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PROPOSAL

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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2028-2034 (the 'Pericles V' programme) and repealing Regulation (EU) 2021/840

Delegations will find attached document COM(2025) 462 final.

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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2028-2034 (the 'Pericles V' programme) and repealing Regulation (EU) 2021/840

{SWD(2025) 253 final}

EXPLANATORY MEMORANDUM

CONTEXT OF THE PROPOSAL

- **Reasons and objectives**

The euro is, as the single currency of the Union, a core European interest, the integrity of which needs to be protected in all its dimensions. The threat of counterfeiting is still substantial. Even though the average number of annually detected counterfeit euro banknotes remains under control, continued vigilance is needed, as demonstrated by the increasing availability of high quality counterfeit euro's and security features on the internet/darknet, the emergence of altered design banknotes, and the existence of counterfeiting hotspots, e.g. in Türkiye and China. Furthermore, euro cash continues to be used widely in the EU alongside electronic means of payment, therefore necessitating ongoing protection against counterfeiting of the single currency. Counterfeits harm citizens and businesses that are not reimbursed for counterfeits even if received in good faith. More generally, it impacts the legal tender status of and trust of citizens and businesses in genuine euro notes and coins.

- **Consistency with existing policy provisions**

Since the introduction of the euro as a single currency, there is the need to protect the euro against counterfeiting at EU level and to have a specific programme dedicated for this purpose. The current "Pericles IV" programme is specifically dedicated to the protection of euro banknotes and coins against counterfeiting, and was established by Regulation (EU) 2021/840 of the European Parliament and of the Council of 20 May 2021¹.

Pericles IV's distinct transnational and multi-disciplinary² approach and focus on capacity-building to protect the euro makes it unique among EU-level programmes. As assessed continuously in the programme's annual reports, it is clearly complementary to the *Technical Assistance and Information Exchange (TAIEX)* instrument, that is most often used in support of accession negotiations, and the Internal Security Fund - Police³, which covers the prevention and combating of crime in general. Following the inclusion of counterfeiting of currencies as one of the priorities in the Operational Action Plan of EMPACT⁴, the Commission is closely coordinating with the EMPACT driver in order to maximise the complementarity between the two sources of financing. Given its specialisation and interdisciplinarity, the Pericles programme takes the initiative with regard to training and capacity building, while EMPACT focuses its activities on law enforcement operational support actions.

¹ Regulation (EU) 2021/840 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 IV' programme) (OJ L 103, 5.4.2014, p. 1). That Regulation repealed Regulation (EU) No 331/2014.

² Police, judicial authorities, national central banks, technical analysis laboratories, mints, relevant private stakeholders and scientific institutions can all be included in Pericles IV actions as participants.

³ Regulation (EU) 2021/1149 of the European Parliament and of the Council of 7 July 2021 establishing the Internal Security Fund (OJ L 251, 15.7.2021, pp. 94–131).

⁴ EMPACT (European Multidisciplinary Platform Against Criminal Threats) is a security initiative driven by EU Member States to identify, prioritise and address threats posed by organised and serious international crime. In 2021, EMPACT became a permanent instrument, as set out in the Council conclusions on the permanent continuation of the EU Policy Cycle for organised and serious international crime. The driver Member State for the EMPACT priority covering "Intellectual Property Crime, Counterfeiting of Goods and Currencies" is Bulgaria.

This legislative proposal concerns the initiative to continue the Pericles programme beyond 2027.

- **Consistency with other Union policies**

The prevention and combatting of counterfeiting and counterfeiting-related fraud helps to preserve the integrity of the euro, thus strengthening the trust of citizens and business in the genuineness of the euro and therefore contributing to ensuring the effective functioning of the euro, safeguarding fiscal and financial stability in the EU and fostering the international use of the Union's single currency for trade, financial services and investment.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

Union's legislation concerning the protection of the euro against counterfeiting falls within the scope of Article 133 of the Treaty on the Functioning of the European Union (TFEU). This provision provides that the European Parliament and the Council, acting in accordance with the ordinary legislative procedure shall, after consultation of the European Central Bank, lay down the measures necessary for the use of the euro as the single currency. As with the previous editions of the programme, the application of the Pericles V programme will be extended to the Member States whose currency is not the euro, through a proposal for a parallel Council Regulation based on Article 352 TFEU.

- **Subsidiarity (for non-exclusive competence)**

In accordance with Article 5(3) TEU, the principle of subsidiarity does not apply in areas which fall within the Union's exclusive competence. In accordance with Article 3(1)(c) TFEU, the EU has an exclusive competence to lay down the measures necessary for the use of the euro as the single currency for the Member States whose currency is the euro. In this area, action by the euro area Member States is not possible and the principle of subsidiarity thus does not apply.

- **Proportionality**

The proposed Regulation is necessary, suitable and appropriate for achieving the desired end. It proposes to efficiently strengthen cooperation among the Member States and between the Commission and the Member States, without restricting Member States' capability to protect the euro against counterfeiting. Action at Union level is 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.

- **Choice of the instrument**

The proposed instrument is a Regulation, in continuity with Regulation (EU) 2021/840 establishing the Pericles IV programme. The Regulation has proven to provide the legal certainty required for an effective protection of the euro against counterfeiting which could not have been achieved by means of other legal instruments.

The application of the Pericles programme will be extended to the Member States whose currency is not the euro, through a proposal for a parallel Council Regulation in continuity with Council Regulation (EU) 2021/1696.

3. RESULTS OF RETROSPECTIVE EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Retrospective evaluations/fitness checks of existing legislation**

An interim evaluation of the Pericles IV programme was conducted in 2024, in accordance with Article 13 of Regulation (EU) 2021/840. The evaluation concludes that the Pericles IV Programme is delivering on its objective of contributing to the prevention and combating of euro counterfeiting, thereby preserving the integrity of euro banknotes and coins.

The Programme has generally proven **effective** in improving information exchange, technical skills, institutional frameworks and operational capabilities in combating euro counterfeiting, in both EU Member States and in third countries. It has successfully facilitated networking and collaborative investigations, leading to significant achievements such as investigations resulting in euro counterfeit seizures and dismantled criminal organisations.

By providing technical trainings, seminars, staff exchanges, and studies, the Programme has supported measures undertaken by Member States, especially where national funding is limited. The Pericles IV Programme has therefore ensured an **efficient** use of resources thus far in achieving the Programme's outputs, results, and impacts. While management costs are comparatively high in relative terms compared to similar programmes, this is mainly due to the limited overall budget of the Programme. Their overall share is also declining due to digitalisation, indicating overall efficiency gains. The close involvement of the Commission services in the coordination and implementation of actions, for example by chairing the Euro Counterfeiting Expert Group's (ECEG) meetings, ensures Member State buy-in and effective monitoring. The Pericles IV generation of the Programme undergoes interim and ex-post evaluations, although given its small size and the high degree of continuity over multiple programming periods, the question of the proportionality of two evaluation requirements per funding cycle relative to the overall budget led to the suggestion for the next generation of the programme to replace one of the two evaluations with an implementation report.

Additionally, the Programme is found to be **complementary and coherent** relative to initiatives undertaken by other Union institutions, such as the ECB and Europol. As Member State initiatives are limited in scope, the Programme fills this gap by offering multinational and multidisciplinary actions that provide expertise and foster relationship-building among Member States and with third countries. Indeed, the Programme offers significant **EU added value** by establishing and enhancing relationships and cooperation among Member States, third countries, Union institutions, and international organisations that are beyond the reach of individual national authorities.

The Pericles IV programme also continues to be highly **relevant** and has adapted to evolving threats. Continuous attention is needed to counter emerging counterfeiting threats and to ensure that the number of euro counterfeits detected remains under control and at low levels: as long as cash is used, the risk posed by counterfeits persists. Current threats which the future programme will need to address include the distribution of counterfeits and high quality components on the internet/darknet, as well as countering 'movie money' and 'prop copy' products. It also includes potential threats relating to the future digital euro and the impact of Artificial Intelligence on counterfeit currency production and identification. Finally, the evaluation pointed out that the Programme works to ensure the **sustainability** over time of its outputs and future progress towards its objectives by the transfer of knowledge through

regular follow-up actions and ongoing support from the Programme. Stakeholders point to evolving threats and a degree of staff turnover within competent national authorities, and emphasise the need for repeated training every 2-3 years, which attests to the importance of continuing the programme with a similar scope.

- **Stakeholder consultations**

The proposals for EU programmes under the next multiannual financial framework were preceded by seven public consultations⁵, most notably on EU funding for the single market, and cooperation between national authorities; EU funding for competitiveness; or implementing EU funding with Member States and regions. The consultations targeted a wide range of stakeholders, including citizens, businesses, SMEs, public authorities, recipients of EU funding, civil society organisations, academia, and international stakeholders.

These consultations corroborate the need for streamlined investments in EU competitiveness and the single market at EU level, including through cooperation between national administrations. They show a pronounced agreement among key stakeholders that the single market is strengthened through the optimisation of technical and administrative capacities for Member States; that national authorities, citizens, consumers, and businesses are empowered by resolving knowledge and data gaps; or that addressing transnational challenges and facilitating cross-border cooperation are areas with a clear EU added value.

- **Impact assessment**

In line with the requirements set out by the EU Financial Regulation⁶ and the better regulation guidelines⁷, programmes which provide continuity as regards content and structure or have a relatively small budget, do not require an impact assessment but rather an ex-ante evaluation in the form of a Staff Working Document. The ex-ante evaluation SWD (SWD(...)) accompanying this proposal fulfils the Better Regulation requirements. It assesses that the continuation of the Pericles programme would ensure its continued effectiveness in protecting the euro against counterfeiting and counterfeiting-related fraud, notably by ensuring targeted Commission direct actions complementing Member States' actions, and would sustain the long-term effects of the programme as confirmed by its interim evaluation. The high-level of EU added value of the programme is derived from its unique focus, reflected in its legal basis in Article 133 of TFEU, which along with its transnationality and multi-disciplinarity makes it stand out in relation to other EU programmes and national modes of action. Furthermore, with the Commission in charge of both the direct management of the programme and the designing and implementation of EU policy and legislation for the protection of the euro, it guarantees the effective achievement of the objectives of the programme, since it links legislation and policy with the implementation of the programme.

The continuation of the current programme with an increased envelope would ensure its continued effectiveness, also by ensuring targeted Commission direct actions complementing Member States' actions, and would sustain the long-term effects of the programme as confirmed by its interim evaluation. The increased budget would likely result in an increased

⁵ Please see the following link: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14525-EUs-next-long-term-budget-MFF-EU-funding-for-the-single-market-and-cooperation-between-national-authorities_en

⁶ European Commission: Directorate-General for Budget, *Financial regulation applicable to the general budget of the Union (recast)*, Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2761/686790>

⁷ SWD(2021) 305 final

number of implemented actions and number of action participants compared to the Pericles IV programme period. It would thus assure the fulfilment of the objectives of the Programme by protecting the euro against counterfeiting and counterfeiting related fraud, ensuring an up-to-date framework to detect euro counterfeiting, adapting for upcoming and evolving threats, establishing and sustaining an effective and well-trained anti-counterfeiting network of experts.

- **Simplification**

The financial implementation of Pericles will be further simplified by an increased use of simplified cost options for grants which would reduce the administrative burden for the applicants to the programme.

- **Fundamental rights**

The proposal is in line and respects the Union values enshrined in Article 2 of the Treaty on the European Union and the fundamental rights enshrined in the Charter of Fundamental Rights of the European Union (the Charter), where the objectives of the proposed initiative are linked to the promotion of fundamental rights and the application of the Charter. For instance, the proposal promotes the freedom to conduct a business by guaranteeing the safe use of the Union's single currency as a payment method.

4. BUDGETARY IMPLICATIONS

The European Commission proposes to allocate an indicative financial envelope of EUR 7 000 000 (in current prices) to the programme for 2028-2034⁸. The detailed estimated financial impact of this proposal is presented in the legislative financial and digital statement enclosed with this proposal .

⁸ Insert reference once available.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing the exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2028-2034 (the 'Pericles V' programme) and repealing Regulation (EU) 2021/840

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 Bank⁹,

Acting in accordance with the ordinary legislative procedure

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 counterfeiting-related fraud, thus strengthening the trust of citizens and business in the genuineness of the euro and therefore contributing to ensuring the effective functioning of the euro, safeguarding fiscal and financial stability in the Union and fostering the international use of the euro for trade, financial services and investment.
- (2) Council Regulation (EC) No 1338/2001¹⁰ 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 1339/2001¹¹ 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.

⁹ OJ C , , ELI: p. .

¹⁰ 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](#), ELI: <http://data.europa.eu/eli/reg/2001/1338/oj>).

¹¹ 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](#), ELI: <http://data.europa.eu/eli/reg/2001/1338/oj>).

- (3) Past support for such actions, through Council Decisions 2001/923/EC¹² and 2001/924/EC¹³, which established the first Pericles programme and were subsequently amended and extended by Council Decisions 2006/75/EC, 2006/76/EC, 2006/849/EC, 2006/850/EC, and Regulations (EU) No 331/2014¹⁴ and (EU) 2021/840 of the European Parliament and of the Council¹⁵, have enhanced the actions of the Union and the Member States in the field of the protection of the euro against counterfeiting. Through these different acts, the Pericles programme has successfully contributed to ensuring the protection of the euro against counterfeiting.
- (4) In that respect, in its Communication on the results of the interim evaluation of the Pericles IV programme¹⁶, the Commission concluded that the current implementing structure of Pericles IV programme is generally effective, efficient, and sustainable and remains relevant in adapting to evolving threats. The Pericles IV programme addresses a critical gap in many Member States, where resources for organising international and multidisciplinary training on euro counterfeiting are often limited. By providing targeted support, the programme strengthens the Union's capacity to combat euro counterfeiting and supports the development of new relationships, networks and transnational cooperation efforts. Therefore, the Pericles programme should be continued beyond 2028.
- (5) The protection of the European single currency as a public good has a clear transnational dimension, and therefore euro protection goes beyond the interest and the responsibility of individual Member States. Considering the cross-border circulation of the euro and the deep involvement of international organised crime in euro counterfeiting, national protection frameworks should be complemented by Union initiative to ensure homogeneous national and international cooperation, and to face possible emerging transnational risks. Therefore by establishing the exchange, assistance and training programme for the protection of the euro against counterfeiting, this Regulation is necessary, suitable and appropriate for achieving the objectives of the Programme. The Programme should efficiently strengthen cooperation among the Member States and between the Commission and the Member States, without restricting Member States' capability to protect the euro against counterfeiting. Action at Union level is 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.

¹² 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, ELI: <http://data.europa.eu/eli/dec/2001/923/oj>).

¹³ 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, ELI: <http://data.europa.eu/eli/dec/2001/924/oj>).

¹⁴ Regulation (EU) No 331/2014 of the European Parliament and of the Council of 11 March 2014 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 (OJ L 103, 5.4.2014, p. 1, ELI: <http://data.europa.eu/eli/reg/2014/331/oj>).

¹⁵ Regulation (EU) 2021/840 of the European Parliament and of the Council of 20 May 2021 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2021-2027 (the 'Pericles IV' programme), and repealing Regulation (EU) No 331/2014 (OJ L 186, 27.5.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/840/oj>).

¹⁶ Communication from the Commission to European Parliament, the Council and the European Central Bank on the interim evaluation of the Programme for exchange, assistance and training for the protection of the euro against counterfeiting ('Pericles IV' Programme), COM(2025) 54 final.

- (6) This Regulation lays down an indicative financial envelope for the exchange, assistance and training programme for the protection of the euro against counterfeiting (the ‘Pericles V’ programme). For the purpose of this Regulation, current prices are calculated by applying a fixed 2% deflator.
- (7) In a rapidly changing economic, social and geopolitical environment, recent experience has shown the need for a more flexible multiannual financial framework and Union spending programmes. To that effect, and in line with the objectives of this Regulation, the funding should duly consider the evolving policy needs and Union’s priorities as identified in relevant documents published by the Commission, in Council conclusions and European Parliament resolutions while ensuring sufficient predictability for the budget implementation.
- (8) Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council¹⁷ applies to the ‘Pericles V’ programme. It lays down the rules on the establishment and the implementation of the general budget of the Union, including the rules on grants, prizes, non-financial donations, procurement, indirect management, financial assistance, financial instruments and budgetary guarantees.
- (9) In accordance with Regulation (EU, Euratom) 2024/2509, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹⁸, Council Regulation (EC, Euratom) No 2988/95¹⁹, Council Regulation (Euratom, EC) No 2185/96²⁰ and Council Regulation (EU) 2017/1939²¹, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulations (Euratom) No 883/2013 and (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor’s Office (EPPO) may investigate and prosecute fraud, corruption and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament

¹⁷ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

¹⁸ 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., ELI: <http://data.europa.eu/eli/reg/2013/883/oj>).

¹⁹ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p. 1, ELI: <http://data.europa.eu/eli/reg/1995/2988/oj>).

²⁰ 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, 15.11.96, p. 2, ELI: <http://data.europa.eu/eli/reg/1996/2185/oj>).

²¹ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor’s Office (‘the EPPO’) (OJ L 283, 31.10.2017, p. 1, ELI: <http://data.europa.eu/eli/reg/2017/1939/oj>).

and of the Council²². In accordance with Regulation (EU, Euratom) 2024/2509, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO and the European Court of Auditors and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

- (10) The Programme is to be implemented in accordance with Regulation (EU, Euratom) 202X/XXXX which establishes the rules for the expenditure tracking and the performance framework for the budget, including rules for ensuring a uniform application of the principles of 'do no significant harm' and gender equality referred to in Article 33(2), points (d) and (f), of Regulation (EU, Euratom) 2024/2509 respectively, rules for monitoring and reporting on the performance of Union programmes and activities, rules for establishing a Union funding portal, rules for the evaluation of the programmes, as well as other horizontal provisions applicable to all Union programmes such as those on information, communication and visibility.
- (11) Pursuant to Article 85(1) of Council Decision (EU) 2021/1764²³, persons and entities established in overseas countries and territories are eligible for funding under the Programme and subject to possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked.
- (12) Actions eligible for funding, 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 counterfeiting-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. In order for the Programme to be future-proof, there is a need to maintain the balance between the different types of actions eligible for funding, and the need to maintain its focus on current and emerging threats, including altered-design banknotes and the distribution of counterfeits through the internet. Eligible actions should also cover potential future developments, such as potential threats to the future digital euro, and potential threats posed by and investigational opportunities offered by artificial intelligence. The purchase of equipment to be used by specialised anti-counterfeiting authorities of third countries for protecting the euro against counterfeiting is also vital to provide for an adequate protection of the euro in third countries, but the purchase of equipment should also be accompanied by the training necessary for its use. Therefore, for this type of action, the purchase of equipment should not be the sole component of the action.
- (13) To take into account the transnational and multidisciplinary aspects of the fight against counterfeiting, a balance between the different target groups and participants in the Programme's actions is necessary. Therefore, all actions should be transnational and multidisciplinary in nature, and alongside traditional stakeholders such as law enforcement and national central banks, it is also beneficial to get the judiciary, customs and parcel and delivery services more involved in programme actions as participants,

²² Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29, ELI: <http://data.europa.eu/eli/dir/2017/1371/oj>).

²³ Council Decision (EU) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland) (OJ L 355, 7.10.2021, p. 6, ELI: <http://data.europa.eu/eli/dec/2021/1764/oj>).

- (14) The Programme replaces the programme established by Regulation (EU) 2021/840 for 2021 to 2027. Regulation (EU) 2021/840 should therefore be repealed.
- (15) To ensure a smooth transition without interruption between the Pericles IV programme and the Pericles V programme it is appropriate to align the duration of the Pericles V programme with the period of application[reference to the post 2027 MFF Regulation] Regulation (EU, Euratom) .../20xx[?]]. Therefore, the Pericles V programme should apply from 1 January 2028,

HAVE ADOPTED THIS REGULATION:

Article [1]

Subject matter

This Regulation establishes the exchange, assistance and training programme for the protection of the euro against counterfeiting (the ‘Pericles V’ programme) (the ‘Programme’) and lays down the objectives of the Programme, its budget for the period 2028-2034, the forms of Union funding and the rules for providing such funding.

Article [2]

Programme objectives

1. The general objective of the Programme is to prevent and combat counterfeiting and counterfeiting-related fraud and preserve the integrity of the euro, thus strengthening the trust of citizens and business in the genuineness of the euro and therefore contributing to ensuring the effective functioning of the euro, safeguarding fiscal and financial stability in the Union and fostering the international use of the euro for trade, financial services and investment.
2. The Programme has the specific objective to protect the euro against counterfeiting and counterfeiting-related fraud, taking also into account potential future developments, such as potential threats to the future digital euro, and potential threats posed by and investigational opportunities offered by artificial intelligence. It does so by supporting and supplementing the measures undertaken by 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.

Article [3]

Budget

1. The indicative financial envelope for the implementation of the Programme for the period 2028-2034 is set at EUR 7 000 000 in current prices.

2. Appropriations may be entered in the Union budget beyond 2034 to cover the expenses necessary and to enable the management of actions not completed by the end of the Programme.
3. The financial envelope referred to in paragraph 1 of this Article and the amounts of additional resources referred to in Article 4 may also be used for technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities, corporate information technology systems and platforms, information, visibility and communication activities, including corporate communication on the political priorities of the Union, and all other technical and administrative assistance or staff-related expenses incurred by the Commission for the management of the Programme.

Article [4]

Additional resources

1. Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions, or other third parties, may make additional financial or non-financial contributions to the Programme. Additional financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e), or Article 21(5) of Regulation (EU, Euratom) 2024/2509.
2. Resources allocated to Member States under shared management may, at their request, be made available to the Programme. The Commission shall implement those resources directly or indirectly in accordance with Article 62(1), point (a) or (c), of Regulation (EU, Euratom) 2024/2509. They shall be additional to the amount referred to in Article 3(1) of this Regulation. Those resources shall be used for the benefit of the Member State concerned. Where the Commission has not entered into a legal commitment under direct or indirect management for additional amounts thus made available to the Programme, the corresponding uncommitted amounts may, at the request of the Member State concerned, be transferred back to one or more respective source programmes or their successors.

Article [5]

Alternative, combined and cumulative funding

1. The Programme shall be implemented in synergy with other Union programmes. An action that has received a Union contribution from another programme may also receive a contribution under the Programme. The rules of the relevant Union programme shall apply to the corresponding contribution or a single set of rules may be applied to all contributions and a single legal commitment may be concluded. If the Union contribution is based on eligible costs, the cumulative support from the Union budget shall not exceed the total eligible costs of the action and may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.
2. Award procedures under the Programme may be jointly conducted under direct or indirect management with Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions, or

other third parties ('partners to the joint award procedure'), provided the protection of the financial interests of the Union is ensured. Such procedures shall be subject to a single set of rules and lead to the conclusion of single legal commitments. For that purpose, the partners to the joint award procedure may make resources available to the Programme in accordance with Article [5] of this Regulation, or the partners may be entrusted with the implementation of the award procedure, where applicable in accordance with Article 62(1), point (c), of Regulation (EU, Euratom) 2024/2509. In joint award procedures, representatives of the partners to the joint award procedure may also be members of the evaluation committee referred to in Article 153(3) of Regulation (EU, Euratom) 2024/2509.

Article [6]

Third countries associated to the Programme

1. The Programme may be opened to the participation of the following third countries through full or partial association, in accordance with the objectives laid down in Article 2 and in accordance with the relevant international agreements or any decisions adopted under the framework of those agreements and applicable to:
 - (a) members of the European Free Trade Association which are members of the European Economic Area, as well as European micro-states;
 - (b) acceding countries, candidate countries and potential candidates;
 - (c) European Neighbourhood Policy countries;
 - (d) other third countries.
2. The association agreements for participation in the Programme shall:
 - (a) ensure a fair balance as regards the contributions and benefits of the third country participating in the Programme;
 - (b) lay down the conditions of participation in the Programme, including the calculation of financial contributions, consisting of an operational contribution and a participation fee, to a programme and its general administrative costs;
 - (c) not confer on the third country any decision-making power in the Programme;
 - (d) guarantee the rights of the Union to ensure sound financial management and to protect its financial interests;
 - (e) where relevant, ensure the protection of security and public order interests of the Union.

For the purposes of the first subparagraph, point (d), the third country shall grant the necessary rights and access required under Regulations (EU, Euratom) 2024/2509 and (EU, Euratom) No 883/2013, and guarantee that enforcement decisions imposing a pecuniary obligation on the basis of Article 299 TFEU, as well as judgements and orders of the Court of Justice of the European Union, are enforceable.

Article [7]

Implementation and forms of Union funding

1. The Programme shall be implemented in accordance with Regulation (EU, Euratom) 2024/2509, under direct management or under indirect management with entities referred to in Article 62(1), point (c), of that Regulation.
2. Union funding may be provided in any form in accordance with Regulation (EU, Euratom) 2024/2509, in particular grants, prizes, procurement, and non-financial donations.
3. Where Union funding is provided in the form of a grant, funding shall be provided as financing not linked to costs or, where necessary, simplified cost options, in accordance with Regulation (EU, Euratom) 2024/2509. Funding may be provided in the form of actual eligible cost reimbursement only where the objectives of an action cannot be achieved otherwise.

Article [8]

Eligibility

1. Eligibility criteria shall be set to support achievement of the objectives laid down in Article 2 of this Regulation, in accordance with Regulation (EU, Euratom) 2024/2509 and shall apply to all award procedures under the Programme.
2. In award procedures under direct and indirect management, one or more of the following legal entities may be eligible to receive Union funding, if those entities are appointed as the competent national authorities as defined in Article 2, point (b), of Regulation (EC) No 1338/2001:
 - (a) entities established in a Member State;
 - (b) entities established in an associated third country;
 - (c) international organisations;
 - (d) other entities established in non-associated third countries where the funding of such entities is essential for implementing the action and contributes to the objectives laid down in Article 3.
3. In addition to Article 168(2) and (3) of Regulation (EU, Euratom) 2024/2509, associated third countries referred to in Article 7(1) of this Regulation may, where relevant, participate in and benefit from any procurement mechanisms set out in Article 168(2) and (3) of Regulation (EU, Euratom) 2024/2509. Rules applicable to Member States shall be applied, *mutatis mutandis*, to participating associated third countries.
4. Award procedures affecting security or public order, in particular concerning strategic assets and interests of the Union or its Member States, shall be restricted in accordance with Article 136 of Regulation (EU, Euratom) 2024/2509.
5. Actions which may be eligible for support under the Programme include :
 - (a) exchanges and dissemination of information on the topics listed in the Annex, in particular through organising workshops, meetings and

seminars, including training, targeted placements and exchanges of staff of competent national authorities and other similar actions;

- (b) necessary technical, scientific and operational assistance, as listed in the Annex;
- (c) the purchase of equipment to be used by specialised anti-counterfeiting authorities of third countries for protecting the euro against counterfeiting.

Actions referred to in the first subparagraph, point (c), shall be exclusively implemented through grants and the purchase of equipment shall not be the sole component of the grant agreement.

- 6. Any Actions funded by the Programme shall include the participation of trainers and/or trainees from at least two Member States and/or third countries, and from at least two of the professional groups listed in the Annex.
- 7. The professional groups referred to in paragraph 6 may include experts and participants from third countries.
- 8. Entities eligible for funding under the Programme shall be the competent national authorities as defined in Article 2, point b, of Regulation (EC) No 1338/2001. In cases where the programme is opened to the participation of third countries through full or partial association in accordance with Article 7 of this Regulation, those authorities that are appointed as the competent national authorities as defined in Article 2, point (b), of Regulation (EC) No 1338/2001 by those third countries shall also be considered eligible for funding.
- 9. In award procedures for grants, the actions or parts thereof, that are already fully financed from other public or private sources, except contributions from the Union in the context of synergy actions referred to in Article 5 shall not be eligible for funding.
- 10. The work programme referred to in Article 110 of Regulation (EU, Euratom) 2024/2509 may further specify the eligibility criteria set out in this Regulation or set additional eligibility criteria for specific actions.

Article [9]

Work programme

The Programme shall be implemented by work programmes referred to in Article 110 of Regulation (EU, Euratom) 2024/2509.

Article [10]

Repeal

Regulation (EU) 2021/840 is repealed with effect from 1 January 2028.

Article [11]

Transitional provisions

1. This Regulation shall not affect the continuation or modification of the actions concerned, until their closure, under Regulation (EU) 2021/840, which shall continue to apply to the actions concerned until their closure.
2. The financial envelope for the Programme may also cover technical and administrative assistance expenses necessary to ensure the transition between the Programme and the measures adopted under Regulation (EU) 2021/840.

Article [12]

Entry into force and application

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

It shall apply from 1 January 2028.

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*

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

1.	FRAMEWORK OF THE PROPOSAL/INITIATIVE	3
1.1.	Title of the proposal/initiative	3
1.2.	Policy area(s) concerned	3
1.3.	Objective(s)	3
1.3.1.	General objective(s)	3
1.3.2.	Specific objective(s)	3
1.3.3.	Expected result(s) and impact	3
1.3.4.	Indicators of performance	3
1.4.	The proposal/initiative relates to:	4
1.5.	Grounds for the proposal/initiative	4
1.5.1.	Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative	4
1.5.2.	Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.	4
1.5.3.	Lessons learned from similar experiences in the past	4
1.5.4.	Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments	5
1.5.5.	Assessment of the different available financing options, including scope for redeployment	5
1.6.	Duration of the proposal/initiative and of its financial impact	6
1.7.	Method(s) of budget implementation planned	6
2.	MANAGEMENT MEASURES	8
2.1.	Monitoring and reporting rules	8
2.2.	Management and control system(s)	8
2.2.1.	Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed	8
2.2.2.	Information concerning the risks identified and the internal control system(s) set up to mitigate them	8
2.2.3.	Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)	8
2.3.	Measures to prevent fraud and irregularities	9
3.	ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE	10
3.1.	Heading(s) of the multiannual financial framework and expenditure budget line(s) affected	10

3.2.	Estimated financial impact of the proposal on appropriations.....	12
3.2.1.	Summary of estimated impact on operational appropriations.....	12
3.2.1.1.	Appropriations from voted budget	12
3.2.1.2.	Appropriations from external assigned revenues	17
3.2.2.	Estimated output funded from operational appropriations.....	22
3.2.3.	Summary of estimated impact on administrative appropriations.....	24
3.2.3.1.	Appropriations from voted budget	24
3.2.3.2.	Appropriations from external assigned revenues	24
3.2.3.3.	Total appropriations	24
3.2.4.	Estimated requirements of human resources.....	25
3.2.4.1.	Financed from voted budget.....	25
3.2.4.2.	Financed from external assigned revenues	26
3.2.4.3.	Total requirements of human resources	26
3.2.5.	Overview of estimated impact on digital technology-related investments	28
3.2.6.	Compatibility with the current multiannual financial framework.....	28
3.2.7.	Third-party contributions	28
3.3.	Estimated impact on revenue	29
4.	DIGITAL DIMENSIONS	29
4.1.	Requirements of digital relevance.....	30
4.2.	Data	30
4.3.	Digital solutions	31
4.4.	Interoperability assessment	31
4.5.	Measures to support digital implementation	32

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Regulation of the European Parliament and of the Council establishing the Pericles V programme for the period 2028-2034.

1.2. Policy area(s) concerned

Protection of the euro against counterfeiting.

1.3. Objective(s)

1.3.1. General objective(s)

The general objective of the Programme is to prevent and combat counterfeiting and counterfeiting-related fraud and preserve the integrity of the euro, thus strengthening the trust of citizens and business in the genuineness of the euro and therefore contributing to ensuring the effective functioning of the euro, safeguarding fiscal and financial stability in the Union and fostering the international use of the euro for trade, financial services and investment.

1.3.2. Specific objective(s)

The Programme has the following specific objective: to protect the euro against counterfeiting and counterfeiting-related fraud, taking also into account potential future developments, such as potential threats to the future digital euro, and potential threats posed by and investigational opportunities offered by Artificial Intelligence. It does so by supporting and supplementing the measures undertaken by 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.

1.3.3. Expected result(s) and impact

The Pericles programme will help the beneficiaries – the competent authorities of Member States – in their work protecting the euro against counterfeiting and counterfeiting-related fraud through training, exchange of best practice and awareness raising. Target groups for the action of the programme will be all staff in public and private sector related to the protection of the euro.

1.3.4. Indicators of performance

This initiative will be monitored through the performance framework for the post-2027 budget, which is examined in a separate proposal. The performance framework provides for an implementation report during the implementation phase of the programme, as well as a retrospective evaluation to be carried out in accordance with Article 34(3) of Regulation (EU, Euratom) 2024/2509. The evaluation shall be conducted in accordance with the Commission's Better Regulation Guidelines and will be based on indicators relevant to the objectives of the programme

The output and result indicators for the purpose of monitoring progress and achievements of this programme will correspond to the common indicators provided under Regulation xxx [Horizontal Performance Regulation]

1.4. The proposal/initiative relates to:

- ☐ a new action
- ☐ a new action following a pilot project / preparatory action²⁴
- ☒ the extension of an existing action
- ☐ a merger or redirection of one or more actions towards another/a new action

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The euro is, as the single currency of the Union, a core European interest, the integrity of which needs to be protected in all its dimensions. The threat of counterfeiting is still substantial. Even though the average number of annually detected counterfeit euro banknotes remains under control, continued vigilance is needed, as demonstrated by the increasing availability of high quality counterfeit euro's and security features on the internet/darknet, the emergence of altered design banknotes, and the existence of counterfeiting hotspots within and outside the EU.. Furthermore, euro cash continues to be used widely in the EU alongside electronic means of payment, therefore necessitating ongoing protection against counterfeiting of the single currency. Counterfeits harm citizens and businesses that are not reimbursed for counterfeits even if received in good faith. More generally, it impacts the legal tender status of and trust of citizens and businesses in genuine euro notes and coins.

As the protection of the euro against counterfeiting requires continuous attention, the implementation of the initiative will be rolled out on a continuous basis, through dedicated grants and procured actions.

1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.

The protection of the European single currency as a public good has a clear transnational dimension, and therefore euro protection goes beyond the interest and the responsibility of individual EU Member States. Considering the cross-border circulation of the euro and the deep involvement of international organised crime in euro counterfeiting (production and distribution), national protection frameworks need to be complemented by an EU initiative to ensure homogeneous national and international cooperation, and to face possible emerging transnational risks.

. By providing targeted support, the Programme strengthens the EU's capacity to combat euro counterfeiting. An absence of the Programme would impact ongoing initiatives and hinder the development of new relationships and networks, impeding transnational cooperation efforts.

Expected generated EU added value

The Programme offers significant EU added value by establishing and enhancing relationships and cooperation among Member States, third countries, Union

²⁴ As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

institutions, and international organisations that are beyond the reach of individual national authorities, such as establishing a coordinated relationship with the Chinese authorities to counter threats such as the distribution of counterfeit euro holograms, and encouraging a common EU strategy to counter the threats posed by altered design banknotes.

By providing targeted support, the Programme strengthens the EU's capacity to combat euro counterfeiting. An absence of the Programme would impact ongoing initiatives and hinder the development of new relationships and networks, impeding transnational cooperation efforts.

1.5.3. *Lessons learned from similar experiences in the past*

A mid-term evaluation of the Pericles IV programme was conducted in 2024, in accordance with Article 13 of Regulation (EU) No 2021/840. The evaluation concludes that the Pericles IV Programme is delivering on its objective of contributing to the prevention and combating of euro counterfeiting, thereby preserving the integrity of euro banknotes and coins.

The Programme has generally proven effective in improving information exchange, technical skills, institutional frameworks and operational capabilities in combating euro counterfeiting, in both EU Member States and in third countries. It has successfully facilitated networking and collaborative investigations, leading to significant achievements such as investigations resulting in euro counterfeit seizures and dismantled criminal organisations.

According to the mid-term evaluation of the Pericles IV programme, the programme addresses a critical gap in many Member States, where resources for organising international and multidisciplinary trainings on euro counterfeiting are often limited. By providing technical trainings, seminars, staff exchanges, and studies, the Programme has supported measures undertaken by Member States, especially where national funding is limited. The Pericles IV Programme has therefore ensured an efficient use of resources thus far in achieving the Programme's outputs, results, and impacts. While management costs are comparatively high in relative terms compared to similar programmes, this is mainly due to the limited overall budget of the Programme. Their overall share is also declining due to digitalisation, indicating overall efficiency gains. The close involvement of the Commission services in the coordination and implementation of actions, for example by chairing the Euro Counterfeiting Expert Group's (ECEG) meetings, ensures Member State buy-in and effective monitoring. The Pericles IV generation of the Programme undergoes mid-term and ex-post evaluations, although given its small size and the high degree of continuity over multiple programming periods, the question of the proportionality of two evaluation requirements per funding cycle relative to the overall budget led to the suggestion for the next generation of the programme to replace one of the two evaluations with an implementation report.

Additionally, the Programme is found to be complementary and coherent relative to initiatives undertaken by other Union institutions, such as the ECB and Europol. As Member State initiatives are limited in scope, the Programme fills this gap by

offering multinational and multidisciplinary actions that provide expertise and foster relationship-building among Member States and with third countries.

The Pericles IV programme also continues to be highly relevant and has adapted to evolving threats. . Continuous attention is needed to counter emerging counterfeiting threats and to ensure that the number of euro counterfeits detected remains under control and at low levels: as long as cash is used, the risk posed by counterfeits persists. Current threats which the future programme will need to address include the distribution of counterfeits and high quality components on the internet/darknet, as well as countering ‘movie money’ and ‘prop copy’ products. It also includes potential threats relating to the future digital euro and the impact of Artificial Intelligence on counterfeit currency production and identification. Finally, the evaluation pointed out that the Programme works to ensure the sustainability over time of its outputs and future progress towards its objectives by the transfer of knowledge through regular follow-up actions and ongoing support from the Programme. Stakeholders point to evolving threats and a degree of staff turnover within competent national authorities, and emphasise the need for repeated training every 2-3 years, which attests to the importance of continuing the programme with a similar scope.

1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments

The initiative is part of the 2028-2034 multiannual financial framework proposal.

The Programme offers significant EU added value by establishing and enhancing relationships and cooperation among Member States, third countries, Union institutions, and international organisations that are beyond the reach of individual national authorities.

Possible synergies could be found with the Single Market Programme which will pool measures supported by the EU budget to break down cross-border and cross-country barriers and foster cooperation between national administrations, which Pericles will also contribute to, as well as to the efficient functioning of the single market by guaranteeing the safety of the single currency. Synergies with the European Competitiveness Fund can also found in that the Pericles V programme will also seek to contribute to strategic autonomy and the protection of critical infrastructure by ensuring the safe use of the euro as the single currency and a payment method.

1.5.5. Assessment of the different available financing options, including scope for redeployment

n/a

1.6. Duration of the proposal/initiative and of its financial impact

☒ **limited duration**

- ☒ in effect from 01/01/2028 to 31/12/2034
- ☒ financial impact from 2028 to 2034 for commitment appropriations and from 2028 to 2037 for payment appropriations.

☐ **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.7. Method(s) of budget implementation planned

☒ **Direct management** by the Commission

- ☒ by its departments, including by its staff in the Union delegations;
- ☐ by the executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

- ☐ third countries or the bodies they have designated
- ☐ international organisations and their agencies (to be specified)
- ☐ the European Investment Bank and the European Investment Fund
- ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation
- ☐ public law bodies
- ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees
- ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees
- ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act
- ☐ bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

Not applicable

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

The monitoring and reporting rules for this programme will follow the requirements laid down in Regulation xxx [Horizontal Performance Regulation]

2.2. Management and control system(s)

2.2.1. *Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

Budget implementation method:

The Programme shall be implemented through direct management by the Commission. This ensures that the Commission is in charge of both the direct management of the Programme and the designing and implementation of EU policy and legislation for the protection of the euro, covering prevention, enforcement and cooperation, allowing an optimal degree of synergy. This guarantees the effective achievement of the objectives of the Programme, since it links legislation and policy with the implementation of the Programme. Participation of the Commission in nearly every action supports preparation and presentation of the EU legislative and policy dimensions.

Funding implementation mechanism:

Financial support under the Programme for eligible actions shall take the form of either:

- (a) grants ('Competent National Authority-implemented actions'), or
- (b) public procurement ('direct actions').

The Commission makes use of procurement ('direct actions') with an aim to complement the grant actions and therefore meet the highest number of emerging threats and priorities.

The work programme will include all mandatory elements as per Article 110 of the Financial Regulation, including the budgetary allocation.

Payment modalities:

The Commission makes the following payments to the beneficiary:

- one pre-financing payment;
- one payment of the balance, on the basis of the request for payment of the balance.

The aim of the pre-financing is to provide the beneficiary with a float. The pre-financing remains the property of the Union until it is cleared against the payment of the balance. The payment of the balance reimburses or covers the remaining part of the eligible costs incurred by the beneficiary for the implementation of the action.

Control strategy:

The control procedures for both sections of the programme (grants & procurements) are in compliance with the Financial Regulation.

Ex-ante verifications (commitment & payments)

The Commission's choice of a financial circuit is for a partially decentralised model, with financial initiation and verification placed in the central finance unit and operational initiation, verification and final authorisation in the operational units. All files will be verified by at least 4 agents (the financial initiating agent and financial verifying agent in the budget unit and the operational initiating agent and verifying agent in the unit responsible for the expenditure) before they are accepted by the Authorising Officer by sub-delegation.

In all the Pericles procurement files, a Commission representative is present on the day of the action in order to supervise the good implementation of the funds (e.g. conferences and trainings).

Grants

- The grant agreement signed by the beneficiaries defines the conditions applying to the financing and activities resorting under the grant, including a chapter on control methods.
- In most of the Pericles grants, a Commission representative is present on the day of the action in order to contribute to the event (e.g.: speakers, trainers) and checking the good implementation of the action (e.g. conferences and trainings).

Procurement

- Detailed terms of reference are drafted and form the basis of the specific contract. Anti-fraud measures are foreseen in all contracts concluded between the Commission and the external party.
- The Commission performs controls of all deliverables and supervises all operations and services carried out by our framework contractor.

The controls established enable the Commission to have sufficient assurance of the quality and regularity of the expenditure and reduce the risk of non-compliance. The above mentioned controls reduce the potential risks virtually to zero and reach 100% of the beneficiaries. The programme control strategy is deemed efficient to limit the risk of noncompliance and is proportionate with the risk entailed given the small budget involved.

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

The level of risk is considered low for the grant agreements, since for 90% of the cases the beneficiaries are public administrations or law enforcement services in the Member States. For the contracts awarded on the basis of a procurement process the risks are narrowed since an important part of the expenditure is legally and financially covered by a framework contract concluded for 1 year with the possibility to extend 3 times.

In line with the Commission requirements, a risk assessment exercise will be performed each year.

An important risk identified in grant files is the lenient interpretation by the beneficiary of the grant conditions regarding eligibility of costs occurred in the implementation of the action. In order to mitigate this risk an FAQ for Applicants is published in the Funding and Tenders Portal.

Reliability of financial reporting: To ensure a true and fair view of the state of affairs, all payments are subject to a verification of their amounts. Horizontal accounting verification and reporting are also performed.

Safeguarding of assets and information: The pre-financing payments which remain to be cleared show as assets on the balance sheet. Safeguarding is achieved through two main means: the financial capacity of the potential beneficiary is assured since all applicants are selected from a closed group of public bodies and throughout the year the operational unit regularly monitors whether deliverables are received on time.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)*

The overall cost effectiveness of controls on Pericles expenses will be measured by the proportion of overall costs of controls over the payments. It should be considered that although the control costs ratio will be above average the implementation will be sufficiently efficient and cost-effective. The high control costs ratio can be explained by the following:

The responsible unit is also an active business unit whose activities are intertwined with the implementation of the Pericles actions carried out by Members States and competent national authorities. This is accomplished through the discussion and coordination of MS' Experts Group as well as through the attendance in all events/workshops/ trainings organised by beneficiaries. Preliminary discussions guarantee the high quality of the outputs to be used for the work of the unit. The participation of Commission staff in all events mainly relates to its activities as a business unit (chairing, delivering presentations, leading workshops, co-drafting conclusions and consequent use of the outputs) and, at the same time, gives the opportunity to monitor and evaluate on the spot the quality of all actions implemented (max. 15% of the time spent on the spot). In the same context, the Commission often welcomes participants of Pericles staff exchanges on its premises. These tasks account for a significant amount of time for the unit, most of them are policy related.

Pericles has a relatively small budget, whose implementation and controls are not proportional to the relative low grants awarded, in a similar vein, due to its low budget, the programme cannot benefit from economies of scale.

The programme is carried out through one call for proposal, having two deadlines; therefore two award procedures are managed each year. The objective for the

management and control system is to maintain the expected levels of risk of error (at payment & at closure) below the materiality threshold of 2% on an annual basis.

2.3. Measures to prevent fraud and irregularities

See recital 9 of the proposal. In accordance with Regulation (EU, Euratom) 2024/2509, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council, Council Regulation (EC, Euratom) No 2988/95, Council Regulation (Euratom, EC) No 2185/96 and Council Regulation (EU) 2017/1939, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulations (Euratom) No 883/2013 and (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other illegal activities affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council. In accordance with Regulation (EU, Euratom) 2024/2509, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, EPPO and the European Court of Auditors and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

The Commission maintains a robust Commission Anti-Fraud Strategy (CAFS). DG ECFIN complements this by an anti-fraud and audit strategy that covers the activities falling under its remit, as well as with ex-post controls on DG ECFIN programmes.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines: Not applicable
- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries and potential candidates	from other third countries	other assigned revenue
2	05 01 03 Support expenditure for Pericles (protection of the Euro)	Non-Diff.	NO	NO	NO	NO
2	05 04 01 Pericles	Diff.	NO	NO	NO	NO

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

- ☐ The proposal/initiative does not require the use of operational appropriations
- ☒ The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework			Number	2						
DG: ECFIN			Year	Year	Year	Year	Year	Year	Year	TOTAL MFF
			2028	2029	2030	2031	2032	2033	2034	2028-2034
Operational appropriations										
Budget line 05 04 01 Pericles	Commitments	(1a)	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
	Payments	(2a)	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Appropriations of an administrative nature financed from the envelope of specific programmes										
Budget line 05 01 03 Support expenditure for Pericles (protection of the Euro)		(3)	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
TOTAL appropriations for DG ECFIN	Commitments	=1a+3	1	1	1	1	1	1	1	7
	Payments	=2a+3	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
			Year	Year	Year	Year	Year	Year	Year	TOTAL

			2028	2029	2030	2031	2032	2033	2034	MFF 2028- 2034
TOTAL operational appropriations	Commitments	(4)	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
	Payments	(5)	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
TOTAL appropriations under HEADING <2> of the multiannual financial framework	Commitments	=4+6	1	1	1	1	1	1	1	7
	Payments	=5+6	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

Heading of multiannual financial framework		4	‘Administrative expenditure’						
DG ECFIN		Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034
• Human resources		0.376	0.376	0.376	0.376	0.376	0.376	0.376	2.632
• Other administrative expenditure		0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.105
TOTAL DG ECFIN	Appropriations	0.391	0.391	0.391	0.391	0.391	0.391	0.391	2.737

TOTAL appropriations under HEADING 4 of the multiannual financial framework	(Total commitments = Total payments)	0.391	0.391	0.391	0.391	0.391	0.391	0.391	2.737
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EUR million (to three decimal places)

		Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028- 2034
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework	Commitments	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
	Payments	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

3.2.2. *Estimated output funded from operational appropriations (not to be completed for decentralised agencies)*

The output and result indicators for the purpose of monitoring progress and achievements of this programme will correspond to the common indicators provided under Regulation xxx [Performance Regulation].

3.2.3. Summary of estimated impact on administrative appropriations

- ☐ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL 2028 - 2034
HEADING 4								
Human resources	0.376	0.376	0.376	0.376	0.376	0.376	0.376	2.632
Other administrative expenditure	0.015	0.015	0.015	0.015	0.015	0.015	0.015	0.105
Subtotal HEADING 4	0.391	0.391	0.391	0.391	0.391	0.391	0.391	2.737
Outside HEADING 4								
Human resources	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Other expenditure of an administrative nature	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
Subtotal outside HEADING 4	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
TOTAL								
	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

Description of tasks to be carried out:

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together, if necessary, with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

3.2.4. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources
- ☒ The proposal/initiative requires the use of human resources, as explained below

3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)

VOTED APPROPRIATIONS	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034
• Establishment plan posts (officials and temporary staff)							
20 01 02 01 (Headquarters and Commission's Representation Offices)	2	2	2	2	2	2	2
20 01 02 03 (EU Delegations)	0	0	0	0	0	0	0
01 01 01 01 (Indirect research)	0	0	0	0	0	0	0
01 01 01 11 (Direct research)	0	0	0	0	0	0	0
Other budget lines (specify)	0	0	0	0	0	0	0
• External staff (inFTEs)							

20 02 01 (AC, END from the 'global envelope')		0	0	0	0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)		0	0	0	0	0	0	0
Admin. Support line	- at Headquarters	0	0	0	0	0	0	0
	- in EU Delegations	0	0	0	0	0	0	0
01 01 01 02 (AC, END - Indirect research)		0	0	0	0	0	0	0
01 01 01 12 (AC, END - Direct research)		0	0	0	0	0	0	0
Other budget lines (specify) - Heading 4		0	0	0	0	0	0	0
Other budget lines (specify) - Outside Heading 4		0	0	0	0	0	0	0
TOTAL		2	2	2	2	2	2	2

The staff required to implement the proposal (in FTEs):

	To be covered by current staff available in the Commission services	Exceptional additional staff*		
		To be financed under Heading 4 or Research	To be financed from BA line	To be financed from fees
Establishment plan posts	2		N/A	
External staff (CA, SNEs, INT)				

*Please explain briefly below why the tasks included in the proposal at stake cannot be covered fully by existing HR resources and internal redeployments within the DG already implementing the action or within the Commission services.

Description of tasks to be carried out by:

Officials and temporary staff	Planning, management, follow-up and monitoring of the implementation of the programme.
External staff	

3.2.5. Overview of estimated impact on digital technology-related investments

Compulsory: the best estimate of the digital technology-related investments entailed by the proposal/initiative should be included in the table below.

Exceptionally, when required for the implementation of the proposal/initiative, the appropriations under Heading 4 should be presented in the designated line.

The appropriations under Headings 1-3 should be reflected as "Policy IT expenditure on operational programmes". This expenditure refers to the operational budget to be

used to re-use/ buy/ develop IT platforms/ tools directly linked to the implementation of the initiative and their associated investments (e.g. licences, studies, data storage etc). The information provided in this table should be consistent with details presented under Section 4 “Digital dimensions”.

TOTAL Digital and IT appropriations	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028 - 2034
HEADING 4								
IT expenditure (corporate)	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.115
Subtotal HEADING 4	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.115
Outside HEADING 4								
Policy IT expenditure on operational programmes	0	0	0	0	0	0	0	0
Subtotal outside HEADING 4	0	0	0	0	0	0	0	0
TOTAL	0.016	0.016	0.016	0.016	0.016	0.016	0.016	0.115

3.2.6. *Compatibility with the current multiannual financial framework*

The proposal is consistent with the proposal for the MFF 2028 - 2034

3.2.7. *Third-party contributions*

The proposal/initiative:

- ☒ does not provide for co-financing by third parties
- ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	Total
Specify the co-financing body								
TOTAL appropriations co-financed								

3.3. *Estimated impact on revenue*

- ☒ The proposal/initiative has no financial impact on revenue.

- ☐ The proposal/initiative has the following financial impact:
 - ☐ on own resources
 - ☐ on other revenue
 - ☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ²⁵						
		Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034
Article								

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

4. DIGITAL DIMENSIONS

4.1. Requirements of digital relevance

The current proposal is deemed to have no digital relevance. It does not introduce, modify, or affect the use of digital means, data aspects, or provision of digital-public services. The scope of the proposal is limited to the protection of the euro against counterfeiting and therefore falls outside the application of the digital-by-default principle.

The application process for beneficiaries to the programme is managed through the e-grants system, which is a pre-existing digital tool used by most grant programmes to facilitate the application process.

4.2. Data

Not applicable

4.3. Digital solutions

Not applicable

4.4. Interoperability assessment

Not applicable

²⁵

As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.

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4.5. Measures to support digital implementation

Not applicable
