

## **Council regulation lays down measures on protection against counterfeiting**

On 28 June 2001, the European Council issued Regulation (EC) no 1338/2001, laying down measures necessary for the protection of the euro against counterfeiting. The regulation, which is binding in its entirety and directly applicable in all Member States, aims at extending the high level of protection of the euro against counterfeiting.

According to the regulation, each Member State is to appoint or nominate a competent national authority, to work in close cooperation with the European Central Bank. In Finland, the National Bureau of Investigation has been appointed as the national counterfeiting analysis centre (CAC), to investigate suspected cases of counterfeiting regarding both coins and banknotes.

Article 6, section 1 of the Council Regulation obliges credit institutions and other monetary institutions, involved in the sorting and distribution of coins and banknotes as a professional activity, to withdraw from circulation all euro notes and coins received by them which they know or have sufficient reason to believe to be counterfeit. This also covers, eg establishments whose activity consists in exchanging notes and coins of different currencies, such as bureaux de change. Counterfeit or suspected counterfeit notes and coins shall be handed over to the competent national authorities immediately. According to the Regulation, Member States shall take measures that are effective, proportionate and pose deterrent sanctions on establishments failing to discharge their obligations.

According to the Act on the Bank of Finland (214/1998), section 5 subsection 1.6, the Bank has the power to issue rules and instructions concerning the handling of notes and coins to banks and other monetary institutions and to other similar entities. The Bank of Finland emphasises that the implementation of the Act requires the appropriate identification of all notes and coins received, using the proper technical equipment, in order to establish its authenticity and, when necessary, to submit the notes or coins to the police authorities, without delay, for forwarding to the National Bureau of Investigation. The money is seen as being received, when a clerk has accepted such coins or banknotes in an exchange transaction or for sorting, obliging him/her to act in accordance with Article 6(1) of the Regulation.

Non-compliance with the above-mentioned obligations, having knowingly received counterfeit banknotes or coins or having sufficient reason to believe them to be counterfeit, will lead to the imposition of sanctions under the Finnish Penal Code. According to chapter 37 section 5 of the Finnish Penal Code, anyone receiving counterfeit or suspected counterfeit money as valid currency, conveys or otherwise knowingly delivers such money, allowing the banknotes and coins to re-enter circulation, shall be sentenced for use of counterfeit money. The offender shall be sentenced to a fine or to imprisonment for at most one year. An attempt at committing the crime is also punishable. Under section 14 of the same chapter, legal persons are punishable under the section on means of payment offences. A legal person may be sentenced to a fine, if the directors or other officials responsible for decision making have participated in or otherwise condoned the offence or have not applied due diligence and prudence in the prevention of the crime.