



EUROPEAN CENTRAL BANK
EUROSYSTEM

COURTESY TRANSLATION

Mario DRAGHI

President

Mr Francisco Sosa Wagner
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 15 July 2013

L/MD/13/443

Re: Your letter

Dear Mr Sosa Wagner,

Thank you for your letter, which was passed on to me by Ms Sharon Bowles, Chairwoman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 7 June 2013.

The ECB is aware that the € banknote of the “Europa” series was not accepted by some banknote authentication devices, owing to the logistical difficulties encountered by suppliers in adjusting the large number of devices across Europe in a short time period.

Regarding your first question, please note that the necessary tests and preparations were carried out with banknote equipment manufacturers and other relevant third parties well before the launch of the new € banknote. Support was provided in four steps to the banknote equipment manufacturers for the adaptation of their machines in time for the issuance date:

- i) The provision of technical information on the € banknote of the “Europa” series and the organisation of testing activities specifically for banknote equipment manufacturers (May 2011);
- ii) A first test opportunity at the premises of the national central banks (NCBs) for banknote equipment manufacturers to start preparing for the adaptation of their equipment (fourth quarter of 2011);

- iii) A second test opportunity at NCBs' premises for banknote equipment manufacturers and other relevant third parties to refine adaptations (fourth quarter of 2012);
- iv) The possibility for banknote equipment manufacturers, cash handlers, Cash in Transit organisations, associations of banks, banks and distributors of banknote equipment to borrow banknotes for in-house testing and the fine-tuning of adaptations, subject to the signature of a loan agreement (from mid-January 2013).

In the context of the second test opportunity in the fourth quarter of 2012, the NCBs informed service providers (including cash in transit companies), banking associations and banks (in particular those running cash centres) about additional testing opportunities available at the respective national level.

With respect to communication to the cash handlers on the new € banknotes, the ECB informed the European associations in May 2012, while the NCBs were responsible for informing the national associations and the cash handlers themselves.

In response to your second question, the new "Europa" banknote series has been designed in a way that the vast majority of machines and devices (including vending machines) only require a software update and do not need replacement. Therefore, the resulting cost is limited and corresponds to the cost of software adaptations (which are, in any case, needed from time to time to detect counterfeits).

As for the euro cash changeover in 2002, all companies needing to adapt their cash equipment to the euro were given, well in advance, an opportunity to test the euro banknotes. Discussions with the European Vending Association were initiated in 1997 and the first tests were conducted as early as May 2000. The adaptation of cash-operated machines was somewhat slower than in other areas of the cash changeover because, in several countries, the cash-operated industry had incorporated the two-month dual circulation period into their schedule of adaptation. However, the adaptation went very smoothly overall.

Should you require additional information, in April 2002 the ECB published a report with an evaluation of the 2002 cash changeover.¹

Yours sincerely,

[signed]

Mario Draghi

¹ <http://www.ecb.int/pub/pdf/other/cashchangeoverreport2002en.pdf>