



EUROPEAN CENTRAL BANK
EUROSYSTEM

ECB-PUBLIC

COURTESY TRANSLATION

Mario DRAGHI
President

Ms Laura Agea
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 13 March 2018

L/MD/18/92

Re: Your letter (QZ-001)

Honourable Member of the European Parliament, dear Ms Agea,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 18 January 2018.

On 13 November 2014 the Governing Council of the European Central Bank (ECB) adopted the Guideline on the establishment of the Eurosystem Production and Procurement System (EPPS)¹. The EPPS consists of two pillars: a group of national central banks (NCBs) producing euro banknotes using an in-house printing works (“the in-house group”) and a group of NCBs which procure their euro banknotes (“the tendering group”). The two pillars were established to ensure continuity of supply, maintain internal know-how within the Eurosystem, foster competition and reduce costs at the Eurosystem level, and to draw on innovation in the private and public sector.

NCBs are responsible for producing and procuring the share of euro banknotes that has been allocated to them in accordance with the capital key. NCBs that do not have in-house printing works are part of the tendering group. In order to make the production of euro banknotes more cost-effective, the in-house group

¹ The Guideline ECB/2014/44 is available at https://www.ecb.europa.eu/ecb/legal/pdf/en_gui_ecb_2014_44_f_sign.pdf. The central banks in the Eurosystem have complied with this Guideline since 1 January 2015.

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has to consider establishing appropriate forms of cooperation, such as joint purchasing and sharing and implementing best practices for the production process.

NCBs from the in-house group can also work together to source banknote paper from a commonly controlled paper mill, such as Europafi², as well as from any other entity managed by an in-house group. However, when procuring banknote paper, NCBs must not only comply with the Union law and the applicable national laws, but also adhere to the relevant procurement rules, as the EPPS Guideline does not apply to the production and procurement of banknotes raw materials – such as paper.

The supply of paper for euro banknotes, either to NCBs using in-house printing works or to tendering group NCBs, is not influenced by the ECB. Decisions on this matter fall within the competence of the relevant NCB(s). This also applies to the supply of paper by Cartiere Miliani Fabriano S.p.A.³, the company mentioned in your letter. Furthermore, the ECB does not comment on individual banknote paper supply relationships with printing works accredited for the production of euro banknotes or other accredited manufacturers. Nevertheless, the ECB monitors developments with respect to all key suppliers of raw materials and factors of production involved in the procurement and production of euro banknotes.

Yours sincerely,

[signed]

Mario Draghi

² In October 2015, the Banque de France set-up an independent in-house legal entity called Europafi.

³ In 2002, Fabriano became part of the Fedrigoni S.p.A. Group.

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