected by the production and distribution of counterfeits

Within the European Union (EU), Italy has dismantled the highest number of dangerous print shops and illegal mints in Europe since 2002, confirming Italy's status as the most affected Member State in terms of the production of counterfeit euros<sup>4</sup>. In the period between December 2023 to September 2024, the Italian police forces successfully neutralised seven organised criminal groups, dismantling a total of four printshops and one illegal mint located in Southern Italy. The *Guardia di Finanza* seized the largest quantity of counterfeit euro banknotes (48 million EUR) and dismantled an offset printshop in Naples. The *Carabinieri* neutralised three international criminal networks involved in the online distribution of counterfeit euro banknotes on social networks; a large organised criminal group composed by 64 members focused on the distribution of counterfeit euro banknotes belonging to the "Napoli Group" class and an international criminal organisation composed by Pakistani citizens involved in the production and distribution of high quality 100 EUR banknotes. The *Carabinieri* also dismantled one illegal mint and three printshops. Europol suspects that more than 70 % of counterfeit euro banknotes in circulation are still produced in the area of Naples. There are more and more online channels used for distributing counterfeit euro banknotes and coins supplied from the Napoli region.

France, Italy, Germany and Spain together were subject to the largest distribution of counterfeit euro banknotes removed from circulation, accounting for 82 % of the total in the

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<sup>1</sup> Ares(2023) 8078733 endorsed in the ECEG of 14 November 2023.

<sup>2</sup> In line with Article 4 of Regulation (EU) 2021/840 of the European Parliament and of the Council establishing the "Pericles IV" programme.

<sup>3</sup> The priorities of the "Pericles IV" programme have been endorsed by the Euro Counterfeiting Experts Group (ECEG), as provided for by Council Regulation (EC) 1338/2001 of 28 June 2001.

<sup>4</sup> Information received during Euro Counterfeiting Expert Group (ECEG) meetings indicating that 76 illegal mints and print shops were dismantled from 2002 to 2018.

last twelve months until August 2024. In 2023, Germany was the country with the highest number of detected counterfeit euro coins. The counterfeit coins seized in Germany together with those seized in Greece, Italy and Spain accounted for 71% of the total counterfeits seized in 2023<sup>5</sup>.

*Implementation:*

*Actions focusing on cooperation between France, Germany, Spain and Italy, such as workshops and staff exchanges targeting both production and distribution.*

*Actions focused on countering counterfeit coin distribution in Germany, Greece, Italy and Spain.*

b. Fostering cooperation with authorities of third countries where there is suspicion, or evidence of, counterfeit euro production

*China*

Chinese counterfeiters continue to represent a threat relating to the production of raw materials for counterfeit banknotes and coins. The number of counterfeits seized in and before circulation having a deceptive hologram (the majority of which have been confirmed to be originating from China) increased from 22 000 in 2013 to 100 000 in 2021<sup>6</sup>, representing 16.9 % of the total. The Chinese origin of these holograms has been confirmed by a number of successful police operations conducted in EU Member States<sup>7</sup>. In April 2021, the German customs seized 1 032 holograms for various denominations of the euro banknotes stocked in a shipment coming from China<sup>8</sup>.

In 2024, China continued to represent the main resource country for materials (mainly fake holograms, special paper & inks and other security features) for currency counterfeiting – particularly for counterfeit euros. On 28 December 2023, the Croatian Customs seized a parcel coming from China containing 1 000 sheets of paper with “protective fibers and threads”.<sup>9</sup>

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<sup>5</sup> Information received from the ECB.

<sup>6</sup> Information received during Euro Counterfeiting Expert Group (ECEG) meetings: already in 2009, the Spanish Police carried out a successful operation involving holograms produced in China and used on counterfeit euro notes; counterfeit holograms for banknotes appeared on sale on the Chinese “alibaba” website.

<sup>7</sup> Information received from Europol concerning successful police actions include: Operation Chimera (Germany, July 2021): On 08 April 2021, during a random check performed by German Customs, a postal shipment with 1.032 holograms were seized which could have been used for the production of counterfeit money with a total value of at least EUR 38 800. According to the findings of NAC Germany, the seized holograms are similar to the holograms used for the production of counterfeit euro banknotes of several different indicatives. The source of two such indicatives was identified by the German authorities, in a recent operation, Operation Chimera. On 14 July 2021, a digital print shop has been dismantled with a high amount of holograms found.; operation Tulipa (January 2019, Netherlands) led to the dismantlement of an illegal print shop and the seizure of sheets containing emulations of series €50 banknotes and special paper imported from China used by the perpetrators to produce such counterfeit euro notes; Operation Deep Money (2019, Portugal) led to a seizure of sheets imported from China containing emulations of series a EUR 50 banknotes used by the perpetrators to produce counterfeit euro notes. On 12 July 2022 and 27 January 2023, two distinct illegal printshops have been dismantled in The Netherlands. In both cases the raw materials (holograms, soecial inks and papers), were ordered from China.

<sup>8</sup> Source: Europol.

<sup>9</sup> Source: Europol.

Altered-design counterfeit banknotes, some of them also presumed to originate in China, are available on the open web.

In particular, Chinese criminality is also directly involved in the production of ‘movie money and prop copy products’, with stakeholders consulted for the movie money/prop copy study undertaken in 2023 confirming that individuals located in China are the main producers of these products. Since all movie money (the type of altered design banknotes that show the words “movie money” or related ‘disclaimers’) found in circulation in the EU is made with the same template and technique, stakeholders believe the notes are produced by one group or a small number of collaborating groups. Europol initially became aware of the scale of the issue following several big customs seizures which revealed a Chinese origin. One interviewee consulted for the movie money/prop copy study also described that this can be traced by placing orders on Alibaba to detect vendors who declare parcels as coming from China. However, information on the origin of the parcels has not been verified with the respective Chinese authorities. In operations based in China, production is taking place at the “industrial level”, which is problematic as creating the infrastructure for one factory can facilitate further production.

China is also the source of counterfeit euro coins, demonstrated by seizures in December 2014<sup>10</sup>, June 2017<sup>11</sup>, June 2019 and January 2020<sup>12</sup>, February and April 2022<sup>13</sup>, and April 2024<sup>14</sup>.

In the framework of operation DECOY<sup>15</sup>, multiple seizures of parcels coming mostly from China or Türkiye containing counterfeit/ altered design banknotes took place. In particular, 26 parcels were identified as coming from China, consisting of 50 104 counterfeit banknotes or coins, mostly euro. The following specific finding of operation DECOY provides an idea of how complex and diversified is the threat represented by Chinese criminality: “*a follow up of the seizure on 11 February 2024 by the UK Customs of 8 686 counterfeit altered design GBP banknotes coming from China, as showed already, has led on 14 February 2024 to the identification by the UK Police of: 6 820 hologram patches for the £20 banknotes; 12 554 altered design EUR 20 banknotes; 13 605 altered design EUR 20 banknotes in the process of being upgraded as ready to use counterfeits; 3 779 hologram foils for the EUR 20 banknotes; 506 ready to use counterfeited EUR 20 banknotes (having applied already the hologram foils)*”.

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<sup>10</sup> Europol (2015). Report on Euro Counterfeiting 2014. 306.000 coins produced in China were seized by the Italian authorities in the port of Naples.

<sup>11</sup> Information received during the Euro Counterfeiting Expert Group (ECEG) meeting of 16 March 2017: Almost 55 000 euro in counterfeit EUR 2 coins from China was seized in Prato, Italy.

<sup>12</sup> Information received by the Spanish police in the framework of the operation “Doble Estrella”.

<sup>13</sup> Information received by the CNAC-EL: in February and April 2022 a total of about 60 000 counterfeit euro coins were seized inside a container coming from China at the Piraeus port of Greece.

<sup>14</sup> Follow-up of the Spanish investigation “Doble Estrella”.

<sup>15</sup> A Joint Customs Police Operation supported by Europol under the EMPACT, the European Multidisciplinary Platform Against Criminal Threats.

The economic and demographic size of China as well as the proven contacts between Chinese nationals and organised crime in the EU increase the risks of currency counterfeiting and it can therefore be expected that there will be more cases with operational links to China. The 3<sup>rd</sup> EU-China platform meeting on the protection of currencies against counterfeiting in 2024 has succeeded in re-establishing cooperation following a decline due to the Covid-19 pandemic, and has raised awareness with the different Chinese competent authorities as to the EU operational challenges related to China. Building on this and on the experience gained from the first EU-China platform meeting/workshop held in 2017 and subsequent EU-China cooperation meetings held in Beijing in 2019, it is vital to organise further Pericles actions with the Member States with operational links to China and the Chinese authorities in order to further deepen cooperation and enhance the exchange of information.

### *Colombia and Peru*

Outside the EU, traditionally the highest quality and largest quantity of counterfeit euros are produced in Colombia and Peru. Successful operations in Colombia<sup>16</sup> and Peru<sup>17</sup>, the arrest of counterfeiters from Colombia setting up an illegal printing operation in the Canary Islands<sup>18</sup>, as well as the recent arrest of Colombian and Venezuelan citizens in Peru found in possession of counterfeit EUR 50 and 100 USD and the arrest of a Colombian citizen living in Spain and receiving parcels from Colombia with counterfeit USD<sup>19</sup> point to the necessity of maintaining strong cooperation between EU Member States, the European Institutions and the US Secret Service, Colombian and Peruvian national authorities. In fact, these successful cases would not have been possible without the strong cooperation of the involved authorities and the links that had previously been established between them (a link supported by previous Pericles-actions). This cooperation is essential to combat potential threats to the euro in the South American region.

### *Implementation:*

*Actions such as workshops, staff exchanges and trainings aimed at complementing and following up on the 3rd EU-China Platform to support and develop close cooperation with*

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<sup>16</sup> E.g. information received from Europol, that the Colombian National Police, supported by the Spanish BIBE and the Colombian armed forces, conducted a successful raid of a clandestine print shop on 24 April 2019. Nearly 300 million face-value counterfeit pesos were seized. The production of counterfeit euros was only in an incipient phase, therefore only try-outs for EUR 50 and EUR 100 were found.

<sup>17</sup> E.g. information received from Europol, that the Peruvian authorities conducted a raid on 2 September 2020 in Lima, Peru (Operation Sol) in which a clandestine print shop was dismantled and three suspects were arrested, including one of the most notorious counterfeiters in South America. Approximately EUR 100 000 (in EUR 100 counterfeit notes) were seized, along with USD 300 000 and 50 000 Peruvian soles.

<sup>18</sup> Information received from Europol: Spain has recently identified a migration of counterfeiters from Cali, Colombia to the Canary Islands, Spain. These criminals, with an extensive experience and criminal records in currency counterfeiting, traveled to Gran Canaria with the intention of setting up a new illegal production facility for producing counterfeit euro banknotes, with the intent to distribute these false notes both in Canary Islands and continental Spain. A significant amount of equipment and 'raw material' were found during the house searches (printers, printer cartridges, testing machinery, guillotines, inks, paper, etc.). Samples of EUR 20 and EUR 50 were found and seized.

<sup>19</sup> Source: Brigada de Investigación del Banco de España.

*the relevant Chinese law enforcement, customs and judicial authorities, especially concerning illegal holograms, counterfeit coins, and altered design banknotes like movie money.*

*Encourage participation of Chinese experts in Pericles IV funded trainings wherever deemed appropriate.*

*Staff exchanges, technical/tactical trainings and networking events involving US Secret Service, Colombian and Peruvian competent national authorities, aimed at reinforcing their capacities.*

c. Maintaining an efficient framework for the protection of the euro in South Eastern Europe

This area is one of the most sensitive regions in Europe with respect to euro counterfeiting. Because of their strategic geographical position close to the euro area, all countries in this region can be considered as both transit areas and potential production sites.

Montenegro and Kosovo<sup>20</sup> use the euro as their only official currency. The Commission has concluded Administrative Cooperation Agreements with Türkiye, Serbia, North Macedonia, Kosovo<sup>20</sup>, Albania and Montenegro in order to foster cooperation. Albania has established a structure of well-organised competent national authorities.

A high number of counterfeit euro coins are distributed in or from Kosovo<sup>20</sup>. The Commission, through the European Technical and Scientific Centre (ETSC), monitors the overall situation in the Western Balkans in general and in particular in Kosovo<sup>20</sup> where recently an increased number of counterfeit euro coins have also been detected. The ETSC saw tangible evidence of the current situation during a workshop that EU LEX organised at its premises in Pristina on 20 and 21 September 2023<sup>21</sup>. On that occasion the ETSC provided also technical assistance on-the-spot to the Kosovo Agency on Forensics for classifying backlogs of counterfeit euro coins confirming that the large majority of them belong to common class 2E72. Recent data received by the Kosovo Agency on Forensics confirms high volumes of counterfeit euro coins detected in Kosovo<sup>20</sup> in 2023 as well.

Further technical assistance is certainly needed to the Kosovo national authorities dealing with currency counterfeiting to increase their detection capacity to identify counterfeit euro coins. At the same time, it is essential to boost internal coordination among Kosovan institutions to establish an effective legal framework aligned with euro area standards. On the investigative side, a prominent coordination role is needed to enhance the efforts of Law Enforcement Agencies operating in the area.

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<sup>20</sup> 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.

<sup>21</sup> <https://www.reuters.com/world/europe/kosovo-so-awash-with-fake-euro-coins-they-are-accepted-payment-2023-09-21>.

Türkiye is a potential place of transit and production of counterfeit currency<sup>22</sup>, including counterfeit coins and altered design banknotes<sup>23</sup>. In April 2022, Istanbul Provincial Gendarmerie Command teams caught red-handed a person preparing to produce counterfeit euro coins in Başahşehir. During the search at the warehouse, the Gendarmerie teams seized ten thousand counterfeit EUR 2 coins, sixteen thousand ready to mint metalling rings and cores and a hydraulic press machine. In the technical examination after the operation, it was determined that the seized fake coins were produced by electrolysis in order to pass through gambling machines and cigarette vending machines abroad. Furthermore, on 3 May 2024 a truck coming from Türkiye was intercepted. Inside, different types of equipment used for coin minting was found<sup>24</sup>.

As for altered design banknotes, the 2023 Commission study on movie money/prop copy confirms that Türkiye is a source country, mainly manufacturing the altered design banknotes marked with 'Geçersizdir'<sup>25</sup>, which translates to 'not valid' (but may not be understandable as such to non-Turkish speaking populations). As part of a Joint Customs-Police Operation, multiple parcels were seized, coming mostly from China or from Türkiye with counterfeit altered design banknotes inside<sup>26</sup>. The centralisation of information in the country as well as the cooperation among competent national authorities and with European authorities still leave room for improvement. The efforts made by the Italian competent authorities in strenghtening cooperation with the Turkish authorities by means of staff exchanges should be continued and complemented also by other Member States where the presence of criminal links with Turkish nationals is suspected.

Moreover, organised crime in Bulgaria continues to represent a threat due to its involvement in the production of high quality counterfeit euro banknotes<sup>27</sup> and its involvement in criminal networks, operating both domestically<sup>28</sup> and in other countries in the region. On 11 December 2023, multiple house searches took place in Bulgaria as part of the dismantling of an Organised Crime Group involved in the production of counterfeit documents and EUR 50 and EUR 100 banknotes<sup>29</sup>. This threat to the euro in South Eastern Europe is also demonstrated by the continuous successful police operations taking place, including in

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<sup>22</sup> There are indications that counterfeit euros and USDs are supplied from Türkiye. One important seizure of the Turkish authorities confirms that, see <https://tvpworld.com/70448606/turkish-services-seize-record-usd-1-bn-in-counterfeit-money>.

<sup>23</sup> In 2022, based on open source information, one illegal mint counterfeiting euro coins in Türkiye was dismantled. Furthermore, from open sources it is confirmed that at the beginning of April 2021, Kosovo Police arrested 4 Turkish criminals and 2 Kosovo Albanian criminals in Prizren after they received a parcel from Türkiye. The parcel, which was collected at the local Post Office, contained 375,000 euros in allegedly counterfeit 50 and 100 euro banknotes.

<sup>24</sup> Source: Europol.

<sup>25</sup> 17 000 "Geçersizdir" counterfeits have been registered on ECB databate (CMS) since such altered design notes first surfaced in 2014.

<sup>26</sup> See footnote 15.

<sup>27</sup> E.g. Europol press release of March 2021 that, on 15 March 2021, the Bulgarian NCO dismantled another illegal printshop, in an operation involving a University in Sofia.

<sup>28</sup> Information provided by Europol on two recent cases in Bulgaria: On 14 August 2020, The Bulgarian police arrested twelve individuals that were part of a distribution network of high quality counterfeit EUR 200 banknotes (Operation Struma). Over 610 counterfeit banknotes were seized and the criminal network operating in Sofia and Sandanski was disrupted. On 7 December 2019, the Bulgarian authorities arrested an individual suspected for currency counterfeiting criminal activities. During a search of the suspected address, a total of 26600 euro in counterfeit EUR 100 banknotes were seized.

<sup>29</sup> Source: Europol

neighboring countries<sup>30</sup>. There is an added value to ensuring the sustainability of the results in the fight against counterfeiting, through the organisation of actions that build on previous Pericles actions organised by Croatia, Bulgaria, Romania and the Commission. With regard to Croatia and Bulgaria, support for their competent authorities will acquire greater urgency in the coming years because these Member States have either already joined (Croatia joined on 1/1/2023), or (in the case of Bulgaria) expressed its intention to soon join, the euro area.

*Implementation:*

*Purchase of equipment for specialised investigative groups in South Eastern Europe.*

*Networking actions aimed at reinforcing regional cooperation among all South Eastern European countries and establishment of a framework for the protection of the euro similar to the one already in place within the EU.*

*Workshops, staff exchanges and studies to share best practices on the detection and classification of high quality counterfeit coins circulating in South Eastern Europe.*

*Actions such as workshops, staff exchanges and trainings aimed at improving the effectiveness of the coins authentication process.*

*Reinforcing cooperation with specialised law enforcement authorities in Türkiye, with a particular focus on counterfeit euro coins and altered design banknotes.*

*Support to South Eastern European Member States for developing further activities in the area like multilateral conferences/workshops and staff exchanges, guaranteeing sustainability in the fight against counterfeiting.*

*Support to Bulgarian and Croatian authorities with respect to their recent and future joining of the euro area.*

d. Topical developments

I. *Distribution of counterfeits and high quality components on the internet/darknet*

In response to the increasingly effective and coordinated efforts to dismantle traditional counterfeit distribution networks, criminals are resorting to more innovative ways of selling their counterfeits. This is particularly the case on the darknet and on the open internet. On the darknet, advertisements have been found for both high quality components and materials of euro banknotes and coins, as well as complete euro counterfeits<sup>31</sup>. According to Europol<sup>32</sup> and the Dutch National Police, The Netherlands

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<sup>30</sup> E.g. Europol: on 27 January 2021, three different illegal printshops were dismantled in Bulgaria, Romania and Serbia (operation Sportisti – Bulgaria, Operation Golden Deer – Romania and Operation Jozsef – Serbia); police operation in North Macedonia: <https://www.europol.europa.eu/media-press/newsroom/news/employee-of-ministry-of-interior-of-north-macedonia-arrested-in-kosovo-for-euro-counterfeiting>.

<sup>31</sup> Europol (25 September 2018). *Darknet euro counterfeiter arrested in Poland*. Press release.

<sup>32</sup> Dismantled prints in The Netherlands in the last years:  
OP TULIPA – 29.01.2019



is a relevant focus-country in terms of its role as a significant ‘hub’ for the distribution of counterfeits and high quality components purchased on the darknet. Moreover, a print shop was dismantled in Belgium in July 2020 with Dutch nationals counterfeiting and operating the online accounts, and another Dutch printshop was dismantled in 2023<sup>33</sup>. The Netherlands has been experiencing a development of so-called rip-deals, in which the counterfeit EUR 200 denomination reached levels unseen in the past, triggered by altered design notes which were used in large quantities for such deals<sup>34</sup>.

*II. Increase cooperation with customs and judiciary with a specific focus on countering ‘movie money’ and ‘prop copy’ products (including altered design notes)*

A further threat is the availability of ‘movie money’ and ‘prop copy’ products on the open internet. These products, being unlawful reproductions of euro banknotes – despite having a disclaimer on the product – have been accepted in numerous cases as genuine euro banknotes by the general public and retail community. By mid-2024, approximately 15 % of all counterfeits removed from circulation are of this variety. It is therefore vital to coordinate a unified response to this threat, which requires cooperation at both European and international levels. The relatively easy access to these products and the relative percentage of these notes in circulation points to the now persistent nature of this problem.

The Commission study on movie money, prop copy and other altered design banknotes undertaken in 2023 underlines the need to enhance cooperation between customs agencies and other law enforcement authorities and central banks in the Member States. This will build intelligence to increase recognition of shipments of altered design banknotes in the future, thus improving the ability of customs officers to seize shipments of altered design banknotes at the border.

The study also emphasises the need for awareness raising among the judiciary. The low quality and limited perceived deceptiveness of altered design banknotes, coupled with the lack of awareness of the extent and nature of the phenomenon among prosecutors and judges, has resulted in few cases involving altered design banknotes being successfully prosecuted. Nevertheless, this is cause for concern given that the public and businesses experience serious financial harms as a result of this phenomenon which undermines trust in the integrity of the euro. Therefore, the lack of awareness

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OP DESWAEN – 06.12.2019 – Rip-deal

OP HYPERION – 21.01.2020

OP FAKE – 25.02.2020

OP 03Counter – 22.11.2021

OP ZEEWIND – 12.07.2022

All cases except Deswaen were involving the online distribution of the notes, with raw materials used being most likely imported from China.

<sup>33</sup> See <https://www.om.nl/actueel/nieuws/2023/02/01/hagenaar-produceerde-acht-ton-aan-valse-bankbiljetten>.

<sup>34</sup> As reported by the ECB.

among the judiciary in the EU Member States could potentially be improved through meetings and conferences organised by the European institutions and/or competent authorities of the Member States about the scale and nature of the phenomenon in the EU. Such events may include information sharing on the scale and nature of the phenomenon in the EU as well as the provision of clear guidance on how the existing legal framework on currency counterfeiting applies to altered design banknotes. Furthermore, it could be further assessed to which extent an updating of the existing legislation might be beneficial to achieve a more harmonised approach as regards the legal treatment of altered design banknotes.

### *III. Support for the establishment, reinforcement of and networking amongst NCOs*

In line with Article 12 of the Geneva Convention for the suppression of counterfeiting currency, all signatories should establish a National Central Office (NCO), which should centralise in each country all relevant information to facilitate the investigation, prevention and punishment of counterfeiting currency. Given that the euro has increasingly become an international currency in wide circulation within and beyond the EU, there is a need for institution-building actions in those countries where an NCO has either recently been established, like Argentina<sup>35</sup>, or is in the process of being established, such as Uruguay. Efforts should also be made to establish NCOs capable of carrying out the activities under the Geneva convention in countries with close links to the EU such as Moldova, Senegal and Morocco. Finally, it is vital to reinforce the networking connections between the NCOs of EU Member States most affected by euro counterfeiting and the NCOs of less affected EU Member States and third countries that are geographically located along the eastern borders of the EU, including Ukraine, which could face rising counterfeiting levels given the continued instability in the region.

#### *Implementation:*

*Workshops on how to effectively investigate threats posed by the darknet/internet, including the interception of distribution channels.*

*Conferences, trainings and high level workshops aimed at raising awareness on movie money, prop copy and altered design banknotes, particularly amongst customs and judiciary, which includes information sharing on the scale and nature of the phenomenon in the EU as well as the provision of clear guidance on how the existing legal framework on currency counterfeiting applies to altered design banknotes.*

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<sup>35</sup> Information received from the Spanish BIBE that in September 2018 a seizure of counterfeit 100 euro banknotes took place in Argentina.

*Action aimed at institutional and legislative building in countries representing an actual or potential threat for euro counterfeiting and where an NCO has recently been or will be established.*

*Actions aimed at enhancing networking connections between the NCOs of EU Member States most affected by euro counterfeiting and the NCOs of less affected EU Member States and third countries that are geographically located along the eastern borders of the EU.*

Attachments:

- Status of counterfeiting in the EU
- Methodology and patterns of intervention for implementing the Pericles IV programme in 2025

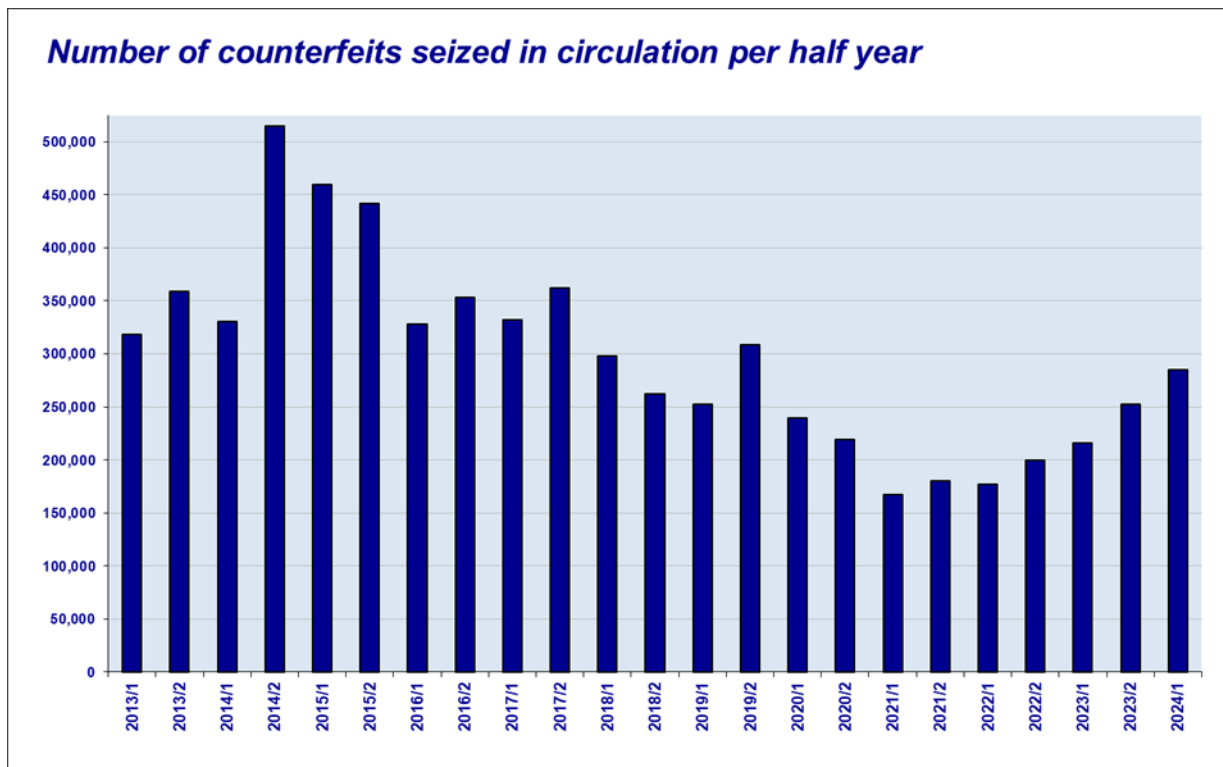
## ATTACHMENT 1

### Subject: Status of counterfeiting in the EU

Counterfeiting still continues to represent a serious threat to the euro. The level of counterfeit banknotes and coins detected, the presence of high quality counterfeits, the increasing availability of technology and the interest shown by organised crime groups outside the EU suggest that the criminal offences related to counterfeiting will rise considerably unless competent authorities maintain or increase their current efforts against innovative forms of euro counterfeiting.

In the previous twelve months until end-August 2024 circa 554 000 counterfeit euro banknotes were withdrawn from circulation, an increase of about 36 % when compared with the twelve month period until end-August 2023<sup>36</sup>.

**Chart 1: Counterfeit euro banknotes detected in circulation (source: ECB)**



The EUR 20 and EUR 50 notes continued to be the most counterfeited banknotes, jointly accounting for more than three quarters of the total percentage of all counterfeits notes.

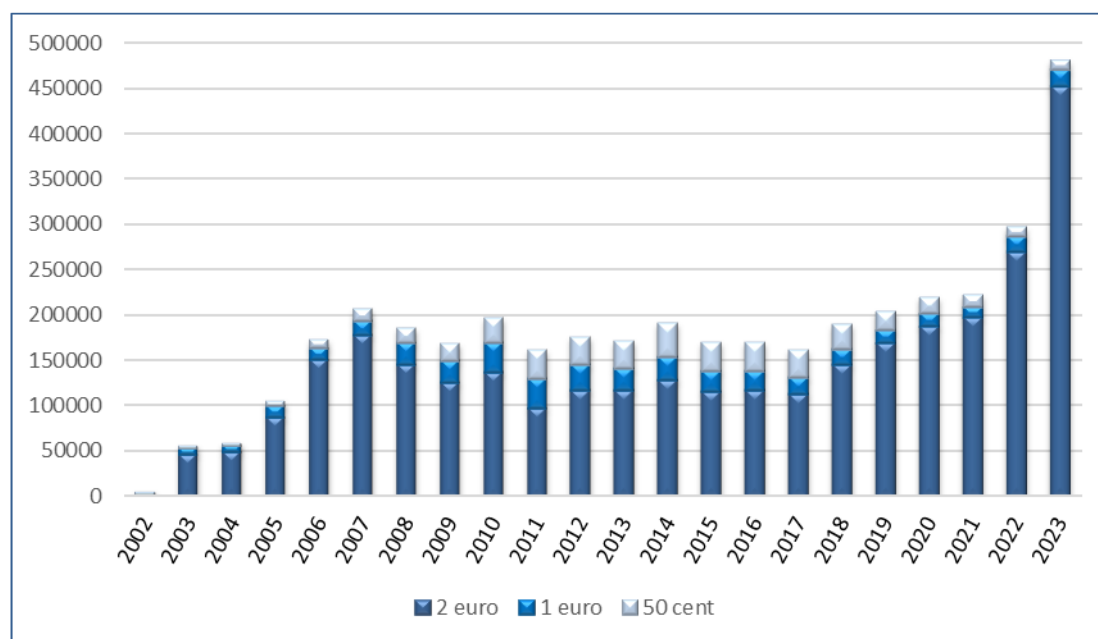
<sup>36</sup> ECB Press Release of 30 January 2023. Available at <https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.pr230130~98bc45a802.en.html>

The quality of coin counterfeits continued to improve in 2022. New common classes were created covering "high quality" counterfeits. Several actions were carried out by the Commission to define the extent of the problem and to improve detection of these high quality counterfeits by coin-processing machines.

The number of counterfeit coins detected in circulation in 2023 increased by 66.57 % compared to 2022. The number of detected counterfeit coins now exceeds 480 372 pieces per year (2 euro, 1 euro and 50 cent denominations represent respectively 94 %, 3.94 % and 2.02 %). The overall value of counterfeit coins detected in circulation in 2023 was EUR 935 381.5, which is much higher than in 2022.

The 2 euro coin remains by far the most counterfeited denomination, constituting 96.6 % of the total in terms of value). In 2023 counterfeits of the 1 euro denomination became the second most common (3.94 % of the total) overtaking the 50 cent denomination.

**Chart 2: Counterfeit euro coins detected in circulation (Source: ETSC)**



In 2023, law enforcement authorities seized 393 556 counterfeit banknotes before they were brought into circulation. In comparison to 2022, when 283 878 pieces were seized, in 2023, the total number of counterfeit banknotes seized by police increased by 38.64 %. The total face value of seized banknotes in 2023 was € 43 154 840, registering a 13.87 % growth compared to the previous year.

In total, ten illegal workshops (print shops / mints) were dismantled in 2023. All these facilities were detected within the EU. These shops were located in Bulgaria (1), France (1), Germany (1), Hungary (1), Italy (1 and one mint) Netherlands (1) and Spain (3).

All these printing facilities were using digital machines for the main production and only in the German case were “altered-design” local classes also identified in addition to the toner produced ones. With respect to the criminal phenomenon of counterfeiting, it is the long-term view of Europol, national experts and the Directorate-General for Economic and Financial Affairs (DG ECFIN) that there is a growing interest in euro counterfeiting of organised crime groups located outside the EU.

The European Financial and Economic Crime Threat Assessment (EFACTA – Europol 2023) confirms the above mentioned findings. Counterfeit euro banknotes distributed in the EU are primarily produced in various Member States of the EU. Raw materials, such as holograms, paper, and special inks, often come from Asia and are purchased via e-commerce platforms and shipped in parcels and envelopes. Offset and digital printing remain major production methods for counterfeit banknotes. Illegal print shops are set up at various locations, including private premises and living spaces. Production methods and materials change depending on the type of counterfeit currency. In some cases, criminal actors split the production and storage of counterfeits between different places and in smaller quantities, to minimise the risk of loss in case of arrest and seizures.

Also according to EFACTA, the criminal networks involved in currency counterfeiting originate from both EU and non-EU countries. Criminal networks active in this crime area show a high level of technical expertise and internal organisation, with different affiliates in charge of supplying equipment, production and printing, handling contact with potential markets and distribution, and as currency counterfeiters – the latter requiring more experience. Criminal networks maintain secrecy among affiliates, for instance regarding the identity of the members in charge of printing. There are opportunity-driven connections between criminal networks, mainly for the supply of raw materials, and sometimes for the distribution to certain markets across borders.

## ATTACHMENT 2

Subject: **Methodology and patterns of intervention for implementing the Pericles IV programme in 2025**

### 1. Methodology

The strategy for implementing the Pericles programme has traditionally been based on the deliberations of the Commission's Euro Counterfeiting Experts' Group (ECEG)<sup>37</sup>, bringing together experts from all relevant disciplines and Member States, as well as Europol, Interpol and the European Central Bank (ECB). The discussions are generally based on notes prepared by the Directorate-General for Economic and Financial Affairs (DG ECFIN) and bilateral preparations with potential Pericles beneficiaries. Discussions focus on defining the specific needs for training and technical assistance, as well as the geographical areas where action needs to be taken. This ensures the efficient implementation of the Pericles programme in the Member States most affected by euro counterfeiting and the active support and involvement of other Member States.

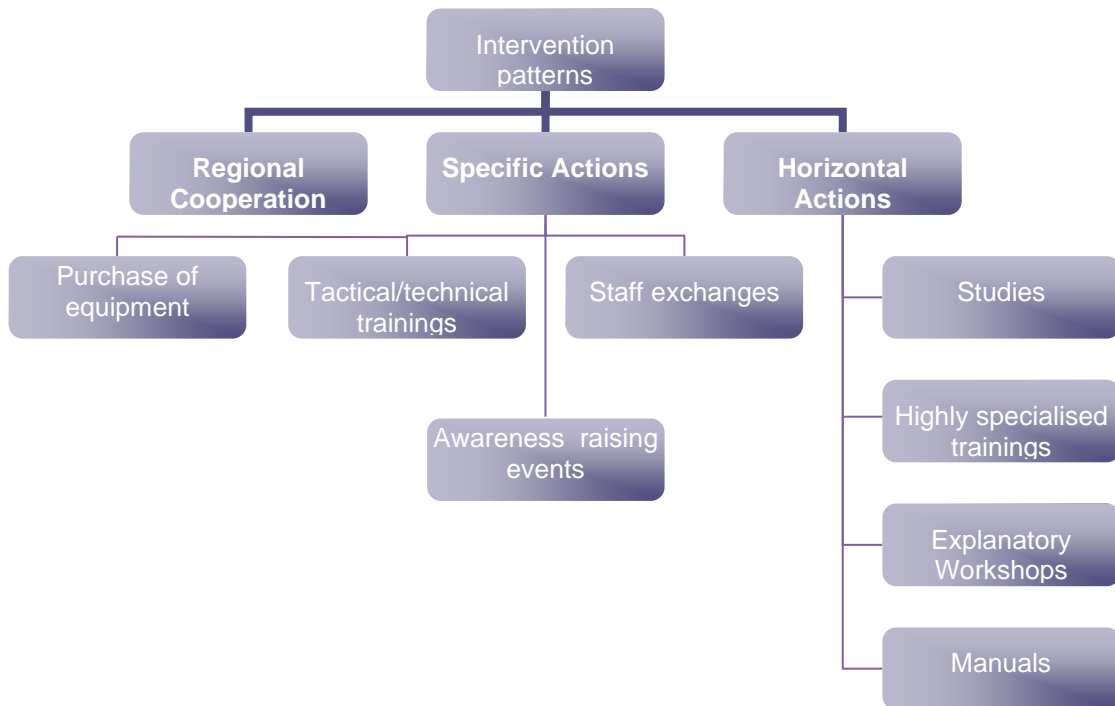
With respect to areas outside the EU, priorities are also defined on the basis of discussions in the ECEG, taking into account risk assessments carried out by Interpol and by Europol, as well as specific initiatives of Member States or the Commission/DG ECFIN. Additionally, the Commission/DG ECFIN establishes bilateral contacts with competent authorities in the areas/countries determined, with a view to specifying the type (conference/seminar, workshop, staff exchange, study) or domain (law enforcement, judicial, financial, technical) of training and technical assistance. In all cases, the general lines and each of the individual projects proposed are described in detail and discussed at the ECEG.

When it occurs that relevant priorities are not sufficiently covered by actions proposed by Member States, the Commission/DG ECFIN organises complementary actions on its own initiative based on priorities identified together with the experts and available budget.

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<sup>37</sup> In line with Article 4 of Regulation (EU) 2021/840 of the European Parliament and of the Council establishing the "Pericles IV" programme.

## 2. Intervention patterns



Mid-term priorities are implemented as follows:

### Regional cooperation

Regional cooperation covers sensitive regions of the world (e.g. Latin America and South East Europe) and consists of:

- One yearly seminar/conference bringing together the key experts of the region from police, judicial and financial staff;
- Various specific actions involving two or more countries in the area and organised by Member States or by the Commission/DG ECFIN.

### Specific actions

These actions are aimed at increasing the level of protection of the euro in specific countries by targeting definite categories of professionals (e.g. judicial, police, customs or financial staff). Specific actions fall under four categories:

- Technical and tactical trainings (mainly addressed to investigators or cashiers, these are practical workshops on how to recognise suspect euro coins and banknotes);
- Staff exchanges (these actions have the main goal of exchanging know-how and increasing the creation of homogeneous framework for protecting the euro against counterfeiting);
- Purchase of equipment (technical equipment to be used by specialised anti-counterfeiting authorities from the most sensitive third countries in order to protect the euro against counterfeiting);



- Awareness-raising events (multidisciplinary seminars and conferences mainly addressed to medium-high level staff from ministries and competent authorities with the aim to create favourable conditions to further develop co-operation for the protection of the euro against counterfeiting).

### **Horizontal actions**

Horizontal activities contribute to the overall protection of the euro. These include studies, highly specialised trainings, explanatory workshops and manuals.