



EUROPEAN UNION

THE EUROPEAN PARLIAMENT

THE COUNCIL

Brussels, 27 February 2014
(OR. en)

2011/0449 (COD)

PE-CONS 28/13

GAF 23
FIN 297
CADREFIN 122
CODEC 1207

LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: 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) and repealing Council Decisions 2001/923/EC, 2001/924/EC, 2006/75/EC, 2006/76/EC, 2006/849/EC and 2006/850/EC

REGULATION (EU) No .../2014
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of

establishing an exchange, assistance and training programme
for the protection of the euro against counterfeiting
(the 'Pericles 2020' programme)
and repealing Council Decisions 2001/923/EC, 2001/924/EC,
2006/75/EC, 2006/76/EC, 2006/849/EC and 2006/850/EC

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 Bank¹,

Acting in accordance with the ordinary legislative procedure²,

¹ OJ C 137, 12.5.2012, p. 7.

² Position of the European Parliament of 11 December 2013 (not yet published in the OJ) and decision of the Council of

Whereas:

- (1) The Union and the Member States have set themselves the objective of laying down the measures necessary for the use of the euro as a single currency. Those measures include protecting the euro against counterfeiting and related fraud, thus empowering the effectiveness of the Union's economy and securing the sustainability of public finances.
- (2) Council Regulation (EC) No 1338/2001¹ provides for exchanges of information, cooperation and mutual assistance, thereby establishing a harmonised framework for the protection of the euro. The effects of that Regulation were extended by Council Regulation (EC) No 1339/2001² to those Member States which have not adopted the euro as their single currency, so as to provide an equivalent level of protection for the euro throughout the Union.

¹ Council Regulation (EC) No 1338/2001 of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting (OJ L 181, 4.7.2001, p. 6).

² Council Regulation (EC) No 1339/2001 of 28 June 2001 extending the effects of Regulation (EC) No 1338/2001 laying down measures necessary for the protection of the euro against counterfeiting to those Member States which have not adopted the euro as their single currency (OJ L 181, 4.7.2001, p. 11).

- (3) Actions with the aim of promoting exchanges of information and staff, technical and scientific assistance and specialised training help significantly to protect the Union's single currency against counterfeiting and related fraud and therefore to attain a high and equivalent level of protection across the Union, whilst demonstrating the Union's ability to tackle serious organised crime.
- (4) The programme for the protection of the euro against counterfeiting (the Pericles programme) contributes to raising the awareness of Union citizens, improving the protection of the euro, especially through the constant dissemination of results of actions supported by that programme.

- (5) Past support for such actions, through Council Decisions 2001/923/EC¹ and 2001/924/EC², which were subsequently amended and extended by Council Decisions 2006/75/EC³, 2006/76/EC⁴, 2006/849/EC⁵ and 2006/850/EC⁶, has made it possible to enhance the actions of the Union and the Member States in the field of the protection of the euro against counterfeiting. The objectives of the Pericles programme for both the period 2002-2006 and the period 2007-2013 have been successfully achieved.

¹ Council Decision 2001/923/EC of 17 December 2001 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the "Pericles" programme) (OJ L 339, 21.12.2001, p. 50).

² Council Decision 2001/924/EC of 17 December 2001 extending the effects of the Decision establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting ("Pericles" programme) to the Member States which have not adopted the euro as the single currency (OJ L 339, 21.12.2001, p. 55).

³ Council Decision 2006/75/EC of 30 January 2006 amending and extending Decision 2001/923/EC establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the Pericles programme) (OJ L 36, 8.2.2006, p. 40).

⁴ Council Decision 2006/76/EC of 30 January 2006 extending to the non-participating Member States the application of Decision 2006/75/EC amending and extending Decision 2001/923/EC establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the Pericles programme) (OJ L 36, 8.2.2006, p. 42).

⁵ Council Decision 2006/849/EC of 20 November 2006 amending and extending Decision 2001/923/EC establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the Pericles programme) (OJ L 330, 28.11.2006, p. 28).

⁶ Council Decision 2006/850/EC of 20 November 2006 extending to the non-participating Member States the application of Decision 2006/849/EC amending and extending Decision 2001/923/EC establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the Pericles programme) (OJ L 330, 28.11.2006, p. 30).

- (6) In its impact assessment, carried out in 2011, evaluating whether the Pericles programme should be continued, the Commission came to the conclusion that the Pericles programme should be renewed with improved objectives and methodology.
- (7) The advice contained in the impact assessment was that actions should be continued and further developed at the level of the Union and the Member States in the field of the protection of the euro against counterfeiting, taking into account the new challenges in a context of budgetary austerity. Under the new programme, Pericles 2020 programme, proposals presented by the participating Member States may include participants from third countries, if their participation is important for the protection of the euro.
- (8) It should be ensured that the Pericles 2020 programme is consistent with, and complementary to, other relevant programmes and actions. The Commission should therefore carry out all the necessary consultations with regard to evaluating needs for the protection of the euro with the principal parties involved (in particular the competent national authorities designated by the Member States, the European Central Bank and Europol) within the committee referred to in Regulation (EC) No 1338/2001, particularly as regards exchanges, assistance and training, for the purpose of the application of the Pericles 2020 programme.

- (9) The Pericles 2020 programme should be implemented in full compliance with the provisions of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council¹. In accordance with that Regulation, a grant may not have as its sole purpose the purchase of equipment. A grant is meant to support financially an action intended to help to achieve a Union policy objective.
- (10) The importance of the euro as a worldwide currency requires an adequate level of protection at international level, which can be achieved by making funds available for the purchase of equipment to be used by third countries' agencies in investigating euro counterfeiting.
- (11) The evaluation of the Pericles programme conducted with stakeholders demonstrates the added value of that programme, in terms of the high level of cooperation among Member States and with third countries, as well as complementarity with actions undertaken at national level, resulting in increased effectiveness. The continuation of the Pericles programme at Union level is expected to make a substantial contribution to maintaining and further improving the high level of protection of the euro associated with the intensification of cross-border cooperation, exchange and assistance. At the same time, overall savings will be achieved from the collectively organised actions and procurement, as compared with potential individual national initiatives.

¹ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

- (12) The Commission should present to the European Parliament and to the Council an independent mid-term evaluation report on the implementation of the Pericles 2020 programme and a final evaluation report on the achievement of its objectives.
- (13) This Regulation complies with the principles of added value and proportionality. The Pericles 2020 programme should facilitate cooperation among the Member States and between the Commission and the Member States in order to protect the euro against counterfeiting, without impinging on Member States' responsibilities, and using resources more efficiently than could be done at national level. Action at Union level is necessary and justified as it clearly assists Member States in collectively protecting the euro and encourages the use of common Union structures to increase cooperation and information exchange between competent authorities.
- (14) The Pericles 2020 programme should run for a period of seven years to align its duration with that of the multiannual financial framework laid down in Council Regulation (EU, Euratom) No 1311/2013¹..

¹ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

- (15) In order to ensure uniform conditions for the implementation of the Pericles 2020 programme, implementing powers should be conferred on the Commission. The Commission should adopt annual work programmes setting out the priorities, the budget breakdown and the evaluation criteria for the grants for actions. The Commission should discuss the application of this Regulation with the Member States within the framework of the committee referred to in Regulation (EC) No 1338/2001. The exceptional and duly justified cases, in which an increase in co-financing is necessary in order to give the Member States greater economic flexibility, thus enabling them to carry out and complete projects to protect and safeguard the euro in a satisfactory manner, should be part of the annual work programmes.
- (16) This Regulation lays down a financial envelope for the entire duration of the Pericles 2020 programme, which is to constitute the prime reference amount, within the meaning of point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹, for the European Parliament and the Council during the annual budgetary procedure.

¹ OJ C 373, 20.12.2013, p. 1.

- (17) In order to provide for a degree of flexibility in the allocation of funds, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amendments to the indicative allocation of those funds. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (18) 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.
- (19) Decisions 2001/923/EC, 2001/924/EC, 2006/75/EC, 2006/76/EC, 2006/849/EC and 2006/850/EC should be repealed. Transitional measures should be provided to complete financial obligations relating to actions pursued under those Decisions.
- (20) It is appropriate to ensure a smooth transition without interruption between the Pericles programme and the Pericles 2020 programme and it is appropriate to align the duration of the Pericles 2020 programme with Regulation (EU, Euratom) No 1311/2013. Therefore, the Pericles 2020 programme should apply as from 1 January 2014,

HAVE ADOPTED THIS REGULATION:

CHAPTER I

General provisions

Article 1

Subject matter

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

Article 2

Added value

The Programme shall actively encourage and entail an increase in transnational cooperation for the protection of the euro inside and outside the Union and with the Union's trading partners, and with attention also being paid to those Member States or third countries that have the highest rates of euro counterfeiting, as shown by the relevant reports issued by the competent authorities. Such cooperation shall contribute to the greater effectiveness of the protection of the euro through the exchanging of best practice, common standards and joint specialised training.

Article 3

General objective

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

The specific objective of the Programme shall be to protect 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 among themselves and with the Commission a close and regular cooperation and an exchange of best practice, where appropriate including third countries and international organisations.

That 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 shall be the competent national authorities as defined in point (b) of Article 2 of Regulation (EC) No 1338/2001.

Article 6
Participation in the Programme

1. Participating countries shall be the Member States having adopted the euro as their single currency.
2. The proposals presented by the Member States referred to in paragraph 1 may include participants from third countries, if that is important for the fulfilment of the general and specific objectives provided for in Articles 3 and 4 respectively.

Article 7
Target groups and joint actions

1. The Programme shall target the 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, in particular as regards the obligations of financial institutions;
 - (d) judicial officers, specialist lawyers and members of the judiciary 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 mints;
 - (d) Europol, Eurojust and Interpol;

- (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 1929¹ 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) bodies other than those referred to in points (a) to (f) offering specific expertise, including, where appropriate, such bodies from third countries and in particular from acceding States and candidate countries; and
- (h) private entities that have developed and provided evidence of technical knowledge and teams specialising in detecting counterfeit banknotes and coins.

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 practice adapted to the national specificities of each Member State.

¹ League of Nations Treaty Series No 2623 (1931), p. 372.

2. The Programme shall provide, under the conditions set out in the annual work programmes referred to in Article 11, financial support for the following actions:

- (a) exchange and dissemination of information, in particular through organising workshops, meetings and seminars, including training, targeted placements and exchanges of staff of competent national authorities and other similar actions. The exchange of information shall inter alia be targeted at:
- 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 actions;
 - provision of specific operational expertise;

- (b) technical, scientific and operational assistance, as appears necessary as part of the Programme including in particular:
- any appropriate measure which establishes teaching resources at Union level, such as a 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 specialised anti-counterfeiting authorities for protecting the euro against counterfeiting, in compliance with Article 10(3).

CHAPTER II

Financial framework

Article 9

Financial envelope

1. The financial envelope for the implementation of the Programme for the period from 1 January 2014 to 31 December 2020 shall be EUR 7 344 000 (in current prices).
2. Within the financial envelope for the Programme, amounts shall be allocated to eligible actions listed in Article 8(2) in accordance with the indicative allocation of funds laid down in the Annex.

The Commission shall not depart from that indicative allocation of funds by more than 10 %. Should it prove necessary to exceed that limit, the Commission shall be empowered to adopt delegated acts in accordance with Article 14 to modify the indicative allocation of funds laid down in the Annex.

3. The annual appropriations shall be authorised by the European Parliament and the Council within the limits of the multiannual financial framework.

Article 10

Types of financial support and co-financing

1. The Commission shall implement the Programme in accordance with Regulation (EU, Euratom) No 966/2012.
2. Financial support under the Programme for eligible actions listed in Article 8(2) shall take the form of either:
 - (a) grants; or
 - (b) public procurement.
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 75 % 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 eligible actions listed in Article 8(2) are organised jointly by the Commission and the ECB, Eurojust, Europol or Interpol -, the ensuing expenses shall be divided among them. In any event, each of them shall bear the travel and accommodation costs of its own guest speakers.

Article 11
Annual work programmes

In order to implement the Programme, the Commission shall adopt annual work programmes.

Each annual work programme shall implement the general and specific objectives provided for in Articles 3 and 4 respectively by setting out the following:

- (a) the actions to be undertaken in accordance with such general and specific objectives, including the indicative allocation of funds and the method of implementation;
- (b) for grants: the essential selection criteria and the maximum possible rate of co-financing.

Funds allocated to communication actions under the Programme shall also contribute to covering the corporate communication of the Union's political priorities, as far as they relate to the general objective set out in Article 3.

Article 12
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 (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹ and Council Regulation (Euratom, EC) No 2185/96² 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.
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.

¹ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

² 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 (OJ L 292, 15.11.1996, p. 2).

CHAPTER III

Monitoring, evaluation and delegated powers

Article 13

Monitoring and evaluation

1. The Programme shall be implemented by the Commission in cooperation with the Member States, through regular consultations at different stages of the implementation of the Programme, within the committee referred to 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 and other beneficiaries 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 efficient and cost-effective use of resources and its added value for the Union. The evaluation report shall be prepared with a view to informing 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 impact and the sustainability of effects of the Programme shall also be evaluated with a view to informing a decision on a possible renewal, modification or suspension of any 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 14
Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 9 shall be conferred on the Commission from 1 January 2014 to 31 December 2020.
3. The delegation of power referred to in Article 9 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 9 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

CHAPTER IV

Final provisions

Article 15

Repeal

Decisions 2001/923/EC, 2001/924/EC, 2006/75/EC, 2006/76/EC, 2006/849/EC and 2006/850/EC are repealed.

However, financial obligations relating to actions pursued under those Decisions shall continue to be governed by those Decisions until the fulfilment of those obligations.

Article 16
Entry into force

This Regulation shall enter into force on the 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 ...,

For the European Parliament
The President

For the Council
The President

ANNEX

Indicative allocation of funds for eligible actions listed in Article 8(2)

Within the financial envelope for the Programme as set out in Article 9, a minimum of 90 % of the budget shall be allocated to the following eligible actions listed in Article 8(2):

- Exchange and dissemination of information;
 - Technical, scientific and operational assistance;
 - Grants to finance the purchase of equipment to be used by specialised anti-counterfeiting authorities.
-