



Brussels, 17.10.2023  
C(2023) 6822 final

**REPORT FROM THE COMMISSION TO THE ECONOMIC AND FINANCIAL  
COMMITTEE**

**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**

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**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<sup>1</sup>**

**1. OBJECTIVE OF REGULATION (EU) NO 1210/2010**

In order to improve the protection of the euro against counterfeiting Council Regulation (EC) No 1338/2001<sup>2</sup> requires credit institutions and, within the limits of their payment activity, other payment service providers and any other institutions engaged in the processing and distribution to the public of notes and coins (hereinafter "institutions") to ensure that euro notes and coins, which they have received and which they intend to put back into circulation, are checked for authenticity and that counterfeits are detected.

For coins this obligation is further detailed in 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 (hereinafter "the Regulation"). The objective of the Regulation is to ensure effective and uniform authentication of euro coins throughout the euro area by providing binding rules for the implementation of common procedures for the authentication of euro coins in circulation, as well as for the implementation of control mechanisms of the authentication procedures by the national authorities. An authentication procedure is designed to verify that euro coins are authentic and fit for circulation.

The Regulation stipulates that the authentication obligation shall be implemented by means of coin-processing machines or by trained personnel. It is implemented mainly through detection tests performed at the designated national authority's premises and during the on-the-spot controls for demonstrating the capability of coin-processing machines to detect the known types of counterfeit euro coins, euro coins unfit for circulation and all other coin-like objects that do not comply with the specifications of genuine euro coins<sup>3</sup>. Following the authentication procedure, all suspected counterfeit coins and coins unfit for circulation are to be sent to the

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<sup>1</sup> [OJ L339, 22.12.2010, p. 1.](#)

<sup>2</sup> Council Regulation (EC) No 1338/2001 laying down measures for the protection of the euro against counterfeiting. [OJ L181, 04.07.2001, p. 6.](#)

<sup>3</sup> Member States carry out detection tests in line with Article 4 of the Regulation "testing requirement and coin-processing machines".

Coin National Analysis Centre or another authority designated by the Member State concerned. The Regulation sets out the testing requirements for the coin-processing machines, rules for handling coins unfit for circulation, as well as control mechanisms to be put in place by Member States to make sure the institutions are fulfilling their authentication obligation.

The European Technical and Scientific Centre (ETSC), established by Council Decision 2003/861/EC<sup>4</sup> and Commission Decision 2005/37/EC<sup>5</sup>, as amended by Commission Decisions (EU) 2017/1507<sup>6</sup> and 2023/616<sup>7</sup> defines the Guidelines on implementation of Regulation (EU) No 1210/2010 (hereafter the "ETSC Guidelines") in accordance with Article 7 of the Regulation.

## **2. PURPOSE OF THE REPORT**

The Commission, after having analysed the annual reports received from the Member States, shall present an annual report to the Economic and Financial Committee (EFC) on developments and results concerning authentication of euro coins and euro coins unfit for circulation according to Article 12(4) of the Regulation.

The Commission has presented ten reports to the EFC, starting in 2012<sup>8</sup>. This report is the eleventh report that the Commission is presenting to the EFC and it refers to the year 2022. Its main purpose is to monitor the correct implementation of the common authentication procedures, to assess whether the control mechanisms of the authentication procedures by the national authorities are effective and, finally, to furnish a statistical overview based on the reports received from Member States.

## **3. REPORTS OF MEMBER STATES ON THEIR ACTIVITIES AS REGARDS AUTHENTICATION OF EURO COINS**

Member States are required to submit annual reports to the Commission on their activities as regards authentication of euro coins in line with Article 12(1) of the Regulation. The

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<sup>4</sup> Council Decision of 8 December 2003 concerning analysis and cooperation with regard to counterfeit euro coins (2003/861/EC) [OJ L 325, 12.12.2003, p. 44.](#)

<sup>5</sup> Commission 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 19, 21.1.2005, p. 73.](#)

<sup>6</sup> [OJ L 222, 29.8.2017, p. 25.](#)

<sup>7</sup> [OJ L 80, 20.3.2023, p. 96.](#)

<sup>8</sup> COM(2014) 277 final, C(2014) 6536 final, C(2015) 6960 final, C(2016) 6465 final, C(2017) 6734 final, C(2019) 218 final, C(2019) 7295 final, C(2020) 4638 final, C(2021) 7371 final, C(2022) 6074 final.

information provided should include the number of controls carried out, of coin-processing machines checked, the test results, the volume of coins processed by those machines, the number of suspected counterfeit coins analysed and the number of euro coins unfit for circulation reimbursed. The deadline for transmission of the annual reports by Member States is set in the ETSC Guidelines as the 15<sup>th</sup> of February of the year following the reporting year.

#### **4. ASSESSMENT OF THE REPORTS OF MEMBER STATES FOR THE YEAR 2022**

##### **4.1. Assessment criteria**

The main reporting criteria concerning authentication of euro coins and euro coins unfit for circulation are set out in Article 12(1) of the Regulation. In order to coordinate the implementation of the authentication procedures, Article 7 of the Regulation authorises the ETSC to define guidelines, including practical implementation provisions, related to controls, checks and auditing by Member States, after having consulted the counterfeit coin experts' group (CCEG)<sup>9</sup>. Based on the ETSC Guidelines the Member States are required to report on the following indicators<sup>10</sup>:

1. Total number of coins processed in 2022 for the three highest denominations;
2. Total number of on-the-spot controls carried out;
3. Total number of coin-processing machines checked;
4. Total volume of coins processed by coin-processing machines checked;
5. Total number of suspect counterfeit coins analysed; and
6. Total number of unfit coins reimbursed.

##### **4.2. Assessment of the Reports**

All 19 euro-area Member States complied with the obligation to submit their annual report for the year 2022. A complete overview of all figures is provided in Annex II.

###### *4.2.1. Total number of coins processed in 2022 for the three highest denominations*

On the basis of Article 3 the institutions<sup>11</sup> implement the authentication obligation by using coin-processing machines (included on the list of the ETSC) which are designed to verify that euro coins are authentic and fit for circulation. The total number of coins processed by coin-processing machines in 2022 for the three highest denominations (2 euro, 1 euro and 50

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<sup>9</sup> Established by Commission Decision [C\(2015\) 6968 final](#) of 19.10.2015.

<sup>10</sup> See Annex I.

eurocent) amounts to **12 719 839 351**<sup>12</sup>. This amount represents **57.17%** of the amount of coins issued until 2022<sup>13</sup>.

#### *4.2.2. Total number of on-the-spot controls carried out*

Member States are required to perform annual on-the-spot controls in institutions with a view to verifying, through detection tests, the proper functioning of a representative number of coin-processing machines used in accordance with Article 6 of the Regulation.

A total of **379**<sup>14</sup> on-the-spot controls were carried out by Member States in 2022 (an increase of 138.36% in comparison to 2021). The number of controls reported varied considerably, between **1** and **155** controls per Member State. This difference may be explained by the size of the market and the way the market in a particular Member State is organised with respect to cash-processing. In some Member States, the entire amount of coins is processed by a single cash-in-transit company and in others, for instance, by individual commercial banks.

#### *4.2.3. Total number of coin-processing machines checked*

A total of **738**<sup>15</sup> coin-processing machines has been checked (increasing by 110.25% in comparison to 2021) and **84.14%** of them demonstrated the capability to detect the known types of counterfeit euro coins, euro coins unfit for circulation and all other coin-like objects that do not comply with the specifications of genuine euro coins. The proportion of machines which demonstrated non-conformity in comparison to the previous year decreased<sup>16</sup>. For the machines deemed non-compliant, Article 6(7) of the Regulation provides for corrective measures to be carried out<sup>17</sup>.

#### *4.2.4. Total volume of coins processed by coin-processing machines checked*

According to Article 6(3), Member States have to check a number of coin-processing machines which have processed at least 25% of the total cumulated net volume of the three highest

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<sup>11</sup> Institutions, which include credit institutions and bureaux de change, are defined in Article 2(d) of Regulation (EU) No 1210/2010 in conjunction with Article 6(1) of the Council Regulation (EC) No 1338/2001.

<sup>12</sup> See Annex I.

<sup>13</sup> Calculated on the basis of net issuance since 2002 of 22 249 432 000 coins (Source: ECB Currency information system of December 2022). It should be noted however that some coins might have been checked several times.

<sup>14</sup> See Annex I.

<sup>15</sup> See Annex I.

<sup>16</sup> See Annex IV.

<sup>17</sup> The ETSC Guidelines provide instructions for the Member States on how to deal with these cases.

denominations of euro coins issued by that Member State between the introduction of euro coins and the end of 2021.

On the basis of the data extracted from the ECB database on the net issuance per Member State from the introduction of the euro until the end of 2021, the following Member States checked coin processing machines meeting the criteria of 25% referred to in Article 6(3): Belgium, Germany, Estonia, Greece, Ireland, Spain, France, Italy, Cyprus, Latvia, Lithuania, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. Since the number of coins processing machines to be checked annually in Luxembourg is higher than the number operating in its territory, Luxembourg availed itself of Article 6(4) to check this machine once in 2022, so the 25% criterion of Article 6(3) was not met.

The total volume of coins processed by coin-processing machines which were checked by the designated national authorities amounts to **7 428 493 932**<sup>18</sup>. This represents **58.40%** of the volume of coins processed by coin-processing machines in 2022<sup>19</sup>.

#### *4.2.5. Total number of suspect counterfeit coins analysed*

The total number of suspect counterfeit coins analysed refers to all suspect coins sent to the Coin National Analysis Centres (CNACs) in individual Member States for analysis. The total number of suspect counterfeit coins analysed amounts to **1 023 749** coins. The total number of coins analysed by the CNACs and assessed as being counterfeit amounts to **322 074** coins<sup>20</sup>.

#### *4.2.6. Total number of unfit coins reimbursed*

Member States are required to reimburse or replace euro coins that have become unfit due to long circulation or accident, or that have been rejected during the authentication procedure for any other reason. Member States may refuse reimbursement of euro coins unfit for circulation that have been altered either deliberately or by a process that could be reasonably expected to have the effect of altering them, notwithstanding reimbursement of coins collected for charitable purposes, such as "fountain coins"<sup>21</sup>. The total number of unfit coins reimbursed amounts to **27 137 452**<sup>22</sup> coins.

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<sup>18</sup> See Annex I.

<sup>19</sup> Based on the figure 12 719 839 351 mentioned in section 4.2.1

<sup>20</sup> Source: ETSC.

<sup>21</sup> See Article 8 of the Regulation.

<sup>22</sup> See Annex I.

## 5. CONCLUSIONS

The current report for the year 2022 shows the following tendencies in comparison with the Commission's report to the EFC for the year 2021:

- There was an increase in the number of coins which have been authenticated in 2022 compared to the previous years. Almost 13 billion coins were authenticated;
- An increase in the number of suspected counterfeits that have been analysed following the authentication procedure<sup>23</sup>;
- An increase in the number of unfit coins reimbursed<sup>24</sup>;
- The number of controls carried out has marginally increased compared to 2021 but still decreased compared to 2019 which was not affected by the pandemic (-25.68%);
- The number of coin-processing machines checked increased compared to 2021<sup>25</sup>, slightly exceeding the figure of the year 2019 not affected by the pandemic
- The number of machines functioning properly, among those checked, increased in comparison to 2021<sup>26</sup> as well as the number of machines demonstrating non-conformity;
- All 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;
- Luxembourg carried out on the spot checks in accordance with Article 6 for the first time in 2022<sup>27</sup>.
- The Commission services note that as the Regulation as a whole, and Article 6 in particular, aim to manage the risks of non-authentic coins, if there are a limited number of machines doing the checking, there is a higher risk in case of problems with those machines as the checking is not diffused across a great number. This may warrant checking such machines more than once a year.

Following the COVID-19 pandemic, it can be concluded that the authentication procedure in the institutions resumed its work satisfactorily in the euro area. The objectives of the Regulation to achieve an effective and uniform authentication of euro coins throughout the euro

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<sup>23</sup> See Annex IV – Chart 3.

<sup>24</sup> See Annex IV – Chart 3.

<sup>25</sup> See Annex IV – Chart 2.

<sup>26</sup> See Annex IV – Chart 2.

<sup>27</sup>The law entered into force in July 2021 (<https://legilux.public.lu/eli/etat/leg/loi/2021/07/21/a563/jo>).

area are being progressively achieved. The timeliness and the accuracy of the Member States' reports have improved.

The Commission is continuing discussions with the Member States to facilitate the implementation of the Regulation, including also in this process representatives of the coin-processing machine manufacturers. The Commission updated the ETSC guidelines<sup>28</sup>, in line with Article 7 of the Regulation and the European Technical Procedure for the Detection Test. The updated ETSC guidelines and the updated European Technical Procedure for the Detection Test aimed at facilitating and improving the implementation of the Regulation by providing enhanced guidance to the Member States. These updates aimed at improving the handling of coins unfit for circulation and ensuring more homogeneity among the Member States in the implementation of the Regulation.

During the pandemic, the above-mentioned measures could not be implemented properly by Member States and consequently their effectiveness could not be assessed. Following the resuming of activities, data provided by Member States in 2022 revealed a common trend towards pre-pandemic figures showing the potential efficacy of those measures. However, analysis of a further period of time is required to confirm this effect.

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<sup>28</sup> The updated ETSC Guidelines apply as of 1<sup>st</sup> of January 2020:  
[https://ec.europa.eu/info/sites/default/files/economy-finance/etsc\\_guidelines\\_october\\_2019\\_public-ares2019-6661509.pdf](https://ec.europa.eu/info/sites/default/files/economy-finance/etsc_guidelines_october_2019_public-ares2019-6661509.pdf)