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## INFORMATION NOTE

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From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
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 for the period 2021-2027 (the "Pericles IV programme") - Outcome of the European Parliament's first reading, (Strasbourg, 11 to 14 February 2019)

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## I. INTRODUCTION

The rapporteur, Dennis DE JONG (GUE/NGL, NL), presented the report on the proposal for a Regulation on behalf of the Committee on Civil Liberties, Justice and Home Affairs.

## II. VOTE

When it voted on 13 February 2019, the plenary adopted the report in a single vote with 593 votes in favour, 29 votes against and 27 abstentions.

The Commission's proposal as thus amended constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto<sup>1</sup>.

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<sup>1</sup> The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in ***bold and italics***. The symbol "■" indicates deleted text.

**Exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2021-2027 (Pericles IV programme) \*\*\*I**

**European Parliament legislative resolution of 13 February 2019 on the 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 for the period 2021-2027 (the ‘Pericles IV programme’) (COM(2018)0369 – C8-0240/2018 – 2018/0194(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM(2018)0369),
  - having regard to Article 294(2) and Article 133 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0240/2018),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to Rule 59 of its Rules of Procedure,
  - having regard to the report of the Committee on Civil Liberties, Justice and Home Affairs (A8-0069/2019),
1. Adopts its position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

## Amendment 1

### Proposal for a regulation

#### Recital 1

##### *Text proposed by the Commission*

(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.

##### *Amendment*

(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 **to ensure** the effectiveness of the Union's economy and **secure** the sustainability of public finances.

## Amendment 2

### Proposal for a regulation

#### Recital 3

##### *Text proposed by the Commission*

(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.

##### *Amendment*

(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. **Such actions also help addressing the common challenges and links with money laundering and organised crime.**

## Amendment 3

**Proposal for a regulation**  
**Recital 4**

*Text proposed by the Commission*

(4) A programme for the protection of the euro against counterfeiting 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.

*Amendment*

(4) A programme for the protection of the euro against counterfeiting contributes to raising the awareness of Union citizens, **increasing their confidence in that currency and** improving the protection of the euro, especially through the constant dissemination of results of actions supported by that programme.

**Amendment 4**

**Proposal for a regulation**  
**Recital 4 a (new)**

*Text proposed by the Commission*

*Amendment*

***(4a) Sound protection of the euro against counterfeiting is a key component of a secure and competitive EU economy, and directly linked to the EU objective of improving the efficient functioning of the Economic and Monetary Union.***

**Amendment 5**

**Proposal for a regulation**  
**Recital 6**

*Text proposed by the Commission*

(6) In *the* Communication to the European Parliament and to the Council on the mid-term evaluation of the **Pericles 2020** Programme, the Commission came to the conclusion that the continuation of the **Pericles 2020 programme** beyond 2020 should be supported, given its **EU** added value, its long-term impact and the

*Amendment*

(6) ***Contrary to standard procedure, a separate impact assessment of the Programme was not carried out. This can be partly explained by the fact that in 2017 the Commission carried out a mid-term evaluation of the Programme, supported by an independent report<sup>1a</sup>. Although the report is generally positive about the Programme, it expresses***

sustainability of its actions.

*concerns about the limited number of competent authorities participating in the activities of the Programme and the quality of the key performance indicators used for measuring the results of the Programme.* In its Communication to the European Parliament and to the Council on the mid-term evaluation of the Programme of the Pericles 2020 Programme *and its ex ante evaluation in the form of a Staff Working Document accompanying its proposal (COM(2018)0369)*, the Commission came to the conclusion that the continuation of the Programme beyond 2020 should be supported, given its *Union* added value, its long-term impact and the sustainability of its actions *and contribution to combating organised crime.*

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*<sup>1a</sup> SWD(2017)444 final and  
Ares(2917)3289297 '30/06/2017*

## Amendment 6

### Proposal for a regulation

#### Recital 7

##### *Text proposed by the Commission*

(7) The advice contained in the mid-term evaluation was that actions financed under the Pericles 2020 Programme should be continued, *taking into account possibilities* to simplify the submitting of applications, to encourage differentiation of beneficiaries, to continue focusing on emerging and recurrent counterfeiting threats and to streamline the key performance indicators.

##### *Amendment*

(7) The advice contained in the mid-term evaluation was that actions financed under the Pericles 2020 Programme should be continued, *while addressing the need* to simplify the submitting of applications, to encourage differentiation of beneficiaries *and the participation of a maximum of competent authorities from various countries in the activities of the Programme*, to continue focusing on emerging and recurrent counterfeiting threats and to streamline the key performance indicators.

## Amendment 7

**Proposal for a regulation**  
**Recital 7 a (new)**

*Text proposed by the Commission*

*Amendment*

***(7a) Counterfeiting hotspots have been detected in third countries and the counterfeiting of the euro is acquiring a growing international dimension; therefore, capacity building and training activities involving the competent authorities of third countries should be considered essential to achieve the effective protection of the Union's single currency and should be further encouraged in the context of the Programme.***

**Amendment 8**

**Proposal for a regulation**  
**Recital 8**

*Text proposed by the Commission*

*Amendment*

(8) Therefore a new Programme for the period 2021-2027 (the 'Pericles IV programme') should be adopted. It should be ensured that the Pericles IV 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 IV programme.

(8) Therefore a new Programme for the period 2021-2027(the 'Pericles IV programme') should be adopted. It should be ensured that the Pericles IV 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 IV programme. ***Moreover, the Commission should draw on the vast***

*experience of the European Central Bank in relation to the conduct of training and the provision of information on counterfeit euro banknotes when implementing the programme.*

## Amendment 9

### Proposal for a regulation Recital 10

#### *Text proposed by the Commission*

(10) This Regulation complies with the principles of added value and proportionality. The Pericles IV 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.

#### *Amendment*

(10) This Regulation complies with the principles of added value and proportionality. The Pericles IV 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 ***timely and comprehensive*** information exchange between competent authorities.

## Amendment 10

### Proposal for a regulation Recital 12

#### *Text proposed by the Commission*

(12) In order to ***ensure uniform conditions for the implementation of the Pericles IV programme, implementing powers*** should be ***conferred on the***

#### *Amendment*

(12) In order to ***supplement and amend non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty 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 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.

***Functioning of the European Union*** should be ***delegated to the Commission in respect of work programmes as provided for in Article 10 and indicators as provided for in Article 12 and the Annex.*** The Commission should adopt annual work programmes setting out the priorities, the budget breakdown and the evaluation criteria for the grants for actions. 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. ***It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making<sup>1a</sup>. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.***

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***<sup>1a</sup> Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making of 13 April 2016 (OJ L 123, 12.5.2016, p. 1).***

## Amendment 11

### Proposal for a regulation

#### Article 2 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

To prevent and combat counterfeiting and related fraud, thus *enhancing the competitiveness of* the Union's economy and securing the sustainability of public finances.

To prevent and combat counterfeiting and related fraud, thus *preserving the integrity of the euro banknotes and coins, which strengthens the trust of citizens and business in the genuineness of these banknotes and coins therefore enhances the trust in* the Union's economy, *while* and securing the sustainability of public finances.

## Amendment 12

### Proposal for a regulation Article 3 – paragraph 1

#### *Text proposed by the Commission*

1. The financial envelope for the implementation of the Programme for the period from 1 January 2021 to 31 December 2027 shall be EUR 7 700 000 (in current prices).

#### *Amendment*

1. The financial envelope for the implementation of the Programme for the period from 1 January 2021 to 31 December 2027 shall be EUR 7 700 000<sup>1a</sup> (in current prices).

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<sup>1a</sup> *Indicative amount only, depending on overall MFF.*

## Amendment 13

### Proposal for a regulation Article 4 – paragraph 2

#### *Text proposed by the Commission*

2. 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, *taking into account* relevant measures undertaken by other competent entities, in particular the European Central Bank and Europol.

#### *Amendment*

2. 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, *whilst ensuring consistency and avoiding unnecessary duplication with* relevant measures undertaken by other competent entities, in particular the European Central Bank and Europol. *To*

*this effect, when preparing the work programmes pursuant to Article 10, the Commission shall take into account existing and planned ECB and Europol activities against euro counterfeiting and fraud.*

#### **Amendment 14**

##### **Proposal for a regulation**

##### **Article 6 – paragraph 1 – point a – indent -1 (new)**

*Text proposed by the Commission*

*Amendment*

- *best practices in preventing counterfeiting and fraud relating to the euro;*

#### **Amendment 15**

##### **Proposal for a regulation**

##### **Article 6 – paragraph 1 – point a – indent 3**

*Text proposed by the Commission*

*Amendment*

— use of detection tools *with computer back-up*;

— use of detection tools;

*Justification*

*To ensure all possible tools are covered.*

#### **Amendment 16**

##### **Proposal for a regulation**

##### **Article 6 – paragraph 1 – point b – indent 4**

*Text proposed by the Commission*

*Amendment*

— support for cooperation in operations involving at least two States when such

— support for cooperation in operations involving at least two States when such

support *is not* available from other programmes of European institutions and bodies;

support *cannot be made* available from other programmes of European institutions and bodies;

## Amendment 17

### Proposal for a regulation Article 6 – paragraph 3

*Text proposed by the Commission*

3. The groups referred to in paragraph 2 of this Article may include participants from third countries *if that is important for the fulfilment of the objectives provided for in Article 2.*

*Amendment*

3. The groups referred to in paragraph 2 of this Article may include participants from third countries.

*Justification*

*The objectives of Article 2 (and of the whole Regulation) must be pursued anyway.*

## Amendment 18

### Proposal for a regulation Article 10 – paragraph 1

*Text proposed by the Commission*

1. The *Programme shall be implemented by* work programmes as referred to in Article 110 of the Financial Regulation.

*Amendment*

1. The *Commission is empowered to adopt delegated acts in accordance with Article 11 to adopt* work programmes as referred to in Article 110 of the Financial Regulation.

## Amendment 19

### Proposal for a regulation Article 11 – paragraph 2

*Text proposed by the Commission*

2. The delegation of power referred to in *Article* 12(2) shall be conferred on the Commission from 1 January 2021 until 31

*Amendment*

2. The delegation of power referred to in *Articles 10(1) and* 12(2) shall be conferred on the Commission from 1

**Amendment 20****Proposal for a regulation  
Article 11 – paragraph 3***Text proposed by the Commission*

3. The delegation of power referred to in **Article 12(2)**, may be revoked at any time by the European Parliament or 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.

*Amendment*

3. The delegation of power referred to in **Articles 10(1) and 12(2)**, may be revoked at any time by the European Parliament or the Council. A decision to revoke shall put an end to the delegation of 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.

**Amendment 21****Proposal for a regulation  
Article 11 – paragraph 4***Text proposed by the Commission*

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.

*Amendment*

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016, **as well as representatives from the ECB and Europol.**

**Amendment 22****Proposal for a regulation  
Article 12 – paragraph 3**

*Text proposed by the Commission*

3. The Commission shall provide annual information on the results of the Programme to the European Parliament **and to** the Council, taking into account the quantitative and qualitative indicators set out in the Annex to this proposal.

*Amendment*

3. The Commission shall provide annual information on the results of the Programme to the European Parliament, the Council, **the European Central Bank, Europol, Eurojust, and the European Public Prosecutor's Office (EPPO)**, taking into account the quantitative and qualitative indicators set out in the Annex to this proposal.

**Amendment 23**

**Proposal for a regulation  
Article 13 – paragraph 3**

*Text proposed by the Commission*

3. The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, the Council **and** the European Central Bank.

*Amendment*

3. The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, the Council, the European Central Bank, **Europol, Eurojust and the European Public Prosecutor's Office.**

**Amendment 24**

**Proposal for a regulation  
Article 14 – paragraph 1**

*Text proposed by the Commission*

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results), by providing coherent, effective and proportionate targeted information to multiple audiences,

*Amendment*

1. The recipients of Union funding shall acknowledge the origin and ensure the **transparency and** visibility of the Union funding (in particular when promoting the actions and their results), by providing coherent, effective and proportionate targeted information to multiple audiences,

including the media and the public.

including the media and the public.

## Amendment 25

### Proposal for a regulation

#### Annex I – paragraph 1 – introductory part

##### *Text proposed by the Commission*

The Programme will be monitored closely on the basis of a set of indicators intended to measure the extent to which the general and specific objectives of the Programme have been achieved **and with a view to minimising administrative burdens and costs**. To that end, data will be collected as regards the following set of key indicators:

##### *Amendment*

The Programme will be monitored closely on the basis of a set of indicators intended to measure, **at minimal administrative burdens and costs**, the extent to which the general and specific objectives of the Programme have been achieved. To that end, data will be collected as regards the following set of key indicators:

## Amendment 26

### Proposal for a regulation

#### Annex I – paragraph 1 – point a

##### *Text proposed by the Commission*

(a) **Number of counterfeit euros detected;**

##### *Amendment*

(a) **The number of Member States and third countries, of which competent national authorities have participated in the activities under the Programme;**

## Amendment 27

### Proposal for a regulation

#### Annex I – paragraph 1 – point b

##### *Text proposed by the Commission*

(b) **Number of illegal workshops dismantled; and**

##### *Amendment*

(b) **The number of participants and their satisfaction rate as well as any other feedback they may have given concerning the usefulness of the activities under the Programme;**

## Amendment 28

### Proposal for a regulation Annex I – paragraph 1 – point c

*Text proposed by the Commission*

(c) **Feedback** received from **participants in the actions financed by** the Programme.

*Amendment*

(c) **Information** received from **national competent authorities of the number of counterfeit euros detected and illegal workshops dismantled as a direct consequence of improved co-operation through** the Programme.

## Amendment 29

### Proposal for a regulation Annex I – paragraph 2 – introductory part

*Text proposed by the Commission*

The data and information for the key performance indicators shall be collected annually by the **following actors**:

*Amendment*

The data and information for the key performance indicators shall be collected annually by the **Commission and the beneficiaries of the Programme**.