



**COUNCIL OF  
THE EUROPEAN UNION**

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**ADDENDUM TO "I" ITEM NOTE**

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from : Working Party on Combating Fraud

to : Permanent Representatives Committee

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COM(2011) 913 final + SEC(2011) 1614 final + SEC(2011) 1615 final  
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Subject : - Proposal for a Regulation of the European Parliament and of the Council  
establishing an exchange, assistance and training programme for the  
protection of the euro against counterfeiting (the "Pericles 2020"  
programme) (**first reading**)  
- Proposal for a Council Regulation extending to non-participating Member  
States the application of Regulation (EU) No .../2012 establishing an  
exchange, assistance and training programme for the protection of the euro  
against counterfeiting (the "Pericles 2020" programme)

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**OUTCOME OF PROCEEDINGS**

**Proposal for a**

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  
establishing an exchange, assistance and training programme for the protection of the euro  
against counterfeiting (the "Pericles 2020" programme)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 133 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank<sup>1</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

[...]

HAVE ADOPTED THIS REGULATION:

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<sup>1</sup> OJ C 137, 12.5.2012, p. 7.

## Chapter I

### General provisions

#### *Article 1*

##### *Subject matter*

The multiannual action programme to promote actions for the protection of the euro against counterfeiting and related fraud "Pericles 2020" (hereinafter referred to as "the Programme") is hereby established for the period from 1 January 2014 to 31 December 2020.

#### *Article 2*

##### *Added value*

The Programme shall contribute to increased transnational cooperation for the protection of the euro at Union level and internationally, and to the greater effectiveness of these operations on the basis of best practices, common standards and joint specialised training.

#### *Article 3*

##### *General objective of the Programme*

The general objective of the Programme shall be to prevent and combat counterfeiting and related fraud thus enhancing the competitiveness of the Union's economy and securing the sustainability of public finances.

#### *Article 4*

##### *Specific objective of the Programme*

The specific objective of the Programme shall be to protect the euro banknotes and coins against counterfeiting and related fraud, by supporting and supplementing the measures undertaken by the Member States and assisting the competent national and Union authorities in their efforts to develop between themselves and with the Commission a close and regular cooperation, also including third countries and international organisations.

This objective shall be measured, inter alia, through the effectiveness of action by financial, technical, law-enforcement and judicial authorities, as measured through the number of counterfeits detected, illegal workshops dismantled, individuals arrested and penalties imposed.

#### *Article 5*

##### *Bodies eligible for funding*

Bodies eligible for funding under the Programme are the Member States' competent authorities, as defined in Article 2(b) of Regulation (EC) No 1338/2001.

#### *Article 6*

##### *Participation in the Programme*

Participating countries shall be the Member States having adopted the euro as their single currency. The proposals presented by these Member States may include participants from third countries, if this is important for the fulfillment of the objectives of the Programme.

*Article 7*

*Target groups and joint actions*

1. The Programme shall target participation of the following groups:
  - (a) staff of agencies engaged in detecting and combating counterfeiting (in particular police forces and financial administrations, depending on their specific functions at national level);
  - (b) intelligence personnel;
  - (c) representatives of the national central banks, the mints, commercial banks and other financial intermediaries (particularly as regards the obligations of financial institutions);
  - (d) judicial officers and specialist lawyers in this field;
  - (e) any other group of specialists concerned (such as chambers of commerce and industry or comparable structures capable of providing access to small and medium-sized enterprises, retailers and cash-in-transit companies).
  
2. Actions under the Programme may be organised jointly by the Commission and other partners having relevant expertise, such as:
  - (a) the national central banks and the European Central Bank (ECB);
  - (b) the National Analysis Centres (NACs) and the Coin National Analysis Centres (CNACs);
  - (c) the European Technical and Scientific Centre (ETSC) and the national mints;

- (d) Europol, Interpol and Eurojust;
- (e) the national central anti-counterfeiting offices provided for in Article 12 of the International Convention for the Suppression of Counterfeiting Currency signed at Geneva on 20 April 1929<sup>1</sup> and other agencies specialising in prevention, detection and law enforcement in connection with counterfeiting;
- (f) specialist bodies concerned in the field of duplication and certification technologies, printers and engravers;
- (g) any other body offering specific expertise, including, where appropriate, such bodies from third countries and in particular from accession candidate countries.

*Article 8*

*Eligible actions*

1. The Programme shall take into account the transnational and multidisciplinary aspects of the fight against counterfeiting and shall promote best practices adapted to the national specificities of each Member State.
2. The Programme shall provide, under the same conditions set out in the annual work programmes referred to in Article 11, financial support for the following actions:
  - (a) Exchange of information, in particular through organising workshops, meetings and seminars, targeted placements and exchanges of staff of competent national authorities and other similar actions. The exchange of information will inter alia be targeted at:

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<sup>1</sup> League of Nations Treaty Series No 2623 (1931), p. 372.

- methodologies for monitoring and analysing the economic and financial impact of counterfeiting;
- operation of databases and early warning systems;
- use of detection tools with computer back-up;
- enquiry and investigation methods;
- scientific assistance (in particular scientific databases and technology watch/monitoring of new developments);
- protection of the euro outside the Union;
- research activities;
- provision of specific operational expertise.

(b) Technical, scientific and operational support, including in particular:

- any measure which establishes teaching resources at Union level (handbook of Union legislation, information bulletins, practical manuals, glossaries and lexicons, databases, especially in the area of scientific assistance or technology watch) or computer support applications (such as software);
- relevant studies with a multidisciplinary and transnational dimension;
- development of technical support instruments and methods to facilitate detection actions at Union level;
- financial support for cooperation in operations involving at least two states when such support is not available from other programmes of European institutions and bodies.

- (c) Grants to finance the purchase of equipment to be used by the groups listed in Article 7(1) for protecting the euro against counterfeiting<sup>1</sup>.

## **Chapter II**

### **Financial framework**

#### *Article 9*

#### *Financial envelope*

The financial envelope for the implementation of the Programme for the period from 1 January 2014 to 31 December 2020 shall be EUR [7 700 000], in current prices.

#### *Article 10*

#### *Types of financial support and co-financing*

1. The Commission shall implement the Programme in accordance with Regulation (EU) No .../2012 of the European Parliament and of the Council of xxx on the financial rules applicable to the annual budget of the Union<sup>2</sup> (hereinafter referred to as the "Financial Regulation").
2. Financial support under the Programme for actions provided for under Article 8 shall take the form of:
  - (a) grants;
  - (b) public procurement.

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<sup>1</sup> Recital 8 shall be modified and read as follows: "*The Programme should be implemented in full compliance with the provisions of Regulation (EC, Euratom) No XX/XX of XX 2012 on the financial rules applicable to the annual budget of the Union. In accordance with Article [108] of this Regulation, a grant may not have as its sole purpose the purchase of equipment. An operational grant is meant to support financially an "action intended to help achieve an objective forming part of a European Union policy";*".

<sup>2</sup> OJ C [...], [...], p. [...].



3. The purchase of equipment shall not be the sole component of the grant agreement.
4. The co-financing rate for grants awarded under the Programme shall not exceed<sup>1</sup> [80 %] of the eligible costs. In exceptional and duly justified cases, defined in the annual work programmes referred to in Article 11, the co-financing rate shall not exceed [90 %] of the eligible costs.
5. Where the actions provided for in Article 8 are organised jointly with other partners such as the ECB, Eurojust, Europol or Interpol, the ensuing expenses shall be divided between the partners. In any event, each partner shall bear the travel and accommodation costs of its own guest speakers.

#### *Article 11*

#### *Annual work programmes<sup>2</sup>*

In order to implement the Programme, the Commission shall adopt annual work programmes. They shall set out the objectives pursued, the expected results, the method of implementation and their total amount. They shall also contain a description of the actions to be financed, an indication of the amount allocated to each action and an indicative implementation timetable. They shall include for grants the priorities, the essential evaluation criteria and the maximum rate of co-financing.

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<sup>1</sup> Recital 13 shall be modified and read as follows: *"In order to ensure uniform conditions for the implementation of the Programme, implementing powers should be conferred on the Commission. The Commission should adopt the annual work programmes setting out the priorities, the budget breakdown and the evaluation criteria for the grants for actions. The Commission will consult the Member States on the annual work programme in the framework of the appropriate advisory committee provided for in Regulation (EC) No 1338/2001. The exceptional and duly justified cases for which a maximum co-financing rate of [90%] is proposed will be part of the annual work programme presented to the abovementioned advisory committee."*

[The following statement by the Commission will accompany this Regulation: *"The actual funding by the Union of the actions falling under the proposed maximum co-financing rate of 80 % for grants awarded under this Programme will in practice be lower."*]

<sup>2</sup> See footnote No 1.

Resources allocated to communication actions under the Programme shall also contribute to cover the corporate communication of the Union's political priorities, as far as they are related to the general objectives of the Programme.

### **Chapter III**

#### **Monitoring and evaluation**

##### *Article 12*

##### *Monitoring, evaluation and management*

1. The Programme shall be implemented by the Commission in cooperation with the Member States, through consultations at different stages of the implementation of the Programme, within the appropriate advisory committee provided for in Regulation (EC) No 1338/2001, taking into account relevant measures undertaken by other competent entities, in particular the ECB and Europol.
2. The Commission shall seek to ensure consistency and complementarity between the Programme and other relevant programmes and actions at Union level.
3. The Commission shall provide annual information on the results of the Programme to the European Parliament and to the Council. Information on consistency and complementarity with other relevant programmes and actions at Union level shall be included. The Commission shall constantly disseminate the results of the actions supported under the Programme. All participating countries shall provide the Commission with all the data and information necessary to permit the monitoring and evaluation of the Programme.

4. An evaluation of the Programme shall be carried out by the Commission. By 31 December 2017, an independent mid-term evaluation report shall be presented by the Commission on the achievement of the objectives of all the measures (at the level of results and impacts), the efficiency of the use of resources and its added value to the Union, in view of a decision on the renewal, modification or suspension of the measures. The evaluation shall additionally address the scope for simplification, its internal and external coherence, the continued relevance of all objectives, as well as the contribution of the measures to the Union's priorities of smart, sustainable and inclusive growth. It shall take into account evaluation results on the long-term impact of the predecessor measures.
5. The long-term impacts and the sustainability of effects of the Programme shall be evaluated with a view to feed into a decision on a possible renewal, modification or suspension of a subsequent programme.
6. In addition, by 31 December 2021, the Commission shall present to the European Parliament and to the Council a final evaluation report on the achievement of the objectives of the Programme.

Article 13<sup>1</sup>

*Protection of the financial interests of the Union*

1. The Commission shall take appropriate measures ensuring that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective, proportionate and dissuasive administrative and financial penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on the spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds under the Programme.
3. The European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)<sup>2</sup> and Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities<sup>3</sup> with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract funded under the Programme.

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<sup>1</sup> Text of Article 13 has been replaced with the one of the standard provision on the protection of the financial interests of the Union in spending programmes under the new MFF (direct expenditure and external aid), as agreed.  
The following Recital will be added: *"The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, administrative and financial penalties in accordance with Regulation (EU) No XXXX/2012 of the European Parliament and of the Council on the financial rules applicable to the annual budget of the Union."*

<sup>2</sup> OJ L 136, 31.5.1999, p. 1.

<sup>3</sup> OJ L 292, 15.11.1996, p. 2.

4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with third countries and with international organisations, contracts, grant agreements and grant decisions resulting from the implementation of this Regulation shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct such audits and investigations, according to their respective competences.

## **Chapter IV**

### **Final provisions**

#### *Article 14*

#### *Repeal*

Council Decisions 2011/923/EC, 2001/912/EC, 2006/75/EC, 2006/79/EC, 2006/849/EC and 2006/850/EC are repealed.

However, financial obligations relating to activities pursued under those Decisions shall continue to be governed by those Decisions until their completion.

*Article 15*  
*Entry into force*

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

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**Proposal for a**

**COUNCIL REGULATION**

**extending to the non-participating Member States the application of Regulation (EU)  
No .../2012 establishing an exchange, assistance and training programme for  
the protection of the euro against counterfeiting (the "Pericles 2020" programme)**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 352 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the consent of the European Parliament<sup>1</sup>,

Acting in accordance with a special legislative procedure,

Whereas:

[...]

HAS ADOPTED THIS REGULATION:

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<sup>1</sup> OJ C [...], [...], p. [...].

*Article 1*

The application of Regulation (EU) No .../2012 shall be extended to Member States other than the participating Member States as defined in point (a) of Article 1 of Regulation (EC) No 974/1998<sup>1</sup>.

Those Member States' competent authorities from shall be considered as eligible bodies for funding within the meaning of Article 5 of Regulation (EU) No ... /2012.

*Article 2*

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council*  
*The President*

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<sup>1</sup> OJ L 139, 11.5.1998, p. 1.