

DECISION (EU) 2019/2195 OF THE EUROPEAN CENTRAL BANK**of 5 December 2019****amending Decision ECB/2010/14 on the authenticity and fitness checking and recirculation of euro banknotes (ECB/2019/39)**

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 128(1) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 16 thereof,

Whereas:

- (1) The European Central Bank (ECB) has the exclusive right to authorise the issue of euro banknotes within the Union. This right includes the competence to take measures to protect the integrity of euro banknotes as a means of payment. Decision ECB/2010/14 ⁽¹⁾ lays down common rules and procedures on the authenticity and fitness checking and recirculation of euro banknotes. In the light of the experience gained in applying and interpreting Decision ECB/2010/14, a number of technical amendments and some further clarification and improvement of certain rules, procedures and definitions are required. In particular, clearer instructions and definitions are required with regard to the data to be reported on the number of euro banknotes processed, sorted as unfit and recirculated.
- (2) Currently category 3 banknotes must be handed over to national central banks immediately, or at the latest 20 working days after being deposited in a banknote handling machine. Since category 3 banknotes are sometimes mixed with category 4a and 4b banknotes, this leads to a higher number of authentic banknotes being sent unnecessarily for further analysis. It is therefore necessary to provide for the reprocessing of category 3 banknotes to enable them to be separated from category 4a and 4b banknotes.
- (3) Annex IV to Decision ECB/2010/14 sets out the details of the data to be collected from cash handlers. In the interests of clarity, the details of the data to be reported need to be further specified to ensure that it is as comprehensive and accurate as possible.
- (4) Decision ECB/2013/10 ⁽²⁾ introduced new rules to cater for future series of euro banknotes and to clarify and improve certain procedures regarding the reproduction, exchange and withdrawal of euro banknotes. As a result, certain amendments are also required to the provisions of Decision ECB/2010/14.
- (5) Therefore Decision ECB/2010/14 should be amended accordingly,

HAS ADOPTED THIS DECISION:

*Article 1***Amendments**

Decision ECB/2010/14 is amended as follows:

- (1) Article 2(13) is replaced by the following:

‘(13) “Euro banknotes” means those banknotes complying with the requirements of Decision ECB/2013/10 ^(*) or any other legal act replacing or complementing that Decision and with the technical specifications laid down by the Governing Council.

^(*) Decision ECB/2013/10 of 19 April 2013 on the denominations, specifications, reproduction, exchange and withdrawal of euro banknotes (OJ L 118, 30.4.2013, p. 37).’;

⁽¹⁾ Decision ECB/2010/14 of 16 September 2010 on the authenticity and fitness checking and recirculation of euro banknotes (OJ L 267, 9.10.2010, p. 1).

⁽²⁾ Decision ECB/2013/10 of the European Central Bank of 19 April 2013 on the denominations, specifications, reproduction, exchange and withdrawal of euro banknotes (OJ L 118, 30.4.2013, p. 37).

- (2) Annex I is replaced by Annex I to this Decision;
- (3) Annex IIa is replaced by Annex II to this Decision;
- (4) Annex IV is replaced by Annex III to this Decision.

Article 2

Final provisions

1. This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.
2. Cash handlers in a Member State that adopts the euro following the date of adoption of this Decision shall apply this Decision from the date on which the Member State in which they are situated adopts the euro.

Done at Frankfurt am Main, 5 December 2019.

For the Governing Council of the ECB
The President of the ECB
Christine LAGARDE

ANNEX I

‘ANNEX I

BANKNOTE HANDLING MACHINES**1. General technical requirements**

- 1.1. To qualify as a banknote handling machine, a machine has to be capable of processing euro banknotes, classifying the individual euro banknotes and separating the euro banknotes according to their classifications without the intervention of the machine operator, subject to Annexes IIa and IIb. With the exception of coin dispensing machines (CDMs), banknote handling machines need to have the required number of dedicated output stackers and/or other means to ensure the reliable separation of the euro banknotes processed.
- 1.2. Banknote handling machines have to be adaptable to ensure that they are capable of reliably detecting new counterfeits. Moreover, they have to be adaptable to enable the setting up of more or less restrictive fitness sorting standards, if applicable.

2. Categories of banknote handling machines

Banknote handling machines are either customer-operated machines or staff-operated machines:

Table 1

Customer-operated machines

A. Customer-operated machines where cash is deposited with customer tracing		
1.	Cash-in machines (CIMs)	CIMs allow customers, by using a bank card or other means, to deposit euro banknotes in their bank accounts, but do not have any cash-dispensing function. CIMs check euro banknotes for authenticity and allow for traceability of the account holder; fitness checks are optional.
2.	Cash-recycling machines (CRMs)	CRMs allow customers, by using a bank card or other means, to deposit euro banknotes in their bank accounts and to withdraw euro banknotes from their bank accounts. CRMs check euro banknotes for authenticity and fitness and allow for traceability of the account holder. For withdrawals, CRMs may use genuine fit euro banknotes that have been deposited by other customers in previous transactions.
3.	Combined cash-in machines (CCMs)	CCMs allow customers, by using a bank card or other means, to deposit euro banknotes in their bank accounts and to withdraw euro banknotes from their bank accounts. CCMs check euro banknotes for authenticity and allow for traceability of the account holder; fitness checks are optional. For withdrawals, CCMs do not use euro banknotes that have been deposited by other customers in previous transactions, but only euro banknotes loaded separately into them.
B. Cash-out machines (COMs)		
4.	Cash-out machines (COMs)	COMs are cash dispensers which check euro banknotes for authenticity and fitness before dispensing them to customers. COMs use euro banknotes loaded into them by cash handlers or other automated systems (e.g. vending machines).

C. Coin Dispensing Machines		
5.	Coin Dispensing Machines (CDMs)	CDMs allow customers, by inserting euro banknotes, to obtain coins. Before dispensing coins, euro banknotes are authenticated by the CDM. These euro banknotes are not re-circulated.

A CRM may be used as a CIM or a CCM if the detector systems, software and other components for the performance of its core functionalities are the same as the CRM type listed on the ECB's website (*).

A CCM may be used as a CIM if the detector systems, software and other components for the performance of its core functionalities are the same as the CCM type listed on the ECB's website.

Table 2

Staff-operated machines

1.	Banknote processing machines (BPMs)	BPMs check euro banknotes for authenticity and fitness.
2.	Banknote authentication machines (BAMs)	BAMs check euro banknotes for authenticity.
3.	Teller assistant recycling machines (TARMs)	TARMs are cash recycling machines operated by cash handlers that check euro banknotes for authenticity and fitness. For withdrawals, TARMs may use genuine fit euro banknotes that have been deposited by other customers in previous transactions. In addition, they keep euro banknotes in safe custody and allow cash handlers to credit or debit the bank accounts of customers.
4.	Teller assistant machines (TAMs)	TAMs are machines operated by cash handlers that check euro banknotes for authenticity. In addition, they keep euro banknotes in safe custody and allow cash handlers to credit or debit the bank accounts of customers.

Staff-operated machines must process euro banknotes in batches.

A machine that has been tested and is listed on the ECB's website as a CRM or a CIM/CCM can be used as a TARM or a TAM, respectively. In such a case, the machine must only be operated by cash handlers' staff.

3. Types of banknote handling machines

The Eurosystem tests types of banknote handling machines. Types of banknote handling machines can be distinguished from each other through their specific detector systems, software and other components for the performance of their core functionalities. These are: (a) the authentication of genuine euro banknotes; (b) the detection and separation of euro banknotes suspected to be counterfeit; (c) the detection and separation of unfit euro banknotes from fit euro banknotes, if applicable; and (d) the tracing of objects identified as suspect counterfeit euro banknotes and of euro banknotes that are not clearly authenticated, if applicable.'.

(*) www.ecb.europa.eu.

ANNEX II

‘ANNEX IIa

CLASSIFICATION AND TREATMENT OF EURO BANKNOTES BY CUSTOMER-OPERATED MACHINES

Euro banknotes are classified into one of the following categories and are separated by category. Machines which do not check euro banknotes for fitness do not need to distinguish between category 4a and 4b euro banknotes.

Table 1

Classification and treatment of euro banknotes by customer-operated machines in which cash is deposited with customer tracing

Category		Properties	Treatment
1.	Objects not recognised as euro banknotes	Not recognised as euro banknotes because of any of the following: <ul style="list-style-type: none"> — euro banknotes not supported by the machine — non-euro banknotes — euro banknote-like objects — wrong image or format — large folded corner(s) or missing part(s) — feeding or transportation error of the machine 	Return by the machine to the customer
2.	Suspect counterfeit euro banknotes	Image and format recognised, but one or more authentication feature checked by the machine not detected or clearly out of tolerance	Withdraw from circulation To be handed over for authentication, together with information related to the account holder, to the competent national authorities immediately, at the latest 20 working days after deposit in the machine Do not credit to the account holder.
3.	Euro banknotes that are not clearly authenticated	Image and format recognised, but not all authentication features checked by the machine are recognised because of quality and/or tolerance deviations. In most cases unfit euro banknotes	Withdraw from circulation The euro banknotes are handed over for authentication to the NCB immediately, at the latest 20 working days after deposit in the machine. Information on the account holder is stored for eight weeks after the euro banknotes have been detected by the machine. This information is made available on request to the NCB. Alternatively, in agreement with the NCB, information allowing the traceability of the account holder can be handed over together with the euro banknotes to that NCB. May be credited to the account holder
4a.	Euro banknotes that are identified as genuine and fit	All authenticity and fitness checks carried out by the machine giving positive results	Can be used for recirculation Credited to the account holder
4b.	Euro banknotes that are identified as genuine and unfit	All authenticity checks carried out by the machine giving positive results. At least one fitness criterion checked giving a negative result	Cannot be used for recirculation and are returned to the NCB Credited to the account holder

Specific rules regarding Table 1:

1. Category 2 and 3 euro banknotes are not returned to the customer by a banknote handling machine if that machine allows the cancellation of a deposit transaction. Retaining such euro banknotes when a transaction is cancelled can be done by storing them in a temporary storage area in the machine.
2. Category 3 euro banknotes do not need to be physically separated from category 4a or 4b euro banknotes. If no physical separation takes place, the time limit for handing over the mixed category 3, 4a and 4b euro banknotes to the NCB and the requirements regarding customer tracing of category 3 euro banknotes still apply.
3. Category 3 euro banknotes, also when mixed together with category 4a or 4b banknotes, may be reprocessed on any successfully tested type of banknote handling machine. These banknotes are then treated as having been classified by the second banknote handling machine, whereby the traceability of the original category 3 banknotes to the original account holder needs to be maintained in case these banknotes are rejected by the second machine as euro banknotes that are not clearly authenticated.

Table 2

Classification and treatment of euro banknotes by cash-out machines (COMs)

Category		Properties	Treatment
1.	Objects not recognised as euro banknotes	Not recognised as euro banknotes because of any of the following: <ul style="list-style-type: none"> — euro banknotes not supported by the machine — non-euro banknotes — euro banknote-like objects — wrong image or format — large folded corner(s) or missing part(s) — feeding or transportation error of the machine 	Cannot be dispensed to customers
2.	Suspect counterfeit euro banknotes	Image and format recognised, but one or more authentication feature checked by the machine not detected or clearly out of tolerance	Cannot be dispensed to customers To be handed over for authentication to the competent national authorities immediately, at the latest 20 working days after detection by the machine together with information related to the account holder if available
3.	Euro banknotes that are not clearly authenticated	Image and format recognised, but not all authentication features checked by the machine are recognised because of quality and/or tolerance deviations. In most cases unfit euro banknotes	Cannot be dispensed to customers The euro banknotes are handed over to the NCB for authentication immediately, at the latest 20 working days after deposit in the machine.
4a.	Euro banknotes that are identified as genuine and fit	All authenticity and fitness checks carried out by the machine giving positive results	Can be dispensed to customers
4b.	Euro banknotes that are identified as genuine and unfit	All authenticity checks carried out by the machine giving positive results At least one fitness criterion checked giving a negative result	Cannot be dispensed to customers and are returned to the NCB

Specific rules regarding Table 2:

1. Category 1, 2 and 3 euro banknotes do not need to be physically separated. When mixed together, all three categories must be treated as category 2 euro banknotes. If category 1, 2 and 3 euro banknotes can be separated by using another banknote handling machine or, if agreed by an NCB, by trained staff members, they must be treated in accordance with Table 2.
2. Category 3 euro banknotes do not need to be physically separated from category 4a and 4b euro banknotes. If no physical separation takes place, the time limit for handing over the mixed category 3, 4a and 4b euro banknotes to the NCB as specified for category 3 still applies.
3. Category 3 euro banknotes, also when mixed together with category 4a or 4b banknotes, may be reprocessed on any successfully tested type of banknote handling machine. These banknotes are then treated as having been classified by the second banknote handling machine.

Table 3

Classification and treatment of euro banknotes by coin dispensing machines (CDMs)

CDMs must check the banknotes received for authenticity and retain those suspected to be counterfeits, but do not need to physically separate them by category.

Banknotes suspected to be counterfeits have to be handed over for authentication to the competent national authorities immediately, at the latest 20 working days after detection by the machine, together with information related to the account holder, if available.

Alternatively, the banknotes received by a CDM may be reprocessed on any successfully tested type of banknote handling machine and then treated as classified by this machine. The information related to the account holder of those pieces that have been classified as Category 2 or Category 3 during the reprocessing shall be maintained, if available.'

ANNEX III

ANNEX IV

DATA COLLECTION FROM CASH HANDLERS**1. Objectives**

The objectives of data collection are to enable the national central banks (NCBs) and the European Central Bank (ECB) to monitor the relevant activities of cash handlers and to oversee developments in the cash cycle.

2. General principles

- 2.1. Data on banknote handling machines must be reported when the machines are used pursuant to this Decision. Coin dispensing machines (CDMs) are exempt from reporting obligations.
- 2.2. Cash handlers regularly provide the NCB of their Member State with the following:
 - information on establishments where cash is handled such as branch offices, and
 - information on banknote handling machines and cash dispensers.
- 2.3. In addition, cash handlers that recirculate euro banknotes via banknote handling machines and cash dispensers regularly provide the NCB of their Member State with both of the following:
 - information on the volume of cash operations (number of euro banknotes processed) involving banknote handling machines and cash dispensers,
 - information on remote branches of credit institutions with a low level of cash operations where fitness checks are carried out manually.

3. Type of data and reporting requirements

- 3.1. Depending on their nature, the data collected are divided into master data and operational data.

Master data

- 3.2. Master data cover information on: (a) the individual cash handlers and their banknote handling machines and cash dispensers in operation; and (b) remote branches of credit institutions.
- 3.3. Master data are provided to the NCB at the date of application of this Decision and every six months thereafter. The data specified in the template set out in Appendix 1 must be provided, although the NCB may require them to be provided in a different format.
- 3.4. An NCB may decide, for monitoring purposes, to collect the data at local level, such as at branch offices.
- 3.5. An NCB may require the cash handlers to indicate the cash-recycling machines (CRMs) that are used as combined cash-in machines (CCMs) or cash-in machines (CIMs) respectively, and the CCMs that are used as CIMs.
- 3.6. Data on remote branches specified in the template set out in Appendix 3 must be provided, although the NCB may require them to be provided in a different format.

Operational data

- 3.7. Data originating from the processing and recirculation of euro banknotes by cash handlers are classified as operational data.

- 3.8. An NCB may decide to exclude other economic agents, as referred to in Article 6(1) of Council Regulation (EC) No 1338/2001 ⁽¹⁾, from the obligation to report operational data if the number of euro banknotes they recirculate via cash dispensers is below a threshold determined by the NCB.
- 3.9. Data are provided on a six-monthly basis. The data are reported to the NCB at the latest two months after the relevant reporting period, i.e. end-February and end-August. Data may be provided using the template set out in Appendix 2. NCBs may for a transitional period ask for monthly reporting, if this was their practice prior to this Decision entering into force, or for quarterly reporting.
- 3.10. Data are provided by cash handlers which physically handle euro banknotes. If a cash handler has outsourced the checking for authenticity and fitness to another cash handler, the data are provided by the cash handler designated in accordance with Article 3(2).
- 3.11. Data are reported by cash handlers in terms of pieces (volume), aggregated at national level and broken down by euro banknote denomination. A breakdown by banknote series is not required. For remote branches of credit institutions, operational data is reported separately.
- 3.12. An NCB may decide, for monitoring reasons, to collect the data at local level, such as at branch offices.
- 3.13. Cash handlers which have outsourced authenticity and fitness checking to other cash handlers may be requested to provide detailed information to the NCB on the latter, including the outsourcing arrangements.
- 3.14. Data on remote branches specified in the template set out in Appendix 3 must be provided, although the NCB may require them to be provided in a different format and may agree with cash handlers to collect more extensive data.
4. **Confidentiality and publication of data**
 - 4.1. Both master data and operational data are treated as confidential.
 - 4.2. The NCBs and the ECB may decide to publish reports or statistics using data acquired under this Annex. Any such publication is aggregated in such a way that no data can be attributed to single reporting entities.

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

*Appendix 1***REPORTING TEMPLATE***Master data*

This information is to be provided to:

[Name of NCB; contact details for queries; address]

1. Cash handler information

Cash handler's name:

Headquarter address:

Zip/postal code:

City:

Street:

Type of company:

— Credit institution

— Bureau de change

— Cash in transit company which is not a payment institution

— Trader (retailer)

— Casino

— Other, including payment institutions where not already categorised as one of the above (specify)

Contact persons:

Names:

Telephone Nos:

Telefax Nos:

Email addresses:

Outsourcing partner (if relevant)

Name:

Address:

Zip/postal code:

City:

2. **Customer-operated machines**

Machine category	Identification number ⁽¹⁾	Manufacturer ⁽¹⁾	Machine name ⁽¹⁾	Identification ⁽¹⁾ (detector system/software versions)	Total number in operation
CIMs					
CRMs					
CCMs					
COMs					

⁽¹⁾ These entries are to be completed in accordance with the corresponding entries on the ECB's website.

3. **Staff-operated machines**

Machine category	Identification number ⁽¹⁾	Manufacturer ⁽¹⁾	Machine name ⁽¹⁾	Identification ⁽¹⁾ (detector system/software versions)	Total number in operation
BPMs					
BAMs					
TARMs					
TAMs					

⁽¹⁾ These entries are to be completed in accordance with the corresponding entries on the ECB's website.

4. **Cash dispensers not included in the above table on customer-operated machines**

	Total number in operation
ATMs	
SCoTs	
Others	

Appendix 2

REPORTING TEMPLATE

Operational data

1. Cash handler information

Cash handler's name	
Reporting period	

2. Data

The following data items need to be aggregated at national or regional level, as decided by the NCB — excluding remote branches.

	Total number of euro banknotes processed	Euro banknotes sorted as unfit	Euro banknotes recirculated
EUR 5			
EUR 10			
EUR 20			
EUR 50			
EUR 100			
EUR 200			
EUR 500			

In the above table, the column with the heading “Total number of euro banknotes processed” needs to contain the total number of banknotes whose authenticity and fitness have been checked on banknote handling machines, i.e. cash-recycling machines (CRMs), cash-out machines (COMs), teller assistant recycling machines (TARMs) and banknote processing machines (BPMs), and combined cash-in and cash-out machines (CCMs) with optional fitness checking. The following banknotes are not included in this data: (a) banknotes whose authenticity and fitness check is carried out manually, e.g. over-the-counter operations or back-office operations; (b) banknotes that have been checked for authenticity but not for fitness on banknote handling machines, e.g. banknotes authenticated on cash-in machines (CIMs), CCMs (without optional fitness checking), teller assistant machines (TAMs) and banknote authentication machines (BAMs).

The column with the heading “Euro banknotes sorted as unfit” is a subset of the total number of euro banknotes processed and needs to contain the number of banknotes that have been classified as genuine and unfit (i.e. category 4b) by the machines. This data item relates to CRMs, COMs, TARMs and BPMs, and to CCMs with optional fitness checking.

The column with the heading “Euro banknotes recirculated” is a subset of the total number of euro banknotes processed and:

- (a) for CRMs, COMs and TARMs, needs to contain the number of banknotes that have been classified as genuine and fit (i.e. category 4a) by the machines and dispensed to customers as provided by the machines' statistics;
- (b) for BPMs and CCMs with optional fitness checking, needs to contain the number of banknotes that have been classified as genuine and fit (i.e. category 4a) by the machines and that have not been returned to the NCB, but kept with the intention of recirculating the banknotes back into the cash cycle.

Number of euro banknotes distributed via customer operated machines and cash dispensers	
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If an NCB applies the exception for remote branches laid down in Article 7, these data are mandatory for the credit institutions of that Member State. Credit institutions must consult their NCBs to ascertain whether these data must be reported.

*Appendix 3***REMOTE BRANCHES OF CREDIT INSTITUTIONS**

This information is provided only by credit institutions which have remote branches as referred to in Article 7(1).

1. Credit institution information

Credit institution's name	
Reporting period	

2. Data

Name of remote branch	Address	Number of euro banknotes distributed via customer-operated machines and cash dispensers'