EUROPEAN COMMISSION

Euro coins
From design to circulation
Euro coins

From design to circulation

Directorate-General for Economic and Financial Affairs
EURO COINS

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1. The legal bases

The Treaty

Article 106 (ex 105a) of the Treaty establishing the European Community maintains the historical tradition of separating the issue of banknotes, for which the Central Bank is competent, and the issue of coins, which is the responsibility of the finance ministries. It is therefore for the European Central Bank (ECB) alone to issue or to authorise the issue of banknotes by the national central banks¹ and for Member States to issue the coins, “subject to the approval by the ECB of the volume of the issue”. The Council, after consulting the ECB, is also responsible for the harmonisation of the “denominations and technical specifications of all coins intended for circulation”. It is therefore competent to decide on the types of coin, their technical characteristics and their face values; the ECB’s intervention is confined to controlling the quantities to be produced, as part of its task of overall supervision of the money supply.

The two Regulations of 3 May 1998

Council Regulation No 974/98 on the introduction of the euro,² adopted the day after the list of participating Member States was established, supplements the provisions of the Treaty by authorising these Member States to issue coins denominated in euro or in cent and conferring the status of legal tender on these coins throughout the euro area from 1 January 2002. The text also defines acceptability of the coins: except for the issuing authority and for those persons specifically designated by the national legislation, “no party shall be obliged to accept more than 50 coins in any single payment”. Article 12 of this same Regulation requires Member States to ensure “adequate sanctions against counterfeiting and falsification of euro banknotes and coins”.

Council Regulation No 975/98³ was adopted the same day. It establishes the denominations - eight different denominations ranging from 1 cent to 2 euro - and the technical specifications (diameter, thickness, weight, shape, colour, composition…) of the euro coins. These specifications have been amended slightly as a result of new technical developments by Regulation No 423/1999 of 22 February 1999, which changes the thickness and weight of the 50 cent coin and the edge of the 10 and 50 cent coins.

2. Creating the euro coins

Choosing the name

The authors of the Maastricht Treaty did not choose the name of the future currency. It is true that the ECU is mentioned on many occasions, but the lack of harmonisation of its spelling shows the

¹ The Treaty does not preclude the issue of banknotes by other banks. This flexibility in practice covers the case of Scotland and Northern Ireland.

provisional nature of the name: “écu” in French, “ECU” in German, Greek, Italian, Danish, Portuguese and English; “Ecu” in Dutch and “ecu” in Spanish, Finnish and Swedish.

There were several objective reasons for choosing a name. There was in fact a need:
- to stress the profound difference between the future single currency and the role of mere common reference point which the ECU had hitherto played;
- to avoid the psychological assimilation of the new currency to a weak currency (the ECU had lost 40% of its value against the German mark between 1979 and 1995);
- and to find a name which was not merely an acronym (ECU stands for “European currency unit”) and which did not give rise to pronunciation difficulties in any of the Community languages (the ECU in German has similarities to “E-Kuh”, literally an “electronic cow”).

After several months of discussions, the European Council of Madrid decided in December 1995 to the name the future currency “euro”. The term “euro” is easy to pronounce in all the Community languages and it obtained the best results in all the opinion polls. It is mentioned in the Roman and Greek alphabets on the banknotes and - essentially for reasons of space - only in the Roman alphabet on the common side of the 1 and 2 euro coins.

In October 1996, the Finance Ministers agreed on a subdivision of the euro into 100 cents. The decision was formally taken with the adoption of Regulation No 974/98 in May 1998. According to the provisions of this Regulation, the definition of the name “cent” does not prevent the use of variants of this term in common usage. This flexibility includes the use of the term “centime” in French, for instance, in order to avoid discordant expressions (for example, trois cents cent).

Choosing the denominations of the coins

In 1991 (i.e. one year before the Maastricht Treaty was signed), the mint directors of the Member States took the initiative of setting up an informal working group to study the technical characteristics of the coins of the future single currency. The Commission departments joined in the work from May 1992. In February 1994, the Ecofin Council approved a draft mandate: the “Mint Directors’ Working Group for the technical study of the European single coinage system” was assigned the task of examining the technical aspects and identifying the problems to be solved to produce the future European coins and to bring them into circulation successfully. The question of the denominations of the coins was rapidly decided technically by the Mint Directors’ Working Group on the basis of an analysis of the national practices and needs. It was necessary to find a balance between a wide variety, which could give rise to problems of recognising the coins, and a limited number of different coins, which would have made giving change more complicated. The average number of different denominations within the European Union was 7.17. After discussion, the mint directors proposed a series of 8 coins: 1, 2, 5, 10, 20 and 50 cents, 1 and 2 euro. The possibility of producing a 5 euro coin was raised, but rejected after it was decided to issue a banknote for the same amount. The existence of six coins in cents was intended to facilitate conversion and rounding operations. The decision on the denominations was formally taken on 3 May 1998, with the adoption of Council Regulation No 975/98 which sets outs the technical specifications of the euro coins intended for circulation.

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4 There are 5 in Belgium, 7 in Denmark, 9 in France, 8 in Germany, 7 in Greece and Ireland, 9 in Italy, 5 in Luxembourg, 6 in the Netherlands, 7 in Portugal, 9 in Spain and 7 in the United Kingdom.

Determining the technical specifications of the coins

In May 1992, preliminary proposals for technical specifications were presented by the mint directors to the Ministers, who gave a mandate to the directors to continue their work. They already contained detailed plans for each type of coins, indicating the weight, diameter and alloy used. Contacts were developed with vending machine manufacturers (and especially after 1996 the “European Vending Association”, EVA) and the associations for the blind and partially sighted to discuss these plans. A mid-term report was drawn up by the sub-group in 1994. It provided a first response to all the technical questions arising from the production of the new coins. The final report was published in November 1996 and was revised in February 1997. In March 1997, the Council asked the Commission to draw up a formal proposal on the technical characteristics of the coins, pursuant to Article 106(2) (ex 105a(2)) of the Treaty.

The discussions were animated, especially about the possible use of nickel. Some studies show that regular, prolonged contact with poor quality nickel-based alloys may be the cause of dermatitis or certain allergic reactions (eczema, etc.). However, the majority of medical studies conclude that nickel is totally innocuous when used in an alloy where the treatment of the surface prevents the migration of nickel ions to the skin. Nickel is in common everyday use: it is present in cutlery, paper clips and even in surgical instruments. All the European countries use nickel in the manufacture of their coins. In the United States, it is used in the composition of 25% of the coins and even gives the 5 cent coin its familiar nickname. In Europe, it is used in 75% of the coins in circulation.

To cut short the controversy, the Commission proposed limiting the use of nickel to the 1 and 2 euro coins. The high quality of the alloy overcomes the risk of allergy and the presence of nickel is necessary to implement techniques minimising the risk of counterfeiting: these coins are the first in the world to combine a “three layer” technology (three alloys thick) and a two-colour technology (internal and external parts in different alloys). For the other coins, it is proposed to replace the nickel by an alloy, Nordic Gold, which was recommended by vending industry as having technical characteristics facilitating its recognition by vending machines. On the basis of the mint directors’ work and after consulting several consumer associations, the Commission presented a draft Regulation on the technical specifications of the coins in a communication6 to the European Parliament, the Council and the European Monetary Institute (EMI) in spring 1997, which was adopted by the Council on 3 May 1998.7 The coins are distinguishable from one another through their weight (from 2.3 grams to 8.5 grams), their size (from 16.25 mm to 25.75 mm), their colour (two-colour, red or yellow) and their thickness (indicative values from 1.36 mm to 2.125 mm).

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6 COM (97) 247 of 29 May 1997.
To facilitate their recognition by the blind and partially sighted, the edge is different for each consecutive denomination (e.g. 1 and 2 cents, 1 and 2 euro, etc.). In increasing order of value, the edges of the coins are smooth, smooth with a groove, smooth, shaped edge with fine scallops, plain, shaped edge with fine scallops, interrupted milled and with edge lettering fine milled.

The **diameter** of the euro coins lies within the range of the diameter of the existing national coins (from 14 mm to 31.1 mm). The coin-operated vending machines manufacturers requested a minimum size of 15 millimetres, since some vending machines have problems recognising smaller coins. They also expressed the wish for a minimum difference in **size** of 1 millimetre between two coins. The Blind Union wished for a difference of 3 millimetres if the edges of the coins were identical, but accepted a difference of 2 millimetres if the edges varied between consecutive amounts.

The coins are round in **shape**. The 20 cent coin is of the “Spanish flower” shape (round with a few deep grooves). The production of a many-sided coin, considered at one time, was abandoned on account of problems using it in change machines.

The relationship between the diameter and the **thickness** of a coin has an impact on how long it lasts. The national coins have a thickness of between 1.22 and 3.15 millimetres. The vending machines industry wished for a thickness of between 1.3 and 2.1 millimetres. The blind and partially sighted had no preference on this subject.

The vending machines industry wished for a minimum **weight** of 2 grams. There is no real maximum limit, but the cost of the metal used increases with its weight and heavy coins weigh down consumers’ purses.

The Regulation adopted in May 1998 was amended in February 1999<sup>8</sup> to increase the weight and thickness of the 50 cent coin, as the technical characteristics could lead to confusion with the 20 cent coin in certain machines. The edges of the 50 and 10 cent coins were also modified on this occasion from “coarse milling” to “shaped edge with fine scallops”.<sup>9</sup>

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<sup>9</sup> According to the second recital of the Regulation, “the European Blind Union has complained about the edge milling of the 50 cent and 10 cent coins which did not match the milling of the samples agreed by it during the consultation process preceding the adoption of Regulation (EC) No 975/98”
### Technical specifications of the euro coins

<table>
<thead>
<tr>
<th>Face value (euro)</th>
<th>Diameter in mm</th>
<th>Thickness in mm</th>
<th>Weight in grams</th>
<th>Shape</th>
<th>Colour</th>
<th>Composition</th>
<th>Edge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>25.75</td>
<td>1.95</td>
<td>8.5</td>
<td>Round</td>
<td>External part: white</td>
<td>Copper-nickel</td>
<td>Edge lettering Fine milled</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Internal part: yellow</td>
<td>Three layer: nickel-brass, nickel, nickel-brass</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>23.25</td>
<td>2.125</td>
<td>7.5</td>
<td>Round</td>
<td>External part: yellow</td>
<td>Nickel-brass</td>
<td>Interrupted milled</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Internal part: white</td>
<td>Three-layer</td>
<td></td>
</tr>
<tr>
<td>0.5</td>
<td>24.25</td>
<td>1.88</td>
<td>7.8</td>
<td>Round</td>
<td>Yellow</td>
<td>Nordic Gold</td>
<td>Shaped edge with fine scallops</td>
</tr>
<tr>
<td>0.2</td>
<td>22.25</td>
<td>1.63</td>
<td>5.7</td>
<td>Round</td>
<td>“Spanish flower” shape</td>
<td>Yellow</td>
<td>Plain</td>
</tr>
<tr>
<td>0.1</td>
<td>19.75</td>
<td>1.51</td>
<td>4.1</td>
<td>Round</td>
<td>Yellow</td>
<td>Nordic Gold</td>
<td>Shaped edge with fine scallops</td>
</tr>
<tr>
<td>0.05</td>
<td>21.25</td>
<td>1.36</td>
<td>3.9</td>
<td>Round</td>
<td>Red</td>
<td>Copper-covered steel</td>
<td>Smooth</td>
</tr>
<tr>
<td>0.02</td>
<td>18.75</td>
<td>1.36</td>
<td>3</td>
<td>Round</td>
<td>Red</td>
<td>Copper-covered steel</td>
<td>Smooth with a groove</td>
</tr>
<tr>
<td>0.01</td>
<td>16.25</td>
<td>1.36</td>
<td>2.3</td>
<td>Round</td>
<td>Red</td>
<td>Copper-covered steel</td>
<td>Smooth</td>
</tr>
</tbody>
</table>


### Choosing the common side of the coins

At the informal Ecofin Council in Verona in spring 1996, the governments decided that the euro coins would carry one European side and one national side. They also entrusted the Commission with the task of organising a selection for the common side and left Member States free to choose the national side (with the sole obligation to display the twelve stars on it). Graphics competitions were organised during 1996 in all the Member States apart from Denmark, with the aim of selecting a maximum of three series of coins. The candidates had to propose a complete series of coins, with a choice of one of the following three themes: “architectural and ornamental style”, “aims an ideals of the European union” and “European personalities”. On 13 March 1997, a European panel, chaired by the Secretary-General of the European Commission and composed of independent experts from a very wide variety of occupational sectors (art, design, numismatics, consumer representatives, etc.), selected nine series from among the thirty-six series received from the Member States. The mint directors were consulted in parallel on the industrial feasibility of the various designs.

An opinion poll (a quantitative and qualitative survey of a sample of 2000 people) was then organised by the Commission throughout the European Union of the general public and

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10 This is only an indicative value It is an average thickness (and not a thickness measured at the rim).
professional organisations representing the major coin-using sectors. The series chosen by the Finance Ministers, and confirmed by the Heads of State and Government at the European Council of Amsterdam is the one which came first in the opinion poll, with nearly 64% of positive responses, without any major differences between States, gender or level of education. The designer is Luc Luycx, a young graphic designer of the Belgian Royal Mint.

The design of the coins shows a map of the Union in different forms with - according to the press release - a dynamic background composed of stars. The first three coins (1, 2 and 5 cents) place Europe in the world. The 10, 20 and 50 cent coins symbolise the Union as a group of nations. Finally, a Europe without frontiers is depicted on the 1 and 2 euro coins.

The designer made complex modifications to the design of the coins at the end of 1997, to take account of the requests made by the Member States, with a view to improving the quality of the geographical representation: Luxembourg was not visible on the 1 and 2 euro coins, the problem was the same for Portugal on the 2 euro coin, Denmark was surprised that the Island of Fyn was attached to the continent on certain coins, Greece considered the outline of the Peloponnesian coasts on the 10, 20 and 50 cent coins to be inaccurate and wished to have Crete depicted on the 1 and 2 euro coins. Sweden wished to include the Island of Gotland, Finland the Island of Aland and the United Kingdom the Hebrides, the shape of Germany was wrong on the 10, 20 and 50 cent coins, the frontier was missing between Ireland and Ulster and between Spain and Portugal and the Spanish wished the Canaries to be shown on the 1 and 2 euro coins.

To facilitate the processing of the requests, it was decided only to include islands of over 2500 km² and archipelagos of over 5000 km².

Choosing the national side of the coins

Each participating State organised its own selection.

In France, a competition was organised in parallel to that to select the European sides. 97 candidates submitted 1240 designs. The various projects were examined and tested by opinion poll. The panel comprised experts in numismatics, artists, a former Member of the European Commission (Christiane Scrivener), Members of Parliament, representatives of professional sectors and an actress (Irène Jacob). Chaired by the Minister for Economic Affairs and Finance, it made its choice in April 1997.
Three designs were chosen in **Finland** in December 1997 on the basis of projects already drawn up for previous selections. The themes are supposed to be close to those appearing on the national coins.

A tree, drawn by the artist Joaquim Jimenez, appears on the 1 and 2 euro coins. It symbolises “life, continuity and growth”. It is contained in a hexagon and is surrounded by the Republican motto “liberté, égalité, fraternité”.

The theme of the sower is a constant in the monetary history of the franc. Designed by Laurent Jorio, the “modern, timeless graphic represents France (…) which remains itself, whilst integrating into Europe”. It appears on the 10, 20 and 50 cent coins.

An engraver from the Paris Mint, Fabienne Courtiade drew a “young, feminine Marianne with determined features” who incarnates “the wish for a sound and lasting Europe”. She appears on the 1, 2 and 5 cent coins.

The design, showing blackberry flowers, was worked out by Raimo Heino for a competition launched in 1988. It appears on the 2 euro coins.

These two swans flying over a lake are the work of the artist Pertti Mäkinen. They were an entry in the competition launched for the design of a coin commemorating the 80th anniversary of the independence of Finland. They appear on the 1 euro coins.

The heraldic lion reproduces a design by the sculptor Heikki Häiväojä. It was used in Finland on the 1 markka coins between 1964 and 1993. It appears on the 1, 2, 5, 10, 20 and 50 cent coins.
In Germany, the selection was made by a panel composed of high-ranking officials and experts in numismatics. Three different designs were chosen.

The eagle is the traditional symbol of sovereignty of Germany. The panel appreciated its “linear design, which fits in perfectly in the midst of the stars”. The work of Heinz Snechana Russewa-Hoyer, the eagle appears on the 1 and 2 euro coins.

The Brandenburg Gate is the symbol of the division of Germany, followed by its reunification. The “perspective of the coin places the emphasis on the opening of the gate and stresses the unification of Germany and Europe”. The design is by Reinhart Heinsdorff. It appears on the 10, 20 and 50 cent coins.

The oak twigs are reminiscent of the German pfennig, but without copying them. This design by Rolf Lederbogen appears on the 1, 2 and 5 cent coins.

In Belgium, it was decided to apply the same national obverse to all the euro coins and to endeavour to mark the continuity with the national coins. The model was chosen by a panel consisting of high-ranking officials, experts in numismatics and artists.

The coin shows King Albert II. The year and the King’s monogram (a capital A with a crown on top) are inserted among the stars. The author of the design is Jan Alfons Keustermans, director of the municipal academy of fine arts of Turnhout.

In Luxembourg, Article 39 of the Constitution gives the Grand Duke the right to mint coins in accordance with the law. According to the press release, “His Royal Highness the Grand Duke of Luxembourg has decided that the national side of the coins denominated in euro would be struck with the effigy of its Lieutenant-Representative, his Royal Highness the heir to the Grand Duke Henri”. The coins mention the year of issue and the word Luxembourg written in Luxembourgish (“Letzebuerg”).
The design is the work of Yvette Gastauer-Claire (the only candidate from Luxembourg in the European coin competition), designated “by agreement between the royal household and the government”.

In Italy, the coins were pre-selected by a Technical and Artistic Committee, on the basis of detailed discussions fuelled by opinion polls. The final choice was made in February 1998 by the television viewers of RAI uno during a special Sunday broadcast. Italy has adopted a different side for each coin and chose designs from among the masterpieces of its artistic tradition.

The 2 euro coin reproduces a portrait drawn by Raphaël of Dante Alighieri, housed in the Pope Julius II wing of the Vatican Palace. The portrait is part of a series of representations which, according to Raphaël, is intended to illustrate the “triumph of virtues, kindness and beauty”.

The 1 euro coin reproduces the famous drawing by Leonardo da Vinci, displayed in the gallery of the academy in Venice, on the proportions of the human body. It symbolises the Italian Renaissance and the “desire for harmony between man and the universe”.

The 50 cent coin depicts the statue of Emperor Marcus Aurelius on horseback, transferred in 1538 from the Lateran to the Capitol, today located in the middle of the square restored by Michelangelo at the request of Pope Paul III.

The 20 cent coin reproduces a sculpture by Umberto Boccioni, leader of the Italian Futurist School. Produced in 1913, this work entitled “unique forms of continuity in space” is today to be found in the Gallery of Modern Art in Milan.
In **Ireland**, the government decided in favour of a single obverse for all the coins.

This Celtic harp, a traditional symbol of Ireland, is the work of Jarlath Hayes. The coins mention the year and the word Ireland in Gaelic (Eire).

In the **Netherlands**, the series of coins comprises two types of sides, showing Queen Beatrix. The twelve stars are not on the circumference, but only on one side.

This model is reproduced on the 1 and 2 euro coins. The Queen is shown in profile, with the words "Beatrix, Queen of the Netherlands".
In Austria, it was decided to produce a complete series of different coins on the themes of flowers, architecture and famous people in history. The coins were chosen on 14 November 1997 by a panel of 13 people and tested among the public through opinion polls. Their author is the artist Josef Kaiser. The Austrian obverses have a particularity intended to facilitate their use: they mention the value of the coin.

This model is reproduced on the 1, 2, 5, 10, 20 and 50 cent coins.

The 2 euro coin shows a portrait of the pacifist militant Bertha von Suttner, in this way recalling “the efforts made by Austria over decades to support the cause of peace”. Bertha von Suttner was already represented on schilling banknotes.

The 1 euro coin shows the portrait of “the most famous Austrian of all”, Wolfgang Amadeus Mozart, “in this way recalling the reputation of Austria as a land of music”. Mozart also already appeared on schilling banknotes.

The secession building in Vienna, which is depicted on the 50 cent coins, illustrates the birth in Austria of Art Nouveau, “symbol of the dawn of a new age, a metaphorical bridge leading to a new monetary era”.

The Belvedere Palace, illustrated on the 20 cent coins, is one of the most beautiful Austrian Baroque palaces. Its name is also “synonymous with freedom”; it was there that the Treaty re-establishing the sovereignty of Austria was signed in 1955.

The 10 cent coin represents St Stephen’s Cathedral, one of the “jewels of Viennese Gothic art” and a popular tourist venue of the country.
In Portugal, three different obverses were chosen, following a graphics competition. The coins are designed by Mr Vitor Manuel Fernandes dos Santos. He drew his inspiration from symbols coming from the origins of the history of Portugal and reproducing the three seals of the first King, don Afonso Henriques.

On the 1 and 2 euro coins, the country’s castles and coats of arms are incorporated in the midst of the European stars symbolising “dialogue, (…) the exchange of values and the dynamics of the building of Europe”. In the centre of the coin is the royal seal of 1144.

The seal shown in the centre of the 10, 20 and 50 cent coins dates back to 1142.

The heart of the 1, 2 and 5 cent coins contains the first royal seal of 1134 with the keyword Portugal.

Alpine primroses appear on the 5 cent coin. The floral series recalls the “duty to respect the environment” and the “role to be played for Austria in the development of a Community environment policy”.

The edelweiss on the 2 cent coin is a “flower highly appreciated by ramblers”.

The 1 cent coin shows a gentian flower.
In **Spain**, the Head of Government, Mr José Maria Aznar, presented a series of coins with three different sides on 2 March 1998.

The effigy of King Juan Carlos I de Borbon y Borbon is reproduced on the 1 and 2 euro coins.

Miguel Cervantes, father of Spanish literature, is shown on the 10, 20 and 50 cent coins on account of the “universality of the man and his work”.

The Cathedral of St Jacques de Compostelle is a jewel of Spanish Roman art and one of the most famous pilgrimage venues in the world. The 1, 2 and 5 cent coins show the “monumental facade of the Obradoiro, a splendid example of Spanish baroque”, the construction of which was started in 1667 by Jose de Toro and Domingo de Andrade.

**Creating collector coins**

Collector coins are produced and distributed to serve as an investment for collectors or for presentation as gifts. Although they have legal tender status in the country of issue, they are not normally intended for use as a means of payment. For that matter, their purchase price often exceeds their face value. With the exception of Ireland, all the States participating in the euro issue such coins on a regular basis, sometimes in large quantities (for example: on average 1 million coins per year in Portugal). The question of continuing these national issues after 1 January 2002 therefore naturally arose. It was discussed for the first time by the Monetary Committee in September 1998.

It was agreed at the Finance Ministers Council of 23 November 1998 that “national authorities are invited to set up arrangements whereby they give par value for collector coin issued by other euro area Member States presented to them, claiming the value back from the issuer.” The volume of coin issue must be authorised by the ECB.
The “Commission Recommendation of 13 January 1999 concerning collector coins, medals and tokens” calls on Member States not to issue collector coins denominated in euro during the transitional period (1999-2002). This “restriction should equally apply to collector coins with a dual denomination in euro and in a national currency unit”. “The sale and the production, issue, stock, import and distribution for the purpose of sale or for commercial purposes, of collector coins, medals and tokens which bear the words 'euro' or 'euro cent' or show a design which is similar to the design which appears on the common side of the euro coin or which has already been officially laid down for the minting of such coins in the future” must also be avoided. This Recommendation is taken up by the Ecofin Council in its conclusions of 10 May 1999.

In September 1999, the Mint Directors’ Working Group defined the principles of a code of practice with regard to the issue of collector coins: their face value must be different from that of the coins intended for circulation (but may be similar to that of low denominations of banknotes), they may be sold at a price which is equal or higher than the face value, they must not use images which are similar to the common sides of the euro coins and should also be at least slightly different from those of the national side. At least two of the three criteria of thickness, diameter and colour must be significantly different from those of the euro coins. The edge must not be that of the “Spanish flower” type. The identity of the issuing country must be clearly and easily recognisable. These rules are approved by the Ecofin Council in its conclusions of 31 January 2000.

Any plan to issue must be notified to the Mint Directors’ Working Group, which checks that the specifications comply with the above-mentioned principles. The group reports regularly to the Economic and Financial Committee and the ECB. Within the limitations of the principles of the code of conduct, Member States are free to determine the themes, the selling price, the specifications, the design, the date of issue and the quantity of coins to be issued. Each year, the European Central Bank approves the issue volumes of collector coins, taking into consideration the national numismatic traditions and commercial interests and practices. Its agreement can only be withheld if the issue would have a negative impact on overall monetary policy, a case which is hard to imagine.

Finally, the Member States retain the possibility to mint commemorative coins, which are subject to the Council Regulation of 3 May 1998 on denominations and technical specifications: a commemorative national side is possible, provided that the technical characteristics of the coin remain unchanged. The commemorative coins have legal tender status throughout the euro area and may therefore be used to make payments. However, to avoid confusion during the delicate phase of the physical introduction of the new currency, there is a moratorium on the issue of commemorative coins intended for circulation during the early years of the new coins and notes (conclusions of the Ecofin Council of 23 November 1998). For the same reason, third countries are also dissuaded from issuing commemorative coins with a design similar to that of the euro coins or bearing the euro symbol.
3. Producing the euro coins

Determining the quantities to produce

Pursuant to Article 106(2) of the Treaty, it is the task of the European Central Bank to approve the volume of coins issued. The number of coins in circulation depends very much on the range of value of the banknotes and the coin-using habits vary considerably from one Member State to another. For example, there are three times more coins per inhabitant in Ireland (353 coins) than in Portugal (97 coins). These results must be compared to the number of vending machines in service: coins are often minted depending on the need to supply vending machines.

The Mint Directors’ Working Group made a first estimate of the quantities to be produced by country and by denomination in November 1994. This study was updated in November 1997 and yielded the following results:

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>TOTAL QUANTITY OF EURO COINS TO BE PRODUCED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>2 billion</td>
</tr>
<tr>
<td>Belgium</td>
<td>3.1 billion</td>
</tr>
<tr>
<td>Germany</td>
<td>17 billion</td>
</tr>
<tr>
<td>France</td>
<td>11 billion</td>
</tr>
<tr>
<td>Italy</td>
<td>13.1 billion</td>
</tr>
<tr>
<td>Portugal</td>
<td>1.2 billion</td>
</tr>
<tr>
<td>Spain</td>
<td>7.1 billion</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3.3 billion</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>301 million</td>
</tr>
<tr>
<td>Ireland</td>
<td>944 million</td>
</tr>
<tr>
<td>Finland</td>
<td>1.6 billion</td>
</tr>
</tbody>
</table>

To refine the approach, the Coin Subgroup of the Monetary Committee approved a common method in August 1998 to assess the production needs for 1 January 2002, the outlines of which are as follows:
- estimate the total quantity of national coins in circulation;
- make a projection of this quantity on “E day” (1 January 2002);
- deduct the coins lost by type of denomination: this then gives the “projected real circulation”;
- deduct the “dormant assets” (proportion of the national coins in circulation not exchanged in the first months of 2002) from the projected real circulation;
- make a seasonal adjustment to take account of the usual low demand for coins at the beginning of January;
- transfer the projection of needs at 31 December 2001 by type of national denomination projected for each of the euro denominations. Most of the national authorities are transferring the demand by national denomination to the closest euro denomination (this is the method recommended by the mint directors). Some are dividing the demand by coin between the two closest euro denominations. Adjustment calculations may also be made to take account of the effect of change of structure in the supply of coins on the demand for coins (for example: there is no national equivalent for the 2 euro coin in Ireland);
- add the quantities obtained in this way for the logistical stocks (necessary for the distribution of the new currency) and strategic stocks (necessary to cope with any shortfalls in a denomination or crises) to be held. This gives a projection of the initial demand for euro coins. The total demand is estimated by integrating the dormant assets and making the seasonal adjustments to the demand.
It is for each Member State to estimate the quantities to be produced and to justify its calculations in order to obtain the authorisation of the European Central Bank. The following data are provisional and may be readjusted between now and 1 January 2002. As an example, these are the calculations made by the Netherlands:

The calculation of the “projected real circulation” in guilders at 31 December 2001 is made integrating several hypotheses (based on researches carried out by the Dutch Central Bank on this matter):

- the trend in household consumption leads to a growth in demand for coins of 2.5% per year;
- the development of electronic payment conversely leads to a fall of 5% per year in this same demand;
- the deduction of the accumulated losses by type of coin from the start of their production in 1948 is established according to a sampling method. The rate of loss ranges between 15% and 61%. These high figures are partly explained by the exceptional length of the period examined. Other explaining factors are nominal value and size of the different denominations.

The transfer of the projection of needs in guilders to euro denominations is carried out to the nearest denomination. However, as the variety of guilder coins is smaller than that of euro coins (6 coins as opposed to 8), the 0.05 guilder coins are divided between the 1 and 2 cents coins (at 40% and 60% respectively) the 0.25 guilder coins are divided between the 10 and 20 cent coins (at 80% and 20% respectively) and the 1 guilder coins are divided between those of 20 cents and 50 cents (at 20% and 80% respectively). The results obtained for the 1 euro coin are readjusted upwards to take account of the preference of the population for non-decimal amounts (perceptible through the very large proportion of 1 guilder coins). The total production to be minted is estimated at 3.3 billion coins, a figure which includes the logistical and strategic stocks and the dormant assets. Following an opinion poll, the proportion of dormant assets is estimated at 50%. The authorities intend to produce the equivalent of 100% of the transaction assets and 70% of the dormant assets for “E day”, i.e. 85% of the total euro coins to be produced (2.8 billion coins).

**Total quantities to be produced by denomination for the euro area**

<table>
<thead>
<tr>
<th>Face value</th>
<th>Quantity to produce</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 cent</td>
<td>12 billion</td>
</tr>
<tr>
<td>2 cents</td>
<td>8.9 billion</td>
</tr>
<tr>
<td>5 cents</td>
<td>11.2 billion</td>
</tr>
<tr>
<td>10 cents</td>
<td>9.7 billion</td>
</tr>
<tr>
<td>20 cents</td>
<td>5 billion</td>
</tr>
<tr>
<td>50 cents</td>
<td>7.2 billion</td>
</tr>
<tr>
<td>1 euro</td>
<td>4.2 billion</td>
</tr>
<tr>
<td>2 euro</td>
<td>2.7 billion</td>
</tr>
</tbody>
</table>

Production started in some Member States in May 1998.
Controlling quality

The large number of parties involved and media (there are currently 88 different models of euro coins)\textsuperscript{11} require very effective coin manufacture quality control. This issue is crucial: a drinks machine in Cadiz (Spain) must be able to accept a 20 cent coin minted in Finland. The coins must be interchangeable.

Modern vending machines identify not only the size or weight of a coin, but also make more precise measurements which presuppose that the coins have stable, predictable electrical and magnetic properties. In addition to the Regulation on the technical specifications of the coins, the mint directors defined detailed manufacturing standards including reference values and tolerance thresholds for the properties of the coins and blanks, as well as specifications for the equipment to be used. The quality control covers both the blank discs and the coins themselves. All the blank discs and the coins must be checked and respect the ISO standards. The controls to be carried out relate to the visual, physical, electrical and magnetic properties. Quality control of euro coins is carried out under assessment of the European Central Bank.

A quality management system for euro coin was drawn up by the Member States and the ECB and approved by an exchange of letters between the President of the Council\textsuperscript{12} and the President of the European Central Bank. It essentially comprises the following facets:

- **complying with the standards set up by International Standards Organisation (ISO).** Under the system, the Mints are committed to conform to requirements based on ISO standards.

- **introduction of quality assurance plans (QAP).** On the basis of the common standards, each mint has drawn up and implements a QAP approved by - the Mint Directors’ Working Group;

- **inspection of the coins produced and the blanks.** Quality cross-check controls are carried out by the system participants. Common procedures are applied for checking both coins and blanks. The ECB monitors the quality of the euro coins produced and carries out verification visits to the mints. Monthly quality reports on produced quantities of euro coins are sent to the ECB and to the MDWG;

- **tests by the vending machines industry.** The manufacturers have the possibility of carrying out tests in premises set aside for this purpose by the mints. Furthermore, six “European Test Centres”, located in Mainz, Hamburg, Helsinki, Madrid, Pessac and Utrecht, have been set up to centralise the measures and controls and to offer manufacturers the possibility to test all the euro coins in the same place. The tests performed at these centres also help to guarantee the quality of the coins produced.

\textsuperscript{11} There will be 96 after Greece’s derogation from participation in the euro has been lifted.

\textsuperscript{12} Letters of 10 May and 17 June 1999 respectively.
4. Protecting the euro coins

Filing a copyright on the common sides

A Commission communication of 13 January 1999 organises the protection of the common sides by referring to the copyright. In accordance with the competition rules, the author of the common sides, Luc Luycx, has transferred the copyright relating to his project to the Community (represented by the Commission). The Commission has assigned to each of the Member States adopting the euro all the rights held with regard to their respective territories. Reproduction of the common side of the coins is authorised on media unlikely to be confused with the coins, which excludes medals and other metal tokens.

All or part of the common side of the coins may be copied without authorisation on to flat surfaces (drawings, paintings, films, images, etc.), provided the copies keep to the original and are not detrimental to the image of the euro, as a raised design on objects which are not liable to be confused with coins and on plastic or malleable tokens of a size at least 50% larger or smaller than the normal size.

Copying on medals or tokens or on any other metallic object which may be confused with a coin is not authorised. For other cases, it is necessary to apply for permission to reproduce all or part of the design of the common side of the coins from the competent authorities of the Member States or the Economic and Financial Affairs Directorate-General of the European Commission.

The Member States participating in the euro are required to ensure respect of the copyright within their territories. The Commission will ensure respect of this right in the non-participating States and in third countries. The participating States or the Commission may decide the initiation of civil or criminal proceedings against any person responsible for unauthorised reproduction.

Preventing and suppressing counterfeiting

The problem of counterfeiting arises not only for the banknotes, but also for the coins. Despite its very high technical quality, the euro is particularly open to the risk of counterfeiting. The development of forgery would be detrimental to the international development of the euro and its public acceptance.

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13 This refers to the Belgian, German, Irish, Luxembourg, Dutch and Finnish Ministries of Finance, the Spanish Directorate-General of the Treasury and Financial Policy, the French Coins and Medals Department, the Austrian Mint and the Portuguese Mint.
Several factors justify the introduction of strict security measures:
- European citizens are less familiar with the euro banknotes and coins than with their national currency and will therefore be less able to detect any differences in appearance, especially as there will be a wide variety of national coins (at present 88 different models);
- some participating Member States have little experience of combating counterfeiting: the counterfeiters concentrate mainly on the major currencies, which are easier to dispose of on the market;
- the plurality of production centres and production media increase the risks of the security characteristics being leaked.

At the beginning of 1998, the Commission, under the aegis of UCLAF (Unit for Coordination of Fraud Prevention) and with the participation of the ECB and Europol, set up a group of policemen who are experts in combating forgery of money. A progress report was presented to the Council in April 1998 in the form of a Commission Staff working paper. In its conclusions, the Ecofin Council of 19 May 1998 noted the work started by the Commission for the protection of the euro and asked it to continue its initiatives with a view to promoting the exchanges of information and the introduction of close, regular cooperation.

Under the impetus of Commissioners Gradin and de Silguy, the Commission adopted a communication on the protection of the euro on 22 July 1998. It called for the rapid constitution of a harmonised regulatory framework comprising:
- a “definition of all the activities contributing to counterfeiting and the forgery of money in order to allow homogenous exchange of information”;
- the “obligation for Member States to communicate all the relevant information relating to counterfeiting and forgery of the euro”;
- the establishment of a computerised system allowing rapid liaison between the national authorities and the constitution of a true Community database on counterfeiting;
- the adoption of arrangements for the exchange of information between the Community institutions, the international organisations (e.g. Interpol) and third countries;
- the “creation of an obligation for commercial banks and financial institutions to pass on the forgeries found to the competent authorities, this obligation being subject, where appropriate, to administrative sanctions”;
- the introduction of an ad hoc liaison body between the national and European authorities;
- the approximation of the national legislation on the penal sanctions against counterfeiting, the common “definition of the crimes associated with all the activities contributing to the forgery of money”, the decreeing of a “minimum standard for penal sanctions so as to reduce the risks associated with the existence of areas of lesser suppression”.

14 By a Resolution of 19 October, the European Parliament invited the Commission to examine the means of guaranteeing a uniform level of protection [of the banknotes and coins] under criminal law in the European Union.
In October 1998, the mint directors agreed to add to the counterfeit currency database created by the ECB for banknotes, a database devoted to coins and put forward the idea of creating a European counterfeit analysis centre for coins, like that set up for the banknotes. In the conclusions of its meeting of 23 November 1998, the Ecofin Council approved this initiative. An overall plan for the identification of the technical characteristics of counterfeit coins was drawn up jointly by the mint directors, the Commission and the European Central Bank in January 1999 and approved by the Economic and Financial Committee on 3 February. It provides principally for the creation of a European Technical and Scientific Centre (to analyse and classify all the cases of counterfeit euro coins discovered in the world), Coin National Analysis Centres (to classify all counterfeit euro coins at national level, including those relating to coins issued in other participating Member States) and National Counterfeit Centres. This “technical scheme for handling counterfeit euro coins” was approved by the Ecofin Council on 28 February 2000. The Council concluded that the European technical and scientific centre “will be established on a temporary basis in France, using the expertise of the Paris Mint”.

As regards crime, the Ecofin Council of 23 November 1998 called for the creation of a database on counterfeiters by 1 January 2002, to complement the database run by the ECB on the technical characteristics of the counterfeit coins. The Justice and Home Affairs Council (JHA) decided on 29 April 1999 to extend Europol’s mandate to include the fight against counterfeiting. A draft decision to harmonise the definition of counterfeiting and the penalties incurred is also under discussion at the JHA Council.

5. Introducing the euro coins

Finalising the schedule for the introduction of the coins

The Maastricht Treaty introduces a general framework for the launch and operation of economic and monetary union, but says nothing about the scenario for the introduction of the new currency. To stimulate discussions on these issues, the Commission presented a “Green Paper on the practical arrangements for the introduction of the single currency” on 31 May 1995. It analyses three scenarios:

- the “immediate big bang”: all the economic operators switch immediately to the euro from the start of stage 3 (the launch of EMU). Although simple and prone to minimise the costs of transition, such a choice would have led to great confusion on account of the near impossibility of solving the practical and logistical problems in such a short period of time. Moreover, the EMI estimated that least three years were needed to produce the new money. The Green Paper stressed the need for meticulous preparation of enterprises, consumers, banks and public administrations for the new currency.

- the “delayed big bang”: the participating countries continue to use the national currencies for a while. Then the euro would be introduced for all operators. This scenario is incompatible with the provisions of the Treaty providing for the “rapid introduction of the euro”. Moreover, it leaves doubt about the irreversibility of the process and the actual introduction of the euro.

- the “reference scenario”: to ensure the credibility and irreversibility of the changeover to the euro, a critical mass of operations switches to the new currency on 1 January 1999. The scenario comprises three phases: the establishment of the ESCB (European System of Central Banks) and the list of participating Member States in phase A (up to 1 January 1999); launch of EMU with the definitive irrevocable fixing of the conversion rates, conduct of the single monetary policy in euro by the ECB, changeover to the euro of debt issues by the public sector and inter-bank transactions, application of the principle of no compulsion/no prohibition to use the euro in phase B (from 1 January 1999 to 1 January 2002 at the latest); finally, introduction of the euro banknotes and coins
in phase C (1 January 2002 at the latest) with withdrawal of notes and coins denominated in national currency within a few weeks.

This last scenario was adopted by the Madrid European Council in December 1995 with a change made at the request of the EMI: the period of dual circulation of banknotes and coins of phase C was extended to “at the latest 6 months”. The date for the introduction of euro notes and coins was discussed for the first time in May 1997 at a Round Table bringing together representatives from all the sectors concerned (consumers, banks, distributors, public administrations, etc.). Following this debate, the Commission conducted a large number of hearings and dialogues. There was no consensus among the operators, but it appeared that the date of 1 January 2002 posed the fewest difficulties. The Ecofin Council therefore adopted it during its meeting of 17 November 1997. The list of Member States participating in the euro was fixed over the weekend of 2 May 1998. The minting of the coins started rapidly in the Member States of the new euro area. 31 December 1998 saw the introduction of the euro.

Defining the length of the period of dual circulation

The question of the length of the period of dual physical circulation of the euro and the national currencies, left open in Madrid (the conclusions refer to “at the latest 6 months”), was rapidly raised. A balance had to found between a long period, which would generate a very large number of practical problems (e.g. cash registers can only operate in a single currency) and too short a period, which could lead to blockages in the economic channels and very long queues in the banks. After several round tables and years of discussion, the Commission summed up the work and proposed to Member States, in a report published in July 1999, setting a deadline of a few weeks.

In a common declaration adopted by the participating Member States at the ECOFIN Council of 8 November 1999, the Ministers decided to take all the necessary measures for the bulk of cash transactions to be made in euro by the end of a fortnight from 1 January 2002. In parallel, they announced that the banknotes and coins in national currency would cease to be legal tender within a period of between four weeks and two months from 1 January 2002.

In order to facilitate the introduction and rapid use of the euro banknotes and coins from 1 January 2002, the Council also decided, in agreement with the ESBC and the ECB, to authorise advance distribution of banknotes and coins to banks and professional groups concerned. For example, the French authorities will provide salesmen so wishing with a complete roll of each type of euro coin. Some participating Member States, such as Belgium and France, will also make coins available to the general public in advance, and especially to vulnerable groups of the population, such as the blind.
No 1 The choice of the euro symbol

The launch of the euro symbol (€) results largely from a happy combination of circumstances. The question had never been discussed by the Council; apart from the dollar, the yen and the pound sterling, few currencies have been allocated a symbol. At the beginning of 1996, two DG X officials were seeking a logo for the euro information campaigns. The upshot of their discussions with Commissioner de Silguy was the idea of launching this logo as the symbol of the future European currency. It was printed on blue cashmere scarves distributed at the European Council of Dublin in December 1996. It was an immediate success: the euro symbol was reproduced in all the world press from the next day and the computer industry produced the first keyboards with the “euro symbol” as early as 1997.

On 15 July 1997, the European Monetary Institute acknowledged the “need for a distinctive codified symbol for the single currency” and announced that it would support the logo launched by the Commission. On 23 July the same year, the Commission published a communication on the use of the symbol. The text explains that “the € is inspired by the Greek epsilon pointing back to the cradle of European civilisation and the first letter of Europe, crossed by two parallel lines to indicate the stability of the euro”, adding that “the early definition of a distinctive symbol for the euro also reflects the vocation of the euro to become one of the world’s major currencies”.

The official abbreviation for the euro is “EUR”. It has been registered with the International Standards Organisation (ISO).

No 2 Situation of Monaco, Vatican City and San Marino

These three micro-States do not have their own currency. They use the French franc (Monaco) and the Italian lira (Vatican City and San Marino). They do not issue banknotes, but mint coins in francs and lire, with designs differing from those of the French and Italian coins respectively, but with identical technical characteristics. The Monégasque coins have the status of legal tender only within the territory of the principality, but they circulate in limited quantities outside Monaco. Vatican City and San Marino coins are legal tender throughout Italy. The creation of the euro raises the question of the adaptation to be made to the monetary system of these three micro-States.

Declaration No 6, annexed to the Treaty establishing the European Community, states that “The Community undertakes to facilitate such renegotiations of existing arrangements as might become
necessary as a result of the introduction of the euro as a single currency”. On 31 December 1998, the Council decided to authorise these three States to use the euro as their official currency and to entitle them to grant legal tender status to euro banknotes and coins within their territory. They may also mint coins under certain conditions. To this end, France (for Monaco) and Italy (for Vatican City and San Marino) have been mandated by the Council to conduct negotiations and conclude an agreement on behalf of the Community.

The negotiations are in progress. It is likely that the Community will authorise these three States to issue a limited volume of euro coins, from 2002, with identical technical characteristics to those of the coins issued by the Member States participating in the euro.

No 3 Useful Internet links

European Commission: www.europa.int/comm/dg02
European Central Bank: www.ecb.int
Council of the European Union: www.ue.eu.int

Wirtschaftsministerium Österreich: www.bmwa.gv.at
Belgian Federal Government: www.euro.fgov.be
Dutch Ministry of Finance: www.minfin.nl
Dutch National Forum: www.euro.nl
Finland: euro site: www.euro.fi
Finnish Ministry of Finance: www.vn.fi/vm
German Federal Ministry of Finance: www.bundesfinanzministerium.de
Irish Ministry of Finance: www.irlgov.ie/finance
Italian Ministry of Treasury, Budget and Planning: www.tesoro.it
Luxembourg Ministry of Finance: www.etat.lu/FI
Münze Österreich: www.austrian-mint.at
Österreichische Bundesregierung: www.euro.gv.at
Österreichische Gesellschaft für Europapolitik: www.euro-info.net
Comissão para a Promoção da Adaptação das Empresas ao euro: www.min-economia.pt
Spanish Ministry of Economic Affairs and Finance: www.euro-mech.org
Swedish Ministry of Finance: www.sb.gov.se
UK Treasury: www.euro.gov.uk

Banque centrale du Luxembourg: www.bcl.lu/html/fr
Bank of England: www.bankofengland.co.uk
Banco d'Espanja: www.bde.es/welcomee.htm
Banque de France: www.banque-france.fr
Deutsche Bundesbank: www.bundesbank.de
Oesterreichische Nationalbank: www.Austria.EU.net/oenb/uvw01.htm
Suomen Pankki: www.bof.fi/env/eng/kasi/euroen.stm
No 4 Addresses and contacts of the coin testing centres

**DE NEDERLANDSE MUNT**
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Annexes

Article 106 (ex 105a) of the Treaty establishing the European Community

1. The ECB shall have the exclusive right to authorise the issue of banknotes within the Community. The ECB and the national central banks may issue such notes. The banknotes issued by the ECB and the national central banks shall be the only such notes to have the status of legal tender within the Community.

2. Member States may issue coins subject to approval by the ECB of the volume of the issue. The Council may, acting in accordance with the procedure referred to in Article 252 and after consulting the ECB, adopt measures to harmonise the denominations and technical specifications of all coins intended for circulation to the extent necessary to permit their smooth circulation within the Community.


THE COUNCIL OF THE EUROPEAN UNION,
Having regard to the Treaty establishing the European Community, and in particular Article 109l(4), third sentence thereof,
Having regard to the proposal from the Commission (1),
Having regard to the opinion of the European Monetary Institute (2),
Having regard to the opinion of the European Parliament (3),

(1) Whereas this Regulation defines monetary law provisions of the Member States which have adopted the euro; whereas provisions on continuity of contracts, the replacement of references to the ecu in legal instruments by references to the euro and rounding have already been laid down in Council Regulation (EC) No 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro (4); whereas the introduction of the euro concerns day-to-day operations of the whole population in participating Member States; whereas measures other than those in this Regulation and in Regulation (EC) No 1103/97 should be examined to ensure a balanced changeover, in particular for consumers;
(2) Whereas, at the meeting of the European Council in Madrid on 15 and 16 December 1995, the decision was taken that the term 'ecu' used by the Treaty to refer to the European currency unit is a generic term; whereas the Governments of the 15 Member States have reached the common agreement that this decision is the agreed and definitive interpretation of the relevant Treaty provisions; whereas the name given to the European currency shall be the 'euro'; whereas the euro as the currency of the participating Member States shall be divided into one hundred sub-units with the name 'cent'; whereas the definition of the name 'cent' does not prevent the use of variants of this term in common usage in the Member States; whereas the European Council furthermore considered that the name of the single currency must be the same in all the official languages of the European Union, taking into account the existence of different alphabets;
(3) Whereas the Council when acting in accordance with the third sentence of Article 109l(4) of the Treaty shall take the measures necessary for the rapid introduction of the euro other than the adoption of the conversion rates;
(4) Whereas whenever under Article 109k(2) of the Treaty a Member State becomes a participating Member State, the Council shall according to Article 109l(5) of the Treaty take the other measures
necessary for the rapid introduction of the euro as the single currency of this Member State;

(5) Whereas according to the first sentence of Article 109(4) of the Treaty the Council shall at the starting date of the third stage adopt the conversion rates at which the currencies of the participating Member States shall be irrevocably fixed and at which irrevocably fixed rate the euro shall be substituted for these currencies;

(6) Whereas given the absence of exchange rate risk either between the euro unit and the national currency units or between these national currency units, legislative provisions should be interpreted accordingly;

(7) Whereas the term 'contract' used for the definition of legal instruments is meant to include all types of contracts, irrespective of the way in which they are concluded;

(8) Whereas in order to prepare a smooth changeover to the euro a transitional period is needed between the substitution of the euro for the currencies of the participating Member States and the introduction of euro banknotes and coins; whereas during this period the national currency units will be defined as sub-divisions of the euro; whereas thereby a legal equivalence is established between the euro unit and the national currency units;

(9) Whereas in accordance with Article 109g of the Treaty and with Regulation (EC) No 1103/97, the euro will replace the ECU as from 1 January 1999 as the unit of account of the institutions of the European Communities; whereas the euro should also be the unit of account of the European Central Bank (ECB) and of the central banks of the participating Member States; whereas, in line with the Madrid conclusions, monetary policy operations will be carried out in the euro unit by the European System of Central Banks (ESCB); whereas this does not prevent national central banks from keeping accounts in their national currency unit during the transitional period, in particular for their staff and for public administrations;

(10) Whereas each participating Member State may allow the full use of the euro unit in its territory during the transitional period;

(11) Whereas during the transitional period contracts, national laws and other legal instruments can be drawn up validly in the euro unit or in the national currency unit; whereas during this period, nothing in this Regulation should affect the validity of any reference to a national currency unit in any legal instrument;

(12) Whereas, unless agreed otherwise, economic agents have to respect the denomination of a legal instrument in the performance of all acts to be carried out under that instrument;

(13) Whereas the euro unit and the national currency units are units of the same currency; whereas it should be ensured that payments inside a participating Member State by crediting an account can be made either in the euro unit or the respective national currency unit; whereas the provisions on payments by crediting an account should also apply to those cross-border payments, which are denominated in the euro unit or the national currency unit of the account of the creditor; whereas it is necessary to ensure the smooth functioning of payment systems by laying down provisions dealing with the crediting of accounts by payment instruments credited through those systems; whereas the provisions on payments by crediting an account should not imply that financial
intermediaries are obliged to make available either other payment facilities or products
denominated in any particular unit of the euro; whereas the provisions on payments by crediting an
account do not prohibit financial intermediaries from coordinating the introduction of payment
facilities denominated in the euro unit which rely on a common technical infrastructure during the
transitional period;

(14) Whereas in accordance with the conclusions reached by the European Council at its meeting
held in Madrid, new tradeable public debt will be issued in the euro unit by the participating
Member States as from 1 January 1999; whereas it is desirable to allow issuers of debt to
redenominate outstanding debt in the euro unit; whereas the provisions on redenomination should
be such that they can also be applied in the jurisdictions of third countries; whereas issuers should
be enabled to redenominate outstanding debt if the debt is denominated in a national currency unit
of a Member State which has redenominated part or all of the outstanding debt of its general
government; whereas these provisions do not address the introduction of additional measures to
amend the terms of outstanding debt to alter, among other things, the nominal amount of
outstanding debt, these being matters subject to relevant national law; whereas it is desirable to
allow Member States to take appropriate measures for changing the unit of account of the operating
procedures of organised markets;

(15) Whereas further action at the Community level may also be necessary to clarify the effect of
the introduction of the euro on the application of existing provisions of Community law, in
particular concerning netting, set-off and techniques of similar effect;

(16) Whereas any obligation to use the euro unit can only be imposed on the basis of Community
legislation; whereas in transactions with the public sector participating Member States may allow
the use of the euro unit; whereas in accordance with the reference scenario decided by the European
Council at its meeting held in Madrid, the Community legislation laying down the time frame for
the generalisation of the use of the euro unit might leave some freedom to individual Member
States;

(17) Whereas in accordance with Article 105a of the Treaty the Council may adopt measures to
harmonise the denominations and technical specifications of all coins;

(18) Whereas banknotes and coins need adequate protection against counterfeiting;

(19) Whereas banknotes and coins denominated in the national currency units lose their status of
legal tender at the latest six months after the end of the transitional period; whereas limitations on
payments in notes and coins, established by Member States for public reasons, are not incompatible
with the status of legal tender of euro banknotes and coins, provided that other lawful means for the
settlement of monetary debts are available;

(20) Whereas as from the end of the transitional period references in legal instruments existing at
the end of the transitional period will have to be read as references to the euro unit according to the
respective conversion rates; whereas a physical redenomination of existing legal instruments is
therefore not necessary to achieve this result; whereas the rounding rules defined in Regulation
(EC) No 1103/97 shall also apply to the conversions to be made at the end of the transitional period
or after the transitional period; whereas for reasons of clarity it may be desirable that the physical
redenomination will take place as soon as appropriate;
(21) Whereas paragraph 2 of Protocol 11 on certain provisions relating to the United Kingdom of Great Britain and Northern Ireland stipulates that, inter alia, paragraph 5 of that Protocol shall have effect if the United Kingdom notifies the Council that it does not intend to move to the third stage; whereas the United Kingdom gave notice to the Council on 30 October 1997 that it does not intend to move to the third stage; whereas paragraph 5 stipulates that, inter alia, Article 109l(4) of the Treaty shall not apply to the United Kingdom;
(22) Whereas Denmark, referring to paragraph 1 of Protocol 12 on certain provisions relating to Denmark has notified, in the context of the Edinburgh decision of 12 December 1992, that it will not participate in the third stage; whereas, therefore, in accordance with paragraph 2 of the said Protocol, all Articles and provisions of the Treaty and the Statute of the ESCB referring to a derogation shall be applicable to Denmark;
(23) Whereas, in accordance with Article 109l(4) of the Treaty, the single currency will be introduced only in the Member States without a derogation;
(24) Whereas this Regulation, therefore, shall be applicable pursuant to Article 189 of the Treaty, subject to Protocols 11 and 12 and Article 109k(1),

HAS ADOPTED THIS REGULATION:

PART I

DEFINITIONS

Article 1

For the purpose of this Regulation:
- 'participating Member States' shall mean Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Austria, Portugal and Finland,
- 'legal instruments' shall mean legislative and statutory provisions, acts of administration, judicial decisions, contracts, unilateral legal acts, payment instruments other than banknotes and coins, and other instruments with legal effect,
- 'conversion rate' shall mean the irrevocably fixed conversion rate adopted for the currency of each participating Member State by the Council according to the first sentence of Article 109l(4) of the Treaty,
- 'euro unit' shall mean the currency unit as referred to in the second sentence of Article 2,
- 'national currency units' shall mean the units of the currencies of participating Member States, as those units are defined on the day before the start of the third stage of economic and monetary union,
- 'transitional period' shall mean the period beginning on 1 January 1999 and ending on 31 December 2001,
- 'redenominate' shall mean changing the unit in which the amount of outstanding debt is stated from a national currency unit to the euro unit, as defined in Article 2, but which does not have
through the act of redenomination the effect of altering any other term of the debt, this being a matter subject to relevant national law.

PART II

SUBSTITUTION OF THE EURO FOR THE CURRENCIES OF THE PARTICIPATING MEMBER STATES

Article 2
As from 1 January 1999 the currency of the participating Member States shall be the euro. The currency unit shall be one euro. One euro shall be divided into one hundred cent.

Article 3
The euro shall be substituted for the currency of each participating Member State at the conversion rate.

Article 4
The euro shall be the unit of account of the European Central Bank (ECB) and of the central banks of the participating Member States.

PART III

TRANSITIONAL PROVISIONS

Article 5
Articles 6, 7, 8 and 9 shall apply during the transitional period.

Article 6
1. The euro shall also be divided into the national currency units according to the conversion rates. Any subdivision thereof shall be maintained. Subject to the provisions of this Regulation the monetary law of the participating Member States shall continue to apply.
2. Where in a legal instrument reference is made to a national currency unit, this reference shall be as valid as if reference were made to the euro unit according to the conversion rates.

Article 7
The substitution of the euro for the currency of each participating Member State shall not in itself have the effect of altering the denomination of legal instruments in existence on the date of substitution.

Article 8
1. Acts to be performed under legal instruments stipulating the use of or denominated in a national currency unit shall be performed in that national currency unit. Acts to be performed under legal instruments stipulating the use of or denominated in the euro unit shall be performed in that unit.
2. The provisions of paragraph 1 are subject to anything which parties may have agreed.
3. Notwithstanding the provisions of paragraph 1, any amount denominated either in the euro unit or in the national currency unit of a given participating Member State and payable within that Member State by crediting an account of the creditor, can be paid by the debtor either in the euro unit or in that national currency unit. The amount shall be credited to the account of the creditor in the denomination of his account, with any conversion being effected at the conversion rates.

4. Notwithstanding the provisions of paragraph 1, each participating Member State may take measures which may be necessary in order to:
   - redenominate in the euro unit outstanding debt issued by that Member State’s general government, as defined in the European system of integrated accounts, denominated in its national currency unit and issued under its own law. If a Member State has taken such a measure, issuers may redenominate in the euro unit debt denominated in that Member State’s national currency unit unless redenomination is expressly excluded by the terms of the contract; this provision shall apply to debt issued by the general government of a Member State as well as to bonds and other forms of securitised debt negotiable in the capital markets, and to money market instruments, issued by other debtors,
   - enable the change of the unit of account of their operating procedures from a national currency unit to the euro unit by:
     (a) markets for the regular exchange, clearing and settlement of any instrument listed in section B of the Annex to Council Directive 93/22/EEC of 10 May 1993 on investment services in the securities field (5) and of commodities; and
     (b) systems for the regular exchange, clearing and settlement of payments.

5. Provisions other than those of paragraph 4 imposing the use of the euro unit may only be adopted by the participating Member States in accordance with any time-frame laid down by Community legislation.

6. National legal provisions of participating Member States which permit or impose netting, set-off or techniques with similar effects shall apply to monetary obligations, irrespective of their currency denomination, if that denomination is in the euro unit or in a national currency unit, with any conversion being effected at the conversion rates.

**Article 9**
Banknotes and coins denominated in a national currency unit shall retain their status as legal tender within their territorial limits as of the day before the entry into force of this Regulation.

**PART IV**

**EURO BANKNOTES AND COINS**

**Article 10**
As from 1 January 2002, the ECB and the central banks of the participating Member States shall put into circulation banknotes denominated in euro. Without prejudice to Article 15, these
banknotes denominated in euro shall be the only banknotes which have the status of legal tender in all these Member States.

**Article 11**
As from 1 January 2002, the participating Member States shall issue coins denominated in euro or in cent and complying with the denominations and technical specifications which the Council may lay down in accordance with the second sentence of Article 105a(2) of the Treaty. Without prejudice to Article 15, these coins shall be the only coins which have the status of legal tender in all these Member States. Except for the issuing authority and for those persons specifically designated by the national legislation of the issuing Member State, no party shall be obliged to accept more than 50 coins in any single payment.

**Article 12**
Participating Member States shall ensure adequate sanctions against counterfeiting and falsification of euro banknotes and coins.

**PART V**

**FINAL PROVISIONS**

**Article 13**
Articles 14, 15 and 16 shall apply as from the end of the transitional period.

**Article 14**
Where in legal instruments existing at the end of the transitional period reference is made to the national currency units, these references shall be read as references to the euro unit according to the respective conversion rates. The rounding rules laid down in Regulation (EC) No 1103/97 shall apply.

**Article 15**
1. Banknotes and coins denominated in a national currency unit as referred to in Article 6(1) shall remain legal tender within their territorial limits until six months after the end of the transitional period at the latest; this period may be shortened by national law.
2. Each participating Member State may, for a period of up to six months after the end of the transitional period, lay down rules for the use of the banknotes and coins denominated in its national currency unit as referred to in Article 6(1) and take any measures necessary to facilitate their withdrawal.

**Article 16**
In accordance with the laws or practices of participating Member States, the respective issuers of banknotes and coins shall continue to accept, against euro at the conversion rate, the banknotes and coins previously issued by them.

**PART VI**
ENTRY INTO FORCE

Article 17
This Regulation shall enter into force on 1 January 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States, in accordance with the Treaty, subject to Protocols 11 and 12 and Article 109k(1).
Done at Brussels, 3 May 1998.
For the Council
The President
G. BROWN

(2) OJ C 205, 5.7.1997, p. 18.


THE COUNCIL OF THE EUROPEAN UNION,
Having regard to the Treaty establishing the European Community, and in particular Article 105a(2) thereof,
Having regard to the proposal from the Commission (1),
Having regard to the opinion of the European Monetary Institute (2),
Acting in accordance with the procedure laid down in Article 189c of the Treaty (3),
(1) Whereas, at the meeting of the European Council in Madrid on 15 and 16 December 1995, the scenario for the changeover to the single currency was adopted which provides for introduction of euro coins by 1 January 2002 at the latest; whereas the precise date for the issue of euro coins will be decided when the Council adopts its regulation on the introduction of the euro immediately after the decision on the Member States adopting the euro as the single currency has been taken as early as possible in 1998;
(2) Whereas, according to Article 105a(2) of the Treaty, Member States may issue coins subject to approval by the European Central Bank (ECB) of the volume of the issue and the Council may, acting in accordance with the procedure referred to in Article 189c and after consulting the ECB, adopt measures to harmonise the denominations and technical specifications of all coins intended for circulation to the extent necessary to permit their smooth circulation within the Community;
(3) Whereas the European Monetary Institute has indicated that euro banknotes will range from EUR 5 to EUR 500; whereas the denominations of banknotes and coins will need to allow for cash payments of amounts expressed in euro and cent to be made easily;
(4) Whereas the mint directors of the Community received a mandate from the Council to study and elaborate a report for a European single coinage system; whereas they submitted a report in November 1996 followed by a revised report in February 1997 indicating the denominations and technical specifications (diameter, thickness, weight, colour, composition and edge) of the new euro coins;

(5) Whereas the new European single coinage system should induce public confidence and entail technological innovations that would establish it as a secure, reliable and efficient system;

(6) Whereas the acceptance of the new system by the public is one of the main objectives of the Community coinage system; whereas public confidence in the new system would depend on the physical characteristics of the euro coins, which should be as user-friendly as possible;

(7) Whereas consultations with consumer associations, the European Blind Union and representatives of the vending machines industry have been carried out to take into account the specific requirements of important categories of coin users; whereas, in order to ensure a smooth changeover to the euro and to facilitate acceptance of the new coinage systems by users, easy distinction between coins through visual and tactile characteristics will need to be guaranteed;

(8) Whereas the new euro coins will be more readily distinguishable and easier to become accustomed to if there is a link between their diameter and face value;

(9) Whereas certain special security features are needed in order to reduce the scope for fraud for the 1 and 2 euro given their high value; whereas the use of a technique whereby coins are made in three layers and the combination of two different colours in the coin are considered to be the most efficient security features available today;

(10) Whereas giving the coins one European and one national side is an appropriate expression of the idea of European monetary union between Member States and could significantly increase the degree of acceptance of the coins by European citizens;

(11) Whereas on 30 June 1994 the European Parliament and the Council adopted Directive 94/27/EC (4), which limited the use of nickel in certain products in recognition that nickel could be cause of allergies under certain conditions; whereas coins are not covered by that Directive; whereas, nevertheless, some Member States already use a nickel-free alloy called Nordic Gold in their current coinage system for reasons of public health; whereas it seems desirable to reduce the nickel content of coins when moving to a new coinage system;

(12) Whereas it is therefore appropriate to follow in principle the proposal of the aforesaid mint directors and to adapt it only to the extent necessary to take into account in particular the specific requirements of important categories of coin users and the need to reduce the use of nickel in coins;

(13) Whereas of all prescribed technical specifications for euro coins, only the value for thickness is of an indicative nature, since actual thickness of a coin depends on prescribed diameter and weight,
HAS ADOPTED THIS REGULATION:

**Article 1**
The first series of euro coins will include eight denominations in the range from 1 cent to 2 euro with the following technical specifications:

<table>
<thead>
<tr>
<th>Face value (euro)</th>
<th>Diameter in mm</th>
<th>Thickness in mm</th>
<th>Weight in grams</th>
<th>Shape</th>
<th>Colour</th>
<th>Composition</th>
<th>Edge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>25.75</td>
<td>1.95</td>
<td>8.5</td>
<td>Round</td>
<td>External part: white</td>
<td>Copper-nickel</td>
<td>Edge lettering</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Internal part: yellow</td>
<td>Three layer: nickel-brass,</td>
<td>Fine milled</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>nickel, nickel-brass</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>23.25</td>
<td>2.125</td>
<td>7.5</td>
<td>Round</td>
<td>External part: yellow</td>
<td>Nickel-brass</td>
<td>Interrupted milled</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Internal part: white</td>
<td>Three-layer</td>
<td></td>
</tr>
<tr>
<td>0.5</td>
<td>24.25</td>
<td>1.69</td>
<td>7</td>
<td>Round</td>
<td>Yellow</td>
<td>Nordic Gold</td>
<td>Coarse milled</td>
</tr>
<tr>
<td>0.2</td>
<td>22.25</td>
<td>1.63</td>
<td>5.7</td>
<td>“Spanish flower” shape</td>
<td>Yellow</td>
<td>Nordic Gold</td>
<td>Plain</td>
</tr>
<tr>
<td>0.1</td>
<td>19.75</td>
<td>1.51</td>
<td>4.1</td>
<td>Round</td>
<td>Yellow</td>
<td>Nordic Gold</td>
<td>Coarse milled</td>
</tr>
<tr>
<td>0.05</td>
<td>21.25</td>
<td>1.36</td>
<td>3.9</td>
<td>Round</td>
<td>Red</td>
<td>Copper-covered steel</td>
<td>Smooth</td>
</tr>
<tr>
<td>0.02</td>
<td>18.75</td>
<td>1.36</td>
<td>3</td>
<td>Round</td>
<td>Red</td>
<td>Copper-covered steel</td>
<td>Smooth with a groove</td>
</tr>
<tr>
<td>0.01</td>
<td>16.25</td>
<td>1.36</td>
<td>2.3</td>
<td>Round</td>
<td>Red</td>
<td>Copper-covered steel</td>
<td>Smooth</td>
</tr>
</tbody>
</table>

**Article 2**
This Regulation shall enter into force on 1 January 1999.
This Regulation shall be binding in its entirety and directly applicable in all Member States, in accordance with the Treaty, subject to Article 109k(1) and Protocols 11 and 12. Done at Brussels, 3 May 1998.
For the Council
The President
G. BROWN

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 105a(2) thereof, 
Having regard to the proposal from the Commission (1), 
Having regard to the opinion of the European Central Bank (2), 
Acting in accordance with the procedure laid down in Article 189c of the Treaty (3), 
Whereas Article 1 of Regulation (EC) No 975/98 (4) sets out the technical specifications of the eight denominations included in the first series of euro coins; whereas the mint directors have drawn up, on the basis of that Regulation, the more detailed specifications necessary for production; 
Whereas the vending industry, having examined those detailed specifications, has requested an increase of the weight of the 50 cent coin in order to ensure clearer differentiation of that coin and reduce risks of fraud; whereas the European Blind Union, having tested samples from the first production runs, has complained about the edge milling of the 50 cent and 10 cent coins which did not match the milling of the samples agreed by it during the consultation process preceding the adoption of Regulation (EC) No 975/88; whereas, in order to ensure the acceptance of the new system by the users, it seems desirable to accede to the requests expressed both by the vending industry and the European Blind Union; whereas in order to satisfy the vending industry’s requirements, it is necessary to increase the weight of the 50 cent coin from 7 g to 7.8 g; whereas in order to satisfy the European Blind Union’s requirements and avoid any risk of misinterpretation in the future, it is desirable to modify the specification for the edge of the 50 cent and 10 cent coins from ‘coarse milling’ to ‘shaped edge with fine scallops’ which better reflects the shape of the edge originally agreed by the European Blind Union for those two coins; 
Whereas it is essential that the modifications of the technical specifications be confined to the weight of the 50 cent coin and the edge of the 10 cent and 50 cent coins in order not to compromise the production timetable and the introduction of the euro coins on 1 January 2002, 

HAS ADOPTED THIS REGULATION:

Article 1
In Article 1 of Regulation (EC) No 975/98, the table shall be amended as follows:
(1) The fourth row relating to the 50 cent coin shall be amended as follows:
(a) in the third column, the figure ‘1.69’ shall be replaced by ‘1.88’;
(b) in the fourth column, the figure ‘7’ shall be replaced by ‘7.8’;
(c) in the eighth column, the words ‘coarse milled’ shall be replaced by ‘shaped edge with fine scallops’.
(2) In the sixth row relating to the 10 cent coin, in the eighth column, the words ‘coarse milled’ shall be replaced by ‘shaped edge with fine scallops’.

Article 2
This Regulation shall enter into force on 1 January 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States, in accordance with the Treaty, subject to Article 109k(1) and Protocols 11 and 12.
Done at Luxembourg, 22 February 1999.
For the Council
The President
H.-F. von PLOETZ

Common Position of 21 December 1998 (not yet published in the Official Journal) and Decision of

Commission Recommendation of 13 January 1999 concerning collector coins, medals and tokens

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Community, and in particular Article 155
thereof,
(1) Whereas the euro will become the currency of the participating Member States as from 1
January 1999; whereas during a transitional period lasting from 1 January 1999 until 31 December
2001, the euro will be introduced as from 1 January 2002; whereas the euro banknote and coin after
their introduction in 2002 will circulate throughout the whole euro area;
(2) Whereas in order to facilitate the transition to the euro it is necessary to avoid confusion for the
citizens; whereas during the three years transitional period people will not be familiar with the new
euro coins and banknotes and therefore will more easily be misled or abused; whereas the same
level of protection of the euro should exist in all Member States;
(3) Whereas in order to reduce the risk of confusion during the transitional period, it is desirable to
ban from the territory of the European Union all collector coins in euro or medals and tokens which
bear the words 'euro' or 'euro cent' or which show a design which is similar to the design which
appears on the common side of the euro coin;
(4) Whereas in order to achieve it, during the transitional period, Member States should not issue
any collector coin in euro and official minting institutions and private issuers in the Member States
should not issue for the purpose of sale or for commercial purposes, medals and tokens of the kind
described above; whereas in order to avoid that medals and tokens of the kind described above,
issued by third countries, will circulate in the Community territory, the ban should not only concern
the issue but also the sale, production, stock, import and distribution for the purpose of sale or for
commercial purposes of collector coins and said medals and tokens;
(5) Whereas the ban on collector coins in euro during the transitional period has been supported by the Ecofin Council on 23 November; whereas in some Member States, legislation on medals and tokens exist or is being introduced which goes in the direction recommended herein;
(6) Whereas it would be desirable that third countries support the efforts made by the European Union to protect its citizens against confusion and fraud, and for that purpose avoid issuing collector coins, medals and tokens of the kind described above in particular during the transitional period,

HEREBY RECOMMENDS:

Article 1
Definitions
For the purpose of this recommendation, the following definitions apply:
(a) 'collector coins' refer to commemorative and bullion coins which have legal tender but which are not produced with a view to their entry into circulation;
(b) 'medals and tokens' refer to those metallic objects of circular shape which look like a coin but which are neither legal means of payment nor legal tender or are not issued under national or foreign legislative provisions;
(c) 'euro' is the lawful currency of the participating Member States as defined in Article 2 of Council Regulation (EC) No 974/98 on the introduction of the euro;
(d) 'transitional period' is the period beginning on 1 January 1999 and ending on 31 December 2001.

Article 2
Recommended practices
The following recommended practices should apply during the transitional period:
1. Member States should not issue collector coins denominated in euro. This restriction should equally apply to collector coins with a dual denomination in euro and in a national currency unit.
2. the sale and the production, issue, stock, import and distribution for the purpose of sale or for commercial purposes, of collector coins, medals and tokens which bear the words 'euro' or 'euro cent' or show a design which is similar to the design which appears on the common side of the euro coin or which has already been officially laid down for the minting of such coins in the future, should not take place.

Article 3
Implementation by Member States
Member States should take as soon as possible all measures deemed necessary including additional national legislation, to ensure the full implementation of the recommended practices during the transitional period.

Article 4
Addressees
This recommendation is addressed to the Member States and to all economic agents which may issue, produce, distribute, import or sell medals and tokens.
Report from the Collector Coin Sub-group of the MDWG for the Euro Coin Sub-committee of the EFC

On 23 November 1998, the Council and the Ministers meeting in the Council approved a number of points on euro collector coin. Further to these conclusions and the request of the Euro Coin Sub-committee, the Collector Coin Sub-group of the MDWG worked out principles governing the differentiation of collector coins from coins intended for circulation as well as proposals for procedures to assure the application of these principles. Moreover the Sub-group wanted to contribute to the forthcoming discussion concerning the procedure for the approval of the ECB for the volume of coin issue and the measures for giving value for collector coins issued by other euro area Member States.

Collector coin

According to the conclusions of the Council, collector coins are defined as commemorative and bullion coin which has legal tender status but which is not produced with a view to its entry into circulation. Therefore, they are produced and marketed for the purpose of hoarding by collectors or for presentation as gifts and for precious metal investment purposes. They are not normally used as a means of payment. (Commemorative Coins intended for regular circulation and payment are not subject to this report.)

Collector coins include commemorative coins for persons and events, for significant anniversaries or contemporary occasions or refer to landscapes, customs etc. and as such give expression to cultural values and traditions of the individual Member States. Commemorative coins may be issued at a selling price which may either be equal to the face value or at a premium above the face value. Provisions for collector coins as mentioned hereinafter will also apply to bullion coins intended for precious metal investment and traded at a price depending on the precious metal value.

Collector coins may be issued only by the official issuing authorities in the individual Member States. They are legal tender only in the country of issue, which must accept full responsibility for the collector coins so issued.

Occasion and design

The Ministers welcomed the issue of collector coin, which must be allowed to flourish, not least because it gives expression to cultural and local values and traditions. The Member States are free to determine at the national level:

* the themes to be presented;
* the specifications within the limitations as mentioned below;
* the designs both obverse and reverse;
* the selling price at or above face value;
* the number and the timing of issues during the year;
* the quantity of coins for each issue.

**Specifications**

Regulations and harmonisation as required for circulating coins would be neither desirable nor necessary in the case of collector coins. It must, however, be ensured that collector coins, that will be issued from the beginning of 2002, are readily distinguishable from circulation coins. Member States should consult each other in advance on their plans for these issues with a view to assuring each other that the necessary differentiation is maintained. To meet this aim and at the same time avoid too detailed ex ante information which might result in disadvantages from the point of view of the competition among issuers, the relevant national authorities will respect the following principles as a **code of conduct**.

The **face value** of collector coins issued after 1 January 2002, must be expressed in euro and **must not be equal** to that of the euro coins intended for circulation. Collector coins must not use **images**, which are similar to the common sides of the euro coins. As far as possible these should also be at least slightly different from those of the national sides of circulation coins. **Any two of colour, diameter and thickness** must be **significantly different** from that of the euro circulation coins. The edge of collector coins must not be shaped edge with fine scallops, or “Spanish flower”. Moreover on collector coins the identity of their issuing **country** has to be clearly and easily recognisable. Technical specifications and detailed descriptions of collector coins to be issued, will be reported by the Mints to the **Board Office of the MDWG**. The Board Office has to collect this information for the purposes of the Mints, the ECB and other parties involved.

Also, the fact that commemorative coins intended for circulation (and therefore with legal tender status in all euro area Member States) will not be issued during the early years of the new coins and notes, as concluded by the Council, will contribute to avoiding public confusion. As a result, there is no need for additional centralised ex ante approval.

**Approval of the ECB**

The issues of collector coin come within the approval of the ECB for the volume of the coin issue. The ECB should approve the issue volumes proposed by the national authorities of the Member States, taking into consideration their individual numismatic traditions and commercial interests and practices.

Approval should be requested and given on an aggregate basis, not for each individual issue, and should not be withheld unless the proposed volume of collector coins would have a negative impact on overall monetary policy. With respect to collector coin denominations, that may coincide

* A more precise specification is not made because any difference will be significant for the diameter, and the difference in thickness would be too difficult to measure precisely. Moreover, the specific features of the edge form of circulation coins would enable additional differentiation.
with the low denominations of euro banknotes, there does not seem to exist any significant risk of competition. However, in accordance with the Council’s conclusions, the Collector Coin Subgroup, will consider any representations by the ECB on this matter.

The Collector Coin Sub-group of the MDWG is preparing an overview on the issuing practices of the Member States in the different areas of collector coins (commemorative coins issued at face value and issued above face value, and bullion coins) and will provide such information in future on request for the ECB in order to support ex post monitoring and also on request for other parties involved.

Proposals for giving face value for collector coins issued by other euro-area Member States

Collector coin will be legal tender in the country of issue. National authorities were invited to set up arrangements whereby they give par value for collector coin issued by other euro area Member States and presented to them, claiming the value back from the issuer. Because of the numismatic value of commemorative coins and of the precious metal value of bullion coins, it is not expected that giving face value for collector coins will be requested frequently. If this sometimes should occur, the local authorities and/or the central banks should give the advice that a price above the face value might be available when such coins would be sold to market participants (e.g. coin dealing firms or banks). In preparation for the case when owners of euro collector coins, however, insist on receiving the face value for collector coins issued in other euro area Member States, the NCBs (Mints or other local authorities, in some countries) should set up temporary arrangements for a procedure to be followed, whereby the costs should be charged to the clients.

The Mints will provide, if required, support to their Ministers and national central banks in particular with respect to all information concerning collector coins issued by other countries, and other data available from the documentation of the Board Office of the MDWG.

23 September 1999
Plenary Meeting of the MDWG

Council Decision of 29 April 1999 extending Europol's mandate to deal with forgery of money and means of payment

(1999/C 149/02)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Convention, based on Article K.3 of the Treaty on European Union, on the establishment of a European Police Office (Europol Convention)(1), and in particular Article 2(2) thereof and the Annex to the Convention mentioned in the said Article, Having regard to the Council Decision of 3 and 4 December 1998 on the principle of instructing Europol to deal with forgery of money and means of payment when Europol takes up its activities, instructing the Management Board of Europol to prepare the Council's Decision on this issue, Having regard to the preparatory work on this issue performed by the Europol Management Board in particular regarding the functional, budgetary and staffing implications for Europol, Considering the need for a separate decision on the budgetary and staffing implications for Europol,
Taking into account the considerable interests of the European Union and its Member States in protecting the euro from any counterfeiting and in effectively preventing related criminal activities, Taking into account, and without prejudice to, the respective roles of Europol, the Commission (Unit on Coordination of Fraud Prevention (UCLAF)) and the European Central Bank,

HAS DECIDED AS FOLLOWS:

Article 1
As from the date when Europol takes up its activities in accordance with Article 45(4) of the Europol Convention Europol's mandate shall be extended to include the fight against forgery of money and means of payment.

Article 2
For the purposes of this Decision, the terms "forgery of money" and "forgery of means of payment" shall mean the acts defined in Article 3 of the Geneva Convention of 20 April 1929 on the Suppression of Counterfeiting Currency(2), which applies to both cash and other means of payment.

Article 3
This Decision shall enter into force on the day following its adoption.

Article 4
This Decision shall be published in the Official Journal.
Done at Luxembourg, 29 April 1999.

For the Council
The President
W. MÜLLER

(2) Article 3 of the Geneva Convention of 20 April 1929 states:
"The following should be punishable as ordinary crimes:

1. Any fraudulent making or altering of currency, whatever means are employed;

2. The fraudulent uttering of counterfeit currency;
3. The introduction into a country of or the receiving or obtaining of counterfeit currency with a view to uttering the same and with knowledge that it is counterfeit;
4. Attempts to commit, and any intentional participation in, the foregoing acts;
5. The fraudulent making, receiving or obtaining of instruments or other articles peculiarly adapted for the counterfeiting or altering of currency.

**Declaration by the Ecofin Council of 8 November 1999 on the introduction of euro banknotes and coins**

The introduction of euro banknotes and coins in January 2002 will be the final and most visible step in the changeover towards the single currency. Member States are aware of its historical significance. The cash changeover in the euro zone is an unprecedented logistical challenge. The strategy which should best be followed has been studied intensively over the last months in each participating country and at Community level. The results obtained in discussions among all those concerned have allowed Ministers from participating Member States in close co-operation with national central banks and in line with the views expressed by the European Central Bank to arrive at common views on the outlines of the cash changeover. These leave room for Member States to implement the cash changeover in the way which suits best the specific circumstances in each country.

1. Member States will make their best efforts to ensure that the bulk of cash transactions can be made in euro by the end of a fortnight from 1 January 2002.

2. Member States consider that the period of dual circulation of the old and new notes and coins will last between four weeks and two months. Member States may facilitate the exchange of old notes and coins after this period.

3. To provide for a sufficient quantity for circulation in the first days of January 2002, it would be helpful if financial institutions and certain other groups, notably cash in transit companies and retailers, were already provided with notes and coins some time before 1 January 2002. Member States recall that such frontloading must not lead to putting euro banknotes and coins into circulation before 1 January 2002.

4. In order to help citizens to familiarise themselves with the new coins and to facilitate the changeover, Member States agree that making limited quantities of coins available to the public on request, notably to the vulnerable groups of the population, can be envisaged but not before the second half of December 2001.