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## PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	SWD(2025) 253 final
Subject:	COMMISSION STAFF WORKING DOCUMENT ex-ante evaluation Accompanying the document 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 SWD(2025) 253 final.

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EUROPEAN  
COMMISSION

Brussels, 3.9.2025  
SWD(2025) 253 final

## COMMISSION STAFF WORKING DOCUMENT

*ex-ante evaluation*

*Accompanying the document*

**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**

{ COM(2025) 462 final }

## Glossary

<i>Term or acronym</i>	<i>Meaning or definition</i>
CNA	Competent National Authority
CNAs	Competent National Authorities
DG ECFIN	Directorate-General for Economic and Financial Affairs
DG ENEST	Directorate-General for Neighbourhood Policy and Enlargement Negotiations
DG HOME	Directorate-General for Migration and Home Affairs
DG NEAR	Directorate-General for neighbourhood and enlargement policies
ECB	European Central Bank
ECEG	Euro Counterfeit Experts Group
EMPACT	European Multidisciplinary Platform Against Criminal Threats
ETSC	European Technical and Scientific Centre (ETSC)
EU	European Union
Europol	European Union Agency for Law Enforcement Cooperation
ISF	Internal Security Fund
SWD	Staff Working Document
TAIEX	Technical Assistance and Information Exchange
TFEU	Treaty on the Functioning of the European Union

## 1. PROBLEM ANALYSIS AND NEEDS ASSESSMENT

### 1.1. Scope and context

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. Counterfeiting of the euro poses a real problem for the EU Member States and institutions. 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, as well as the trust, of citizens and businesses in genuine euro notes and coins. Therefore, a solid protection of the euro against counterfeiting helps to preserve the integrity of the euro, thereby strengthening the trust of citizens and business in the genuineness of the euro and contributing to ensuring the effective functioning of the euro and safeguarding fiscal and financial stability in the EU. 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. As the single currency of the Union, the euro entails a high risk of counterfeiting which in turn has the potential to undermine trust in the euro. Therefore, the Pericles programme was established in 2001. The legal basis of the programme for the euro area Member States is Article 133 of the Treaty on the Functioning of the European Union. The application of the Pericles programme is extended to the Member States that have not adopted the euro as their single currency, through a proposal for a parallel Regulation based on Article 352 TFEU.

The current "Pericles IV" programme is specifically dedicated to the protection of the euro against counterfeiting<sup>1</sup>. The Programme is ensuring and facilitating an exchange, assistance and training regarding counterfeiting and counterfeiting-related activities. It supports the pillars on which the Commission's anti-counterfeiting policy is based: prevention, repression and cooperation. The programme was established by **Regulation (EU) 2021/840 of the European Parliament and of the Council of 20 May 2021<sup>2</sup>. Its application was extended to the non-participating Member States by Council Regulation (EU) 2021/1696 of 21 September 2021<sup>3</sup>.**

In line with the requirements set out by the Financial Regulation<sup>4</sup>, programmes which provide continuity as regards content and structure and/or are of relatively small budget, do not require an impact assessment but rather an ex-ante evaluation. The present ex-post evaluation is linked to the Commission proposal to continue the Pericles programme, beyond 2027.

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<sup>1</sup> It replaces the Pericles 2020 programme that was established in 2014 and ran during the period 2014-2020.

<sup>2</sup> 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)..

<sup>3</sup> Council Regulation (EU) 2021/1696 of 21 September 2021 extending to the non-participating Member States the application of 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 for the period 2021-2027 (the 'Pericles IV programme') (OJ L 336, 23.9.2021, p. 1-2).

<sup>4</sup> 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>

## The status of counterfeiting

According to the latest information on euro banknotes prepared by the European Central Bank, 554,000 counterfeit euro banknotes were **withdrawn from circulation** in 2024<sup>5</sup>. This corresponds to an increase of 18.6% when compared with 2023 and is 47.3% more than in 2022. The actual number of counterfeit euro banknotes has increased compared with recent years, when the number of counterfeits was exceptionally low following the COVID-19 pandemic. Nonetheless, the number of counterfeits remains lower than in the years leading up to the pandemic<sup>6</sup>.

The €20 and €50 denominations continued to be the most commonly counterfeited, together accounting for more than 75% of the total amount. 97.8% of the counterfeits were found in euro area countries, while 1.3% were found in non-euro area EU Member States and 0.9% in other parts of the world.

According to the latest Europol Annual Report on euro counterfeiting<sup>7</sup>, in 2023 police forces seized 393,556 pieces of counterfeit euro banknotes **before being put into circulation**. The total face value of these counterfeit banknotes is €43 million. Europol noticed a notable (38.64%) increase in the number of counterfeits seized before circulation with a 13.87% growth of corresponding face value of these notes. Furthermore, law enforcement measures resulted in the identification of nine clandestine print shops and one mint, together with raw materials, tools and machinery used by counterfeiters for the forgery of euro. Over the last years, an increasing number of deceptive counterfeit banknotes have been found, with security features (such as holograms) from China. Digital printing techniques were growing, as well as altered design banknotes, presumably produced in China (e.g. 'movie money') or Türkiye.

The total number of counterfeit euro coins removed from circulation in 2024 was 48 8190 pieces, an increase of 1.6 % compared to 2023. The quality of the counterfeit coins remained high. In this respect, 23 new classes and variants were created, out of which 9 had good electromagnetic properties.

When compared to 2023, 2024 marks an increase in 2 euro denomination counterfeits. In particular, 2 euro denomination counterfeits increased by 2.95%, 1 euro denomination counterfeits decreased by 16.50 % and 50 cent denomination counterfeits increased by 25% in comparison to 2023. Furthermore, in 2024 the 1 euro denomination maintains the second position, from a quantity point of view (3.23 % of the total). The 2 euro remains by far the most counterfeited denomination, constituting 97.95% in terms of value (almost stable compared to 2023).

The statistics for the year 2024 confirm the increasing trend of counterfeit euro coins removed from circulation of the last five years. Projections for 2025, based on information received from Member States, confirm that the increasing trend is expected to continue.

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<sup>5</sup> For more information: <https://www.ecb.europa.eu/press/pr/date/2025/html/ecb.pr250221~c0d1113d2c.en.html>

<sup>6</sup> For example, in 2017 694.000 counterfeit euro banknotes were withdrawn from circulation, see <https://www.ecb.europa.eu/press/pr/date/2018/html/ecb.pr180126.en.html>

<sup>7</sup> Annual Report on euro counterfeiting 2023, Document Reference #1408866, The Hague 08/08/2024

Overall, 4 561 109 counterfeit euro coins have been removed from circulation since the introduction of euro coins in 2002.

With respect to the criminal phenomenon of counterfeiting, the long-term view held by Europol, Member State national experts, the Commission and the European Central Bank, confirms the growing interest in euro counterfeiting of organised crime groups located outside EU. The involvement of organised crime groups continues to be a characteristic of this crime and contributes to the maintenance of a high-level criminal threat. Moreover, Europol states that 2023 saw a significant revitalization of the distribution of counterfeit euro banknotes and coins. Online distribution continues to use diverse platforms, in particular encrypted peer-to-peer communication and to a lesser extent the Darknet<sup>8</sup>.

### **Interaction with other instruments/programmes**

The Pericles IV interim evaluation<sup>9</sup> concluded that Pericles' distinct transnational and multidisciplinary approach, as well as its emphasis on capacity building and its thematic focus on euro anti-counterfeiting sets the programme apart from other EU programmes such as the Internal Security Fund (ISF), the technical assistance and information exchange (TAIEX)<sup>10</sup>, twinning instruments, and international initiatives, which rarely display the same features simultaneously.

The *Police instrument of the Internal Security Fund (ISF Police)* covers the prevention of and fight against crime in general, but only includes (indirect) efforts to prevent or combat euro (or currency) counterfeiting if linked to other types of crimes prioritised by the instrument (namely terrorism, organised crime, cybercrime, and environmental crime).

Furthermore, the *Technical Assistance and Information Exchange (TAIEX)* instrument has supported activities related to euro counterfeiting, but these activities are of a different scale, duration and nature compared to Pericles IV actions and are often in support of accession negotiations. Several CNAs and non-EU authorities have been involved in other programmes but, as stated in the stakeholder interviews, they regard the Pericles IV programme as unique, complementing other initiatives effectively<sup>11</sup>.

The interim evaluation also highlights the close effective cooperation between the Commission, the ECB and Europol in the protection of the euro and the fight against euro counterfeiting. In particular, the activities organised by the ECB are of a technical nature and provide new insights into the technical aspects of counterfeit production. To this end, the ECB's activities are mostly relevant to national central banks, while those carried out

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<sup>8</sup> Annual Report on euro counterfeiting 2023, Document Reference #1408866, The Hague 08/08/2024.

<sup>9</sup> Commission Staff Working Document on the interim evaluation of the 'Pericles IV' programme accompanying the document Communication from the Commission to the European Parliament, the Council and the European Central Bank on the interim evaluation of the 'Pericles IV' programme (SWD (2025) 44 final; COM(2025)54 final).

<sup>10</sup> Information about the ISF is available [here](#); information about the TAIEX instrument is available [here](#); information about the Twinning instrument is available [here](#).

<sup>11</sup> Stakeholder consultation as part of the Pericles IV interim evaluation, see (SWD (2025) 44 final).

by the ECB's Counterfeit Analysis Centre supplement the activities carried out under the Pericles umbrella.

Europol (in particular through the European multidisciplinary platform against criminal threats (EMPACT)<sup>12</sup> also seeks to provide training and contribute to the capacity building of law enforcement. Given the complementary objectives between Pericles and EMPACT, the Commission is closely coordinating with the EMPACT driver in order to maximize the complementarity between the two sources of financing. For this reason, Europol (EMPACT) and DG ECFIN agreed that, given its specialisation and interdisciplinarity, the Pericles programme would take the initiative in this regard and allow EMPACT to put its additional brand on the most relevant Pericles initiatives. This would enable Europol to focus its activities on operational support.

## 1.2. Lessons learned from previous programmes

### Interim evaluation of the Pericles IV programme

An interim evaluation of the programme was carried out by an independent contractor on the basis of Art 13 of Regulation (EU) No 2021/840. The Commission adopted Communication COM(2017) 741 to the European Parliament, the Council and the European Central Bank on the results of the interim evaluation of the programme on 20 February 2025, in which it shares the independent study's conclusion that the programme has effectively contributed to preventing and combating euro counterfeiting, thereby preserving the integrity of euro banknotes and coins. Pericles has fostered cooperation and increased the capacity to protect the euro among institutions in Member States and non-EU countries. The interim evaluation concludes that the programme should continue until its natural expiry in 2027 and supports the continuation of the programme as a stand-alone programme beyond 2027 given its EU added value, long-term impact and sustainability.

The overall assessment from the evaluation of the Pericles IV programme<sup>13</sup> was positive. In particular, the evaluation concludes that:<sup>14</sup>

- The programme is **effectively** meeting its objectives as outlined in Article 2 of the Regulation. It has successfully improved cooperation and capacity to protect the euro among institutions in Member States and non-EU countries while its actions have also facilitated critical contacts and information exchange, significantly improving institutional and operational capabilities.
- The programme's success is largely due to its design, which reflects its unique focus and allows for close cooperation between Member States and the European

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<sup>12</sup> EMPACT fosters multidisciplinary and multiagency operational cooperation to fight organised crime at EU level. More information on EMPACT is available [here](#).

<sup>13</sup> Communication COM(2025) 54 final - 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), 26 February 2025.

<sup>14</sup> Commission Staff Working Document SWD(2025) 44 final Accompanying the document 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), 20 February 2025.



Commission through DG ECFIN. As Pericles IV is a stand-alone programme, the Commission department managing it acts as an operational business unit, integral to strategy development, planning and implementation of actions. This ensures that the programme remains aligned with the needs of Member States and action participants, bringing added value and effectiveness. The Commission has previously assessed that a merger with other EU programmes is not legally feasible given the programme's two unique legal bases in the Treaty (Article 133 TFEU (ordinary legislative procedure) and Article 352 TFEU (special legislative procedure)<sup>15</sup>.

- The programme has shown positive achievements, with a high satisfaction rate (99.1%) among participants. There is an increasing number of unique competent authorities applying to the programme, and the number of conferences/workshops is consistent with previous programmes. While the number of participants has decreased by nearly 100 compared to the Pericles 2020 programme, likely due to a reduced budget and lower participation during the pandemic, Pericles IV actions have succeeded in establishing interinstitutional contacts and disseminated best practices and information on emerging counterfeiting trends
- The Pericles IV programme's coordination, management and administrative structures are adequate, ensuring **efficient** use of resources. DG ECFIN's prompt support is highly appreciated, and partner institutions such as the ECB and Europol positively assess their cooperation with DG ECFIN. 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 DG ECFIN in action coordination and implementation, including by chairing ECEG meetings, ensures Member State buy-in and effective monitoring. The programme undergoes full interim and ex-post evaluations, although its small size raises questions about the proportionality of these requirements.
- The programme has achieved a high allocation percentage (over 97%), demonstrating effective resource programming. Maintaining a balance of actions is essential to address counterfeiting comprehensively. The programme's actions involve various stakeholders, ensuring a comprehensive learning experience and optimising resources.
- On the budgets for individual grants, a difference can be noted between forecast and final costs. This is due mainly to changes in cost elements such as travel and subsistence. The current co-financing arrangement of 75% (the standard co-financing rate) and 90% (the exceptional co-financing rate) is appropriate, with an average co-financing rate of 81%. Although the programme's budget is considered

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<sup>15</sup> As noted in the impact assessment accompanying the document 'Proposal for a Regulation of the Parliament and of the Council establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the "Pericles 2020" programme)', SEC(2011) 1615 final.



generally appropriate, a decrease in funding has meant that fewer actions were implemented and fewer participants trained.

- In terms of **coherence**, the programme operates within a landscape of EU and national initiatives, each with its own focus and objectives. Actions organised by other European Commission Directorates-General are aligned with the programme, minimising any overlap of activities. This complementarity extends to actions implemented by other EU institutions, such as the ECB, and agencies, such as Europol. The ECB focuses on sharing information to combat euro counterfeiting, primarily targeting national banks, whereas Pericles IV includes law enforcement agencies. Europol's operational activities complement the programme's emphasis on training, relationship-building and the sharing of information.
- At Member State level, initiatives are limited in scope. The programme fills this gap by offering actions that provide expertise and foster the building of relationships among Member States and with non-EU countries.
- The programme provides significant EU **added value** by establishing and improving relationships among Member States and with non-EU countries, EU institutions and international organisations that go beyond the scope of individual national authorities. These relationships ensure that national authorities have clear points of contact for information, knowledge sharing and cooperation. The programme also plays a crucial role in disseminating information about emerging trends in euro counterfeiting.
- Pericles IV 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 EU's capacity to combat euro counterfeiting and supports the development of new relationships, networks and transnational cooperation efforts.
- Applications predominantly come from a limited number of countries, although participation in the actions of the programme is more diversified<sup>16</sup>. In the first three years of implementation of Pericles IV, applications were received from Italy, Spain, Germany, Portugal and Croatia. These countries, together with France, account for approximately three-quarters of all counterfeit euros detected in circulation and therefore regard the problem of euro counterfeiting as of greater concern than other Member States. Interviews with non-applicants revealed that financial resources, understaffing and capacity limits remain the main barriers to involvement of these countries. Even if the relevant authority would receive funding from Pericles IV, internal procedures often pose a challenge in ensuring the required financial resources to supplement the co-financed amount. Furthermore, for some non-applicant countries, euro counterfeiting is not seen as a high-level priority given the low amounts of detected counterfeits in circulation in their territory.<sup>17</sup>

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<sup>16</sup> COM(2017) 345 final, Report from the Commission to the European Parliament and the Council concerning the implementation and the results of the Pericles 2020 programme for the protection of the euro against counterfeiting in 2016, 29 June 2017.

<sup>17</sup> Mid-term evaluation of the Pericles IV programme – final report, annexed to Commission Staff Working Document SWD(2025) 44 final.

- The programme remains crucial even though the average number of annually detected counterfeit banknotes during this programme period is lower than in the previous period. Cash continues to be used widely in the EU, necessitating ongoing protection against counterfeiting of the single currency. To remain **relevant**, the programme must progressively reassess its design and implementation and remain flexible in adapting to emerging and future threats such as artificial intelligence, highly deceptive counterfeit coins and the counterfeiting risks posed by criminals active in key non-EU countries such as China and Türkiye. Continuous development of technical skills is essential, as Member States and non-EU countries vary in their anti-counterfeiting knowledge.
- The programme has effectively ensured the **sustainability** over time of its outputs and future progress towards its objectives. Participants share Pericles training materials within their teams and organisations through informal discussions and formal presentations. This strategy integrates knowledge within institutions and extends its reach to external entities, including law enforcement academies and the retail sector.

### **Lessons learned in the interim evaluation**

- Maintaining the balance between the different types of action funded through the programme will be key throughout the remainder of the programming period. This can be achieved by encouraging specific types of action, such as studies and the purchase of equipment for non-EU countries, through the annual Pericles strategy papers and the meetings of the Euro Counterfeiting Experts Group (ECEG).
- Extending the length of the ECEG meetings to two days would allow for more in-depth discussion. It might also be worth encouraging the representatives of judicial authorities to get more involved in the meetings (and the Pericles IV programme in general).
- The design of the programme ensures the ability to respond efficiently to current and future threats.
- Given the relatively small value of the programme and its iterative nature, greater proportionality could be applied to evaluation requirements
- The relevance of the programme can be further increased by focusing on current and upcoming threats. These include potential threats relating to the future digital euro and the impact of artificial intelligence on counterfeit currency production and identification. The Pericles programme might need to attract specific expertise to address these threats in the future.
- The fight against euro counterfeiting is most effective when all relevant stakeholders in detection, investigation and prosecution are involved. Continued active involvement of the judiciary, customs and parcel and delivery services in programme actions would thus be relevant, especially given the need to counter recent threats such as methods of distribution over the internet and altered-design banknotes.

- Taking sufficient follow-up actions and providing regular training sessions can help correctly apply and reinforce learning outcomes. It also ensures that updates on current trends and developments are shared widely by continuing to highlight the threat posed by euro counterfeiting. This need also continues to evolve due to the constantly changing nature of the threats posed by counterfeiting. Therefore, in order to keep abreast of developments in counterfeiting and to account for staff turnover, it is necessary for training to be repeated every 2-3 years.

## **Evaluation of the previous programme**

The final evaluation report of the Pericles 2020 programme was adopted in July 2022<sup>18</sup> under Article 13(6) of Regulation (EU) No 331/2014 of the European Parliament and of the Council of 11 March 2014. The evaluation positively assessed the programme's implementation. It stated that the Programme has achieved its objectives in an efficient and effective way, since it has been successful in delivering all the envisaged diverse types of activities with respect to the protection of the euro and also since it took into account the multidisciplinary aspects of the fight against counterfeiting. It also recognised the Programme's European and overall added value and its complementarity and coherence with other existing activities at Member State and European level. As for suggestions for improvement, the evaluation noted that

- While the problem of counterfeiting evolves with new tools and methods, it is important to carry out a continuous strategic and operational needs assessment and to ensure the relevance of the Programme;
- There are indications of the expansion of the scope of anti-counterfeiting authorities to cover also digital currencies, including the digital euro, if introduced.
- Based on the stakeholders' feedback, it can be concluded that the face-to-face aspect of the Pericles actions is a crucial factor for the success of the Programme.
- The higher co-financing rate of 90% in duly justified cases<sup>19</sup> was useful in extending the geography of participation;
- It is important to maintain a regular coordination with relevant DGs and other institutions as a way of ensuring complementarity and avoiding overlaps on counterfeit-related projects;
- It can be concluded that keeping the focus on increased cooperation with third countries continues to be a valid objective of the Programme. The evaluation also concluded that Pericles is seen as the only programme that supports, on an EU and global level, the enhancement of the operational capacity of stakeholders involved in the protection of the euro, dissemination of best practices regarding the fight against counterfeiting, and essentially building trust between institutions across

<sup>18</sup> Commission Staff Working Document Evaluation report on the final evaluation of the Pericles 2020 Programme SWD (2022) 207 final, 28.7.2022.

<sup>19</sup> The standard co-financing rate is fixed at 75% for both the Pericles 2020 and Pericles IV generations of the programme.

countries and regions. Therefore, and due to the ever-evolving threats to the euro that counterfeiting poses, there is a continued need for Pericles actions.

## **2. EU ADDED VALUE AND LEGAL BASIS**

### **EU added value and legal basis**

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.

According to the interim 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 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 and would thus weaken the protection of the euro. 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, 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. The Pericles programme for euro-area Member States will be based on Article 133 Treaty on the Functioning of the European Union (TFEU), as it lays down measures necessary for the use of the euro as the single currency. The application of the Pericles programme will be extended to the Member States that have not adopted the euro as their single currency, through a proposal for a parallel Regulation based on Article 352 TFEU.

## **3. POLICY AND MANAGEMENT OBJECTIVES**

The threat to the euro from counterfeiting continues to evolve. Recently the number of counterfeit euros has been increasing, more sophisticated classes of counterfeiting have been developed and new means of counterfeit distribution have emerged. The transnational dimension of this phenomenon of euro counterfeiting and the involvement of organised crime in producing and distributing counterfeit euros require a coordinated European dimension of countermeasures to ensure homogeneous national and international cooperation, and to face possible emerging transnational risks.

To address the needs identified, the following general and specific objectives have been developed:

### **General objective**

The general objective of the Programme is **to prevent and combat counterfeiting and counterfeiting-related fraud and preserve the integrity of the euro**, thereby strengthening the trust of citizens and businesses in the genuineness of the euro and 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.

### **Specific objective**

This general objective translates into one 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.

## **4. KEY IMPLEMENTATION ELEMENTS OF THE PROGRAMME**

### **Continuing threats and priorities**

With the use of an annual Pericles strategy paper, identifying both emerging and recurrent threats and priorities, the programme continues to respond to these threats and priorities in a flexible and effective way. Current threats (based on the Pericles strategy for 2025<sup>20</sup>) 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 (including altered design notes). As there is a significant risk of euro counterfeiting in certain third countries as well, the programme should also ensure high participation from third country authorities in its actions. Through the Pericles strategy paper, the programme shall also identify priority 'hotspots' and threats coming from outside the EU, such as the South-East of Europe including Türkiye, China, Colombia and Peru. The relevance of the Programme can be further enhanced by focusing on addressing current and preparing for the upcoming and evolving threats. These include potential threats relating to the future digital euro and the impact of Artificial Intelligence on counterfeit currency production and identification. The Pericles Programme might need to attract specific expertise to address these threats in the future.

### **Actions to be funded**

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<sup>20</sup> C(2025) 972 final, Commission Decision of 18.2.2025 on the financing of the Pericles IV Programme and the adoption of the annual work programme for 2025 – ANNEX-PART 2/2 update of the Pericles IV strategy priority action points.

In line with its predecessor, and taking into account the upcoming threats and technological developments identified by the evaluation, the Pericles V programme should provide financial support for the following actions:

- a. exchange and dissemination of information, in particular through organising workshops, meetings and seminars, including training, targeted placements and exchanges of staff of competent national authorities and other similar actions. The exchange of information should, among others, be targeted at:
  - best practices in preventing counterfeiting and counterfeiting-related fraud relating to the euro, including potential threats to the future digital euro,
  - methodologies for monitoring and analysing the economic and financial impact of counterfeiting,
  - operation of databases and early warning systems,
  - use of detection tools, including with computer back-up,
  - enquiry and investigation methods,
  - scientific assistance, including monitoring of new developments, also with regard to potential threats posed by and investigational opportunities offered by Artificial Intelligence,
  - protection of the euro outside the Union,
  - research actions,
  - provision of specific operational expertise;
- (b) technical, scientific and operational assistance, as appears necessary as part of the Pericles IV programme, including in particular:
  - any appropriate measure which establishes teaching resources at Union level, such as a handbook of Union legislation, information bulletins, practical manuals, glossaries and lexicons, databases, especially in the area of scientific assistance or technology watch, or computer support applications, such as software and Artificial Intelligence tools,
  - relevant studies with a multidisciplinary and transnational dimension, including research on innovative security features,
  - development of technical support instruments and methods to facilitate detection actions at Union level,
  - support for cooperation in operations involving at least two countries when such support cannot be made available from other programmes of Union institutions and bodies;
- (c) the purchase of equipment to be used by specialised anti-counterfeiting authorities of third countries for protecting the euro against counterfeiting. For this type of action, exclusively implemented through grants, the purchase of equipment should not be the sole component of the grant agreement.



## Beneficiaries

Potential applicants to the Pericles programme are limited to the **Competent National Authorities of the Member States**, including law enforcement authorities, judicial authorities, national central banks and mints, for whom the implementation of a Pericles action is subsidiary to their professional tasks. They are officially appointed by Member States' governments and are included in the list of Competent National Authorities which is published in the Official Journal of the European Union<sup>21</sup>. Together with representatives of the ECB and Europol, they are members of the **Euro Counterfeiting Experts' Group (ECEG)**, managed by the Commission. The group endorses a Pericles strategy on an annual basis (which includes the identification of emerging threats and priorities), discusses possible future Pericles applications and analyses the results of the Pericles events. The ECEG represents a key tool to coordinate the implementation of the Pericles strategy, to avoid duplications and to identify unaddressed priorities/threats.

In addition to Article 168(2) and (3) of Regulation (EU, Euratom) 2024/2509, associated third countries may, where relevant, participate in and benefit from any procurement mechanisms set 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.

In cases where the programme is opened to the participation of third countries through full or partial association, those authorities shall be appointed as the competent national authorities as defined in point (b) of Article 2 of Regulation (EC) No 1338/2001 by those third countries shall also be considered eligible for funding.

## Delivery mechanisms

Due to the limited and public nature of potential beneficiaries, delivery mechanisms such as interest subsidies, guarantees, loans and financial instruments are not applicable.

Financial support under the current programme for eligible actions 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 annual work programme indicates the budgetary allocation between grants and public procurement on an annual basis.

## Simplification

The interim evaluation of Pericles IV underlines that Pericles undergoes full interim and ex-post evaluations, although its small size raises questions about the proportionality of these requirements. This issue will be addressed in the performance framework for the

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<sup>21</sup> See Notice 2015/C 264/02 in the Official Journal: [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52015XC0812\(01\)](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52015XC0812(01)) ).



post-2027 budget, which is examined in a separate impact assessment. 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. This would result in a decrease of burdens for beneficiaries, participants and stakeholders participating in the evaluation exercises.

The Programme also states that funding may be provided in the form of actual eligible cost reimbursement only where the objectives of an action cannot be achieved otherwise. This increases the possibility to use simplified cost options for grants and therefore simplifies the application and final reporting exercises.

### **Encouraging diversification**

The interim evaluation of the Pericles IV programme underlines the importance for diversification in terms of actions and participants. In particular, the Programme should further incentivise those actions focusing on connecting countries that are specifically relevant to the issue at hand in order to ensure actions that are as effective and relevant as possible. The Programme should also ensure a balance between the different types of actions funded. In terms of participants, the fight against euro counterfeiting is most effective when all relevant stakeholders in detection, investigation, and prosecution are involved. The active involvement of the judiciary, customs, and parcel and delivery services in Programme actions would therefore be relevant, especially given the need to counter recent threats like distribution methods over the internet and altered design banknotes. This can be achieved by encouraging specific types of actions, such as studies and the purchase of equipment for third countries, through the annual Pericles strategy papers and the meetings of the Euro Counterfeiting Experts Group (ECEG).

## **5. AVAILABLE POLICY OPTIONS**

To achieve the policy objective outlined in section 3, the following three policy options are considered:

Policy option 1: (The baseline). The continuation of the Programme to deliver a similar number of actions to a similar number of participants as the Pericles IV Programme.

Policy option 2: discontinuation of the Programme.

Policy option 3: The continuation of the Programme with an increased number of actions and an increased number of participants compared to the Pericles IV Programme.

Under policy option 1 there would be no policy change. The Programme would continue with the same envelope and maintain its unique focus, reflected in its legal basis in Article 133 of TFEU, which along with its transnationality and multi-disciplinarity make it stand out in relation to other EU programmes and national modes of action. This would assure

its high-level of EU-added value. Furthermore, the Commission / DG ECFIN being 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, allows achieving 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.

According to the interim evaluation of the Programme<sup>22</sup>, while the budget of Pericles IV can be considered overall appropriate to allow the Programme to fulfil its objectives, the budget cut faced in the current programming period (2021-2027) was reflected in a decreased number of implemented actions and number of action participants when compared to the previous Pericles Programme. During its first and second year of implementation, the predecessor programme (Pericles 2020) funded 10 and 12 actions, respectively. With Pericles IV, a total of 10 actions were financed in the first two implementation years, five in 2021 and five in 2022. This represents more than a 50% drop when compared to the previous programming period. Furthermore, the number of participants in Pericles IV has decreased by almost a hundred compared to the Pericles 2020 Programme. According to the Programme statement<sup>23</sup> prepared by the European Commission, this decrease can be attributed to the lower budget in the current multiannual financial framework and the increase in inflation rates. Therefore, it can be expected that continuing the Programme with the same envelope would maintain the current level of implementation with a risk of decrease due to the impact of possible future inflation.

Under policy option 2 the Commission would discontinue the Programme. Although this would lead to a cost saving amounting to the programme's budget (EUR 6.6 million for Pericles IV) many Member States, where resources are often limited, would not be able to organise international and multidisciplinary trainings 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. 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 discontinuation of the Programme would impede the maintenance of an effective and well-trained anti-counterfeiting network of experts that is needed to counter the continuing and upcoming threats involving organised crime at international level, such as new sophisticated counterfeits and their distribution on internet/ darknet.

Under policy option 3, the Commission would propose the continuation of the Programme with an increased envelope taking into account the decrease in the envelope of the Pericles IV programme compared to the predecessor Pericles 2020 programme due to three main

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<sup>22</sup> Mid-term evaluation of the Pericles IV programme – final report, annexed to Commission Staff Working Document SWD(2025) 44 final.

<sup>23</sup> Data extracted from Programme statements, European Commission, website accessible [here](#).

external factors: inflationary pressures, the budget cut faced in the current programming period (2021-2027) and the use of the operational budget for conducting the evaluations of the Programme.

The evolution of the Pericles IV budget, as expressed in 2020 constant prices, shows that, due to the abovementioned factors, the budget decrease in real terms stands at 32%. Implementers of Pericles IV actions were largely of the opinion that the budget is not sufficient and that it results in a more limited set of implemented actions, as organisers have to choose between different action types. Survey responses pointed out that an increase of the Pericles Programme budget would be beneficial for eligible participants as it would allow them to implement more actions. Specifically, an increased budget would likely expand, and restore to previous levels, the number of actions implemented and participants trained. Interviews with several authorities of the Southeastern Europe region stressed the importance of the outreach that Pericles IV actions have. Overall, there is a need to involve a larger number of experts in Pericles actions for which the budget is insufficient.

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 number of implemented actions and number of action participants compared to the current Pericles IV programme.

The increasing popularity of social media, communication platforms, as well as market places on the internet and darknet have made new distribution channels available for distributing counterfeit euros. These means of distribution make it more attractive for organised crime located in third countries, in some cases far away from the territory of the Union (e.g. China), to produce counterfeit euros and ship them to the euro area. These developments trigger the need for the Programme to make an extra effort to expand the anti-counterfeiting network in order to guarantee an appropriate worldwide protection of the euro. At the same time, the development of Artificial Intelligence represents an additional tool for organised crime to become more aggressive, as well as an opportunity for anti-counterfeiting agencies to further develop their technical and operational capacity. Finally, as mentioned above, the future introduction of the digital euro, could, depending on its architecture, expand the scope of the Programme to include the protection against counterfeiting, or counterfeiting related fraud, of this new type of currency.

Against this background, the Commission concludes that policy option 3 is the preferred option for the following reason: it would assure the fulfilment of the objectives of the Programme by protecting the euro, ensuring up-to-date framework to detect euro counterfeiting, establish and sustain an effective and well-trained anti-counterfeiting network of experts and suppress counterfeit-related activities and fraud.

## **6. RESULTS AND IMPACTS**

The preferred policy solution is to continue the programme in line with the current MFF programme with an increased number of actions and an increased number of participants compared to the Pericles IV Programme<sup>24</sup>.

In terms of expected results and impacts, 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.

## **7. MONITORING AND EVALUATION**

This initiative will be monitored through the rules defined in the performance framework for the post-2027 budget, which is covered in a separate impact assessment. 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.

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<sup>24</sup> This is on the basis of the current implementation rate of the programme which approaches a 100% consumption of its annual budget, reflecting a high demand for the programme, see Annual Activity Reports.