



EUROPEAN CENTRAL BANK

EUROSYSTEM

EN

ECB-PUBLIC

OPINION OF THE EUROPEAN CENTRAL BANK

of 20 April 2016

on the authenticity and fitness checking of euro banknotes and their circulation

(CON/2016/25)

Introduction and legal basis

On 2 March 2016, the European Central Bank (ECB) received a request from the Banca d'Italia for an opinion on draft amendments to a Banca d'Italia act laying down secondary provisions on the authenticity and fitness checking of euro banknotes and their circulation (hereinafter the 'draft legislation').

The ECB's competence to deliver an opinion on the draft legislation is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union and the first, second and third indents of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions¹, as the draft legislation concerns currency matters, means of payment and the Banca d'Italia. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

1. Purpose of the draft secondary legislation

- 1.1 The draft legislation takes into account certain legislative developments at European and national level², and reflects the experience gained by the Banca d'Italia in relation to the inspection and remote monitoring of cash handlers. More specifically, the draft legislation: (i) further clarifies the procedural and technical requirements applicable to cash handlers, (ii) lays down administrative sanctions and corrective measures for non-compliance with such requirements, and (iii) streamlines procedures on statistical reporting by cash handlers.

¹ OJ L 189, 3.7.1998, p. 42.

² In particular, Decision ECB/2010/14 of the European Central Bank of 16 September 2010 on the authenticity and fitness checking and recirculation of euro banknotes (OJ L 267, 9.10.2010, p. 1); Article 97 of Decree Law No 1 of 24 January 2012 on urgent provisions on competition, infrastructure development and competitiveness, which was converted into Law No 27 of 24 March 2012 containing legal provisions for the protection of the euro from counterfeiting; and Article 145 of Legislative Decree No 385 of 1 September 1993 as amended by Legislative Decree No 72 of 12 May 2015.

2. General observations

- 2.1 The ECB considers that the draft legislation will improve the procedures regarding the authenticity and fitness checking of euro banknotes and their circulation, thus ensuring continued public confidence in the euro.
- 2.2 The ECB notes that the draft legislation uses the term 'damaged banknotes'. So far, the draft legislation only refers to Decision ECB/2010/14 as a regulatory source. However, Decision ECB/2010/14 does not refer to 'damaged banknotes'. Article 2(11) of Decision ECB/2010/14 defines the term 'unfit euro banknotes' and Annex III to the Decision refers to defects with regard to specific features that would cause a euro banknote to be categorised as unfit for circulation. However, another ECB legal act, Decision ECB/2013/10 of the European Central Bank³, uses the term 'damaged banknotes'. The ECB therefore recommends integrating Decision ECB/2013/10 into the list of regulatory sources referred to in the draft legislation.

This opinion will be published on the ECB's website.

Done at Frankfurt am Main, 20 April 2016.

[signed]

The President of the ECB

Mario DRAGHI

³ Decision ECB/2013/10 of the European Central Bank of 19 April 2013 on the denominations, specifications, reproduction, exchange and withdrawal of euro banknotes (OJ L 118, 30.4.2013, p. 37).