

Imposition of a sanction on an accredited manufacturer for the production of euro banknote paper by

the EUROPEAN CENTRAL BANK

Pursuant to Article 3(4) of Council Regulation (EC) No 2532/98¹ and Article 7(1) of Council Regulation 2533/98², the Executive Board of the European Central Bank decided on **3 March 2026** to impose two sanctions on an **accredited manufacturer for the production of euro banknote paper** in the amount of **EUR 91,200** and **EUR 72,600**, respectively. These fines are imposed in relation to discrepancies in the quantity of partly finished and finished euro banknote paper, which meets the conditions laid down in Article 19 of Decision (EU) 2020/637 (ECB/2020/24)¹. The discrepancies were not identified by the accredited manufacturer and they are due to instances of non-compliance with the applicable security requirements.

When deciding on the imposition of sanctions falling under the scope of Article 19 of Decision (EU) 2020/637 (ECB/2020/24), the ECB followed the procedural rules set out in Council Regulation (EC) No 2532/98 and Regulation (EC) No 2157/1999 of the European Central Bank (ECB/1999/4)² concerning the powers of the European Central Bank to impose sanctions. When deciding on the amount of the sanctions, the ECB considered all the relevant facts of the two cases and all relevant factors detailed in Articles 15 and 19 of Decision (EU) 2020/637 (ECB/2020/24) and in Article 2(3) of Council Regulation (EC) No 2532/98. The degree of diligence, cooperation and transparency shown by the accredited manufacturer after the discrepancy became known to the ECB was considered as a mitigating circumstance. The potential impact or effects of the underlying instances of non-compliance prior to the identification of the breach, that is the risk of loss or theft of euro banknote paper prior to the identification of the discrepancy, was considered as a mitigating circumstance in one of the two cases and as an aggravating circumstance in the other case.

¹ Decision (EU) 2020/637 of the European Central Bank of 27 April 2020 on accreditation procedures for manufacturers of euro secure items and euro items (ECB/2020/24) (OJ L 149, 12.5.2020, p. 12).

² Council Regulation (EC) No 2532/98 of 23 November 1998 concerning the powers of the European Central Bank to impose sanctions, (OJ L 318, 27.11.1998, p.4) and European Central Bank Regulation (EC) No 2157/1999 of 23 September 1999 on the powers of the European Central Bank to impose sanctions (ECB/1999/4) (OJ L 264, 12.10.1999, p. 21).

The sanctions are published on an anonymised basis in accordance with Article 9(1) of Regulation (EC) No 2157/1999 (ECB/1999/4) as the decisions imposing a sanction became final on **3 April 2026** in accordance with Article 3(8) of Council Regulation (EC) 2532/98. The publication of the identity of the accredited manufacturer would result in the publication of confidential information, which would put at risk the security and protection of the integrity of euro banknotes.

The ECB's decision to impose a sanction may be challenged before the Court of Justice of the European Union under the conditions and within the time limits provided for in Article 263 *et seq.* of the Treaty on the Functioning of the European Union, and Article 5 of Council Regulation (EC) No 2532/98.