



**OPINION OF THE EUROPEAN MONETARY INSTITUTE**

**CON/97/13**

**at the request of the Council of the European Union under Article 105a (2) of the Treaty establishing the European Community (the “Treaty”) on a proposal from the Commission for a Council Regulation (EC) on the denominations and technical specifications of the euro coins**

1. The present opinion was requested in a letter dated 26 June 1997 from the Council of the European Union which, for this purpose, transmitted to the EMI document COM (97) 247 final containing the text of the Commission proposal for an EU Council Regulation and its explanatory memorandum. The EMI is competent for this consultation, in accordance with Articles 105a (2) and 109f (8) of the Treaty. However, since this proposal will only be adopted once the ECB has been established, the present opinion of the EMI does not preclude the formulation of a subsequent opinion by the ECB.
2. The objective of the draft Regulation is to define in greater detail the denominations and technical specifications of the future euro coins. There will be eight euro coins ranging from 1 cent to EURO 2. The draft Regulation takes full account of the detailed consultation of consumer groups (in particular the blind and partially sighted) and representatives of the vending machine industry. It also reflects a considerable amount of preparatory work by the Mint Directors’ Working Group. The draft Regulation incorporates a number of features to aid recognition of the coins by the blind and partially sighted (e.g. their shape and milling); it addresses public health concerns in a positive manner by minimising the use of nickel (only the EURO 1 and EURO 2 coins will contain any nickel and the most widely used low and mid-range coins - which will represent 92% of the euro coins in circulation - will be nickel-free); and it is compatible with the timetable established at the European Council meeting in Madrid for the introduction of the euro banknotes and coins on 1 January 2002 at the latest.
3. The EMI welcomes the intention to make the various denominations of the individual euro coins - as in the case of the euro banknotes - easily recognisable by means of different shapes, colours

and tactile features. The EMI considers it important to achieve the highest possible degree of acceptance by all the potential users of the euro banknotes and coins and appreciates the fact that consumer groups and the European Blind Union have been thoroughly consulted in the preparatory phase.

4. In the preparatory work on the euro banknotes and coins, the EMI and the Mint Directors' Working Group have liaised closely to exchange views on all the technical details of mutual interest, including the design process.
5. The sequencing of denominations (1 : 2 : 5) was agreed at an early stage. As to the banknote/coin boundary, the proposal that the EURO 2 denomination should be a coin and the EURO 5 denomination a banknote was endorsed by the EMI Council and the EU Finance Ministers in March/April 1995.
6. Even though the design of the euro coins does not form part of the technical specifications dealt with in the draft Regulation, the EMI notes that the euro coins will have a common side and a national side, with each Member State being responsible for choosing its respective national side. As all the euro coins will be legal tender throughout the euro area, there will be no need for any repatriation of coins to their original country of issue. Nevertheless, the EMI would like to stress the importance of promoting a euro area-wide acceptance and minimising risks of counterfeiting, inter alia by producing national design variants in the context of a common overall framework. The notion of euro area-wide acceptance includes the technical usability of the euro coins, e.g. their acceptance by all kinds of vending machines everywhere in the euro area.
7. The EMI welcomes the fact that early political agreement on this draft Regulation will make it possible to undertake further preparatory work with a view to starting production of the euro coins in the second half of 1998. This will make it possible to respect the timetable agreed at the European Council meeting in Madrid for the joint introduction of the euro banknotes and coins.
8. This opinion will be published in the Official Journal of the European Communities.

24 July 1997