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## Handling of damaged, counterfeit and suspected counterfeit euro coins

### 1 Provisions on the handling of euro coins

The Bank of Finland is the official issuer of euro banknotes and coins in Finland. The Coins Act (216/1998)<sup>1</sup> provides that coins that have been significantly damaged may not be used as a means of payment and need not be accepted as payment (section 3, subsection 1). Moreover, the section 3, subsection 2 provides that the Bank of Finland is obliged to accept and reimburse damaged euro coins if it can be established with certainty that they are genuine. The Bank of Finland may, however, refuse reimbursement of euro coins unfit for circulation, referred to in the Article 8(2) of the Regulation (EU) No 1210/2010 of the European Parliament and of the Council concerning authentication of euro coins and handling of euro coins unfit for circulation, which have been altered either deliberately or by a process that could be reasonably expected to have the effect of altering them, notwithstanding reimbursement of coins collected for charitable purposes, such as 'fountain coins'. In addition, the Bank of Finland may refuse to accept euro coins referred to in the Article 11(3) of the aforementioned Regulation, where the acceptance or processing of euro coins constitutes a health risk for handlers or a submission fails to meet packaging and labelling standards.

The State, moreover, is obliged to redeem coins returned to and redeemed by the Bank of Finland at face value (section 4).

Regulation (EU) No 1210/2010 of the European Parliament and of the Council concerning authentication of euro coins and handling of euro coins unfit for circulation<sup>2</sup>, hereinafter "EU Coin Regulation", provides, inter alia, for the withdrawal and reimbursement of euro coins unfit for circulation (Article 8), handling fees (Article 9), packaging (Article 10) and checking (Article 11).

Council Regulation (EC) No 1338/2001 laying down measures necessary for the protection of the euro against counterfeiting<sup>3</sup> provides for the obligation of credit institutions and certain other cash-handling undertakings to withdraw from circulation counterfeit or suspected counterfeit notes and coins and to submit them to the competent national authorities. Article 6 of this Regulation was extended in 2009 by Council Regulation (EC) No 44/2009 such that the

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<sup>1</sup> Link: [Coins Act \(216/1998\) \(in Finnish\)](#), last amended by the Act Amending the Coins Act (905/2022).

<sup>2</sup> Link: [Regulation \(EU\) No 1210/2010 of the European Parliament and of the Council of 15 December 2010 concerning authentication of euro coins and handling of euro coins unfit for circulation](#).

<sup>3</sup> Link to consolidated text: [Council Regulation \(EC\) No 1338/2001, of 28 June 2001, laying down measures necessary for the protection of the euro against counterfeiting](#).



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said obligation to withdraw from use counterfeit notes and coins was broadened to cover not only credit institutions but also all other economic agents engaged in the processing and distribution to the public of notes and coins. As examples of other agents, the Article mentions bureaux de change, transporters of funds and other economic agents such as traders and casinos engaged on a secondary basis in the processing and distribution to the public of notes via automated teller machines.

The European Technical and Scientific Centre (ETSC)<sup>4</sup> has issued more detailed guidelines on the authentication of euro coins and the handling of euro coins unfit for circulation, link: [ETSC – Guidelines on the implementation of Regulation \(EU\) No 1210/2010 of the European Parliament and of the Council of 15 December 2010 concerning authentication of euro coins and handling of euro coins unfit for circulation. \(October 2019\).](#)

## 2 Handling of coins unfit for circulation

Article 8 of the EU Coin Regulation contains provisions on the withdrawal from circulation of euro coins, which must also be complied with in Finland:

1. Member States shall withdraw from circulation euro coins unfit for circulation.
2. Member States shall reimburse or replace euro coins that have become unfit due to long circulation or accident or that have been rejected during the authentication procedure for any other reason. Member States may refuse reimbursement of euro coins unfit for circulation which have been altered either deliberately or by a process that could be reasonably expected to have the effect of altering them, notwithstanding reimbursement of coins collected for charitable purposes, such as 'fountain coins'.
3. Member States shall ensure that after withdrawal, euro coins unfit for circulation are destroyed by physical and permanent deformation, so that those coins cannot be put back into circulation or be submitted for reimbursement.

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<sup>4</sup> The European Technical and Scientific Centre was established by Commission Decision 2005/37/EC and was subsequently amended by Commission Decision (EU) 2017/1507. Link to consolidated text: [Commission Decision of 29 October 2004 establishing the European Technical and Scientific Centre \(ETSC\) and providing for coordination of technical actions to protect euro coins against counterfeiting \(2005/37/EC\).](#)



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### 3 Packaging of coins unfit for circulation

Under Article 10 of the EU Coin Regulation, a natural or legal person submitting unfit euro coins for reimbursement or replacement shall sort the coins per denomination in standardised bags or boxes, as follows:

- a) The bags or boxes shall comprise:
  - 500 coins for each of the denominations of EUR 2 or EUR 1,
  - 1 000 coins for each of the denominations of EUR 0.50, EUR 0.20 or EUR 0.10,
  - 2 000 coins for each of the denominations of EUR 0.05, EUR 0.02 or EUR 0.01,
  - for smaller quantities, 100 coins of each denomination.
- b) Each bag or box shall bear:
  - the identifying details of the natural or legal person submitting the coins,
  - the value and the denomination of the coins contained,
  - the weight of the coins,
  - the date of packaging,
  - the bag or box number.

The natural or legal person submitting the coins shall provide a packaging list with an overview of the bags or boxes submitted. Where coins have been treated with chemical or other hazardous substances, the standard packaging units shall be accompanied by a written declaration specifying the exact substances that have been used.

- c) Where the total quantity of euro coins unfit for circulation is smaller than the requirements referred to in point (a), those euro coins shall be sorted by denomination and may be submitted in non-standard packaging.

### 4 Handling fees

Under section 10 of the Act on Criteria for Charges Payable to the State (150/1992), the Bank of Finland shall prescribe its own charges. With regard to handling fees for euro coins unfit for circulation, the Bank of Finland applies the provisions set out in the EU Coin Regulation.

Under Article 9 of the EU Coin Regulation, a natural or legal person may submit a maximum quantity of 1 kg of euro coins unfit for circulation per denomination exempt from the handling fee each year (excluding professional



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cash supply actors). If that limit is exceeded, all the coins submitted may be subject to a fee. Transport and related costs shall be borne by the natural or legal person submitting the euro coins.

When euro coins unfit for circulation are reimbursed or replaced, a handling fee of 5% of the nominal value of the submitted euro coins may be withheld. In the event that an entire bag or box of euro coins is checked in accordance with Article 11(2) of the EU Coin Regulation, the handling fee may be supplemented by an additional 15% fee of the nominal value of the submitted euro coins. In accordance with Article 11(2), this additional fee shall apply in the event that anomalies are found during the checks or there are deviations in the packaging set out in Article 10 and the entire bag or box must be checked.

Where an individual submission of coins includes coins treated with chemical or other hazardous substances to such a degree that they may be deemed to harbour a health risk for handlers, the submission fees shall be supplemented by an additional fee equivalent to 20% of the nominal value of the euro coins submitted.

In addition, under Article 11(3) of the EU Coin Regulation, where the acceptance or processing of euro coins constitutes a health risk for handlers or a submission fails to meet packaging and labelling standards, Member States may refuse to accept such coins.

## **5 Stages in the submission process**

In Finland, cash management companies use coin sorting machines to count and authenticate euro coins.

Cash centres must proceed in the following way:

- 1) Verify the authenticity of euro banknotes and coins.
- 2) Ensure the detection of counterfeits.
- 3) Withdraw counterfeit euro banknotes and coins from circulation.
- 4) Submit the counterfeits to the competent national authority, i.e. the police.

Professional money handlers are required, under threat of penalty, to withdraw counterfeit and suspected counterfeit money from circulation. Section 1 of the Act on the penalisation of failure to comply with the obligation set out in the Council Regulation (EC) laying down measures necessary for the protection of



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the euro against counterfeiting (1489/2011)<sup>5</sup> provides for the actors falling within the scope of application of the Act, and section 2 states the following:

“In the activities referred to in section 1, any intentional failure to comply with that which is set out in Article 6(1) of Council Regulation (EC) No 1338/2001 laying down measures necessary for the protection of the euro against counterfeiting, and in Council Regulation (EC) No 44/2009, on the obligation to verify the authenticity of euro banknotes and coins and to ensure the detection of counterfeits as well as the obligation to remove from circulation counterfeit euro banknotes and coins and submit them to the authorities shall be punishable with a fine for violating the obligation to identify counterfeit money, unless the act is minor or a more severe punishment is provided for elsewhere in the law.”

## 6 Handling of counterfeit and suspected counterfeit money in the Bank of Finland

If counterfeit or suspected counterfeit coins come into the possession of the Bank of Finland, the Bank of Finland will hand them over to the police for investigation. No reimbursements will be made for counterfeit money.

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<sup>5</sup> Link: [Act on the penalisation of failure to comply with the obligation set out in the Council Regulation \(EC\) laying down measures necessary for the protection of the euro against counterfeiting \(1489/2011\)](#) (in Finnish).