



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 29.05.1997  
COM(97) 247 final

97/ 0154 (SYN)

**COMMUNICATION FROM THE COMMISSION**  
**TO THE COUNCIL, THE EUROPEAN PARLIAMENT AND THE**  
**EUROPEAN MONETARY INSTITUTE**  
**DENOMINATIONS AND TECHNICAL SPECIFICATIONS OF EURO COINS**

Proposal for a

**COUNCIL REGULATION (EC)**

on denominations and technical specifications of euro coins

(presented by the Commission)

## **1. Introduction**

On 1 January 1999, the euro will become the single currency of participating Member States. Exchange rates between participating currencies will be fixed irrevocably from 1 January 1999 and one single authority, the European Central Bank, will define the monetary policy of the euro. The new euro notes and coins will begin to circulate by 1 January 2002 at the latest.

Work on selecting the technical specifications of the coins (their size, shape, colour, metal composition, edging, etc.) and their denominations is the responsibility of the Council to the extent necessary to permit their smooth circulation within the Community. The preparatory work on the technical specifications began in 1992 when a working group of the Mint Directors of Member States was given a mandate by Finance ministers of Member States to study the possibilities and produce a complete proposal. On the basis of the technical work provided by the Mint Directors and after consulting various user organisations, the European Commission is now formally presenting a proposal to the Council in the form of a Regulation under Article 105a (2) of the Treaty.

By proposing the Regulation at this stage, the Commission is following a procedure used in other Regulations relating to the introduction of the single currency to allow for early political agreement, such that its formal adoption in 1998 will be a mere formality. The Commission suggests seeking political endorsement of the draft Regulation at the meeting of the European Council in Amsterdam in June 1997. The remaining stages of the decision-making procedure (co-operation with the European Parliament in accordance with Article 189c and consultation of the EMI) will also proceed on the same informal basis, allowing coin production to begin before the Regulation enters into force.

A timely endorsement is particularly important. The European Council in Madrid in December 1995 agreed that euro coins would be introduced by 1 January 2002 at the latest. An earlier date of introduction of notes and coins is not to be ruled out. The Mint Directors estimate that producing the necessary quantities of euro coins will take three years. Blank procurement procedures should be launched at least six months before the start of coin production, and in order to prepare the necessary materials for the blanks, the technical specifications must be known at least six months before that.

The complete proposal is attached as annex 1. The guiding principles behind the proposal are that the coins should be easy to use and recognise, acceptable to all major groups of users and safe. To ensure that all these often competing aims were met, user groups were thoroughly consulted.

## **2. Denominations**

There will be eight denominations (1, 2, 5, 10, 20 and 50 cents and 1 and 2 euro). These were chosen in agreement with the EMI. The aim is to create a sequence which, together with the denomination of notes (from 5 euro to 500 euro), will allow payments by cash to be as easy as possible.

## **3. Tactile characteristics to help recognition**

It is crucial that the coins are easy to use and recognise. The series of coins is split into three sequences which vary by shape, weight, colour and thickness. Several innovative

features were included to help all consumers, but particularly the blind and visually impaired, to recognise the coins from each other, notably:

- differences in the edging of each consecutive coin in the series;
- a groove on the edge of the 2 cent coin;
- a "Spanish flower" shape for the 20 cent coin.

#### **4. Choice of metal**

The choice of metal has important consequences for both security and health. The vast majority of Member States use nickel in their coins (around 75% of the coins). However, in 1994 the Council and the European Parliament adopted a directive (94/27/CE) limiting the use of nickel in certain products in recognition that nickel can be a cause of allergies under certain conditions. Although coins are excluded from this directive, some Member States already use a nickel-free alloy called Nordic Gold in their current coinage system for reasons of public health. It seems desirable to reduce the nickel content of coins when moving to a new coinage system. As a result, six out of the eight coins are entirely nickel-free. Only the 1 and 2 euro coins, which represent around 8% of the total amount of coins, would contain some nickel.

Because of their high values, the 1 and 2 euro need additional security features to reduce the scope for fraud. Two special features are proposed: first the coins are in two colours, and second they use a "sandwich" technique whereby the coin is made in three layers. The technical complexities involved mean that, with present technology, it would be very difficult to test, develop and produce an alternative to nickel alloys for these coins within the deadline for the introduction of euro coins before 1 January 2002.

Nevertheless, out of concern for public health, the Commission will use the CRAFT project of the fourth framework programme for further research regarding the treatment of metals allowing the allergenic effects of nickel to be neutralised. Furthermore, the Commission will consult the Scientific Committee for Toxicity and Ecotoxicity of Chemical Compounds and make an evaluation of its results.

#### **5. Consultations**

Extensive consultations were held with all the main user groups, in particular the Euro Working Group of the Consumer Committee (including the blind and visually impaired) and representatives of the vending machine industry.

#### **6. Designs**

The designs of the face of the coins are being chosen under a different procedure. Member States exercising their competence decided that the coins will have one common face showing a European subject and the value, and one face showing a national symbol surrounded by the 12 stars of the Union. Each Member State is responsible for choosing the corresponding national face. A European competition co-ordinated by the Commission is underway to select the common face. The winning design will be chosen at the meeting of the European Council in Amsterdam in June 1997 and announced to the public shortly afterwards.

## EXPLANATORY MEMORANDUM

### 1. INTRODUCTION - GENERAL CONSIDERATIONS

#### Principal objectives of the proposals

According to Art. 105 a(2) of the Treaty, the responsibility of issuing coins is up to Member States. However, the Council may adopt measures to harmonize the denominations and technical specifications of coins to permit their smooth circulation within the Community.

The European Council in Madrid in December 1995 agreed that euro coins would be introduced by 1 January 2002 at the latest. An earlier date of introduction is not to be ruled out. The European Mint Directors estimate that that three years will be necessary for producing the quantities of euro coins required on the introduction date. The technical characteristics of the euro coins must be known at least one year before production may start to allow the time necessary for blank procurement.

Article 105 a(2) applies from the beginning of the third stage of economic and monetary union. According to the Treaty the decision is to be taken by participating Member States.

By proposing the Regulation at this stage the Commission aims at allowing for an early political agreement, such that its formal adoption will be a mere formality.

The objective of the proposal for a Council Regulation is to define uniform specifications for the first series of coins in euro in order to guarantee their smooth circulation within the Community.

The proposed specifications have been defined with the aim to ensure that coins are easy to use and recognise, acceptable to the major groups of users and safe.

### 2. COMMENTS ON THE ARTICLES OF THE PROPOSAL FOR A COUNCIL REGULATION ON DENOMINATIONS AND TECHNICAL SPECIFICATIONS OF THE EURO COINS

#### Article 1

This article provides for the denominations and technical characteristics of the eight euro coins.

The denominations have been fixed to ensure that cash payments of amounts expressed in euro and cent can be made easily.

The diameter and weight of the proposed coins increase with increasing value of the coin.

Diameter, thickness and weight are inter-dependent variables which are related to the coin composition. A change in the choice of the material might therefore modify at least one of these variables.

The proposed shapes, colours and edge milling are aimed to facilitate recognition of the coins.

The composition and the edge lettering features guarantee the security of the coins against counterfeiting.

## Article 2

This article determines the entry into force. The Regulation will enter into force on 1 January 1999.

Proposal for a

**COUNCIL REGULATION (EC)**

**on denominations and technical specifications of euro coins**

**THE COUNCIL OF THE EUROPEAN UNION,**

Having regard to the treaty establishing the European Community, and in particular Article 105a (2) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Central Bank,

In cooperation with the European Parliament,

- (1) Whereas, at the meeting of the European Council in Madrid on 15 and 16 December 1995 the scenario for the changeover to the single currency was adopted which provides for introduction of coins in euro by 1 January 2002 at the latest;
- (2) Whereas Article 105a (2) of the Treaty states that "Member States may issue coins subject to approval by the ECB of the volume of the issue. The Council may, acting in accordance with the procedure referred to in Article 189c and after consulting the ECB, adopt measures to harmonize the denominations and technical specifications of all coins intended for circulation to the extent necessary to permit their smooth circulation within the Community";
- (3) Whereas the European Monetary Institute has indicated that euro banknotes will range from 5 euro to 500 euro; whereas the denominations of banknotes and coins will need to allow that cash payments of amounts expressed in euro and cent can be made easily;
- (4) Whereas the EC Mint Directors were mandated by the Monetary Committee to study and elaborate a complete proposal for a European single coinage system; whereas they submitted a proposal in November 1996 then a revised proposal in

February 1997 indicating the denominations and technical specifications (diameter, thickness, weight, colour, composition and edge) of the new euro coins.

- (5) Whereas consultations with consumers associations, the European Blind Union and representatives of the vending machines industry have been carried out to take into account the specific requirements of important categories of coins users; whereas, in order to ensure a smooth changeover to the euro and facilitate acceptance of the new coinage systems by users, easy distinction between coins through visual and tactile characteristics will need to be guaranteed;
- (6) Whereas some special security features are needed to reduce the scope for fraud for the 1 and 2 euro given their high value; whereas the use of a technique whereby coins are made in three layer and the combination of two different colours in the coin are considered to be the most efficient security features available today;
- (7) Whereas in 1994 the Council and the European Parliament adopted a Directive (94/27/CE) limiting the use of nickel in certain products in recognition that nickel could be a cause of allergies under certain conditions; whereas coins are not covered by this Directive; whereas nevertheless some Member States already use a nickel-free alloy called Nordic Gold in their current coinage system for reasons of public health; whereas it seems desirable to reduce the nickel content of coins when moving to a new coinage system,

HAS ADOPTED THIS REGULATION:

### Article 1

The first series of euro coins will include eight denominations in the range from 1 cent to 2 euro with the following technical specifications:

Face value (euro)	Diameter in mm.	Thickness in mm.	Weight in gr.	Shape	Colour	Composition	Edge
2	25.75	1.95	8.5	Round	Ext. part: white  Int. part: yellow	Copper-nickel (Cu75Ni25)  three-layer  Nickel-brass/Nickel/ Nickel-brass CuZn20Ni5/Ni12/CuZn20Ni5	Edge lettering  Fine milled
1	23.25	2.125	7.5	Round	Ext. part: yellow  Int. part: White	Nickel-brass (CuZn20Ni5)  three-layer  Cu75Ni25/Ni7/Cu75Ni25	Interrupted milled
0.50	24.25	1.69	7	Round	Yellow	Nordic Gold  Cu89Al5Zn5Sn1	Coarse milled
0.20	22.25	1.63	5.7	"Spanish flower" shape	Yellow	Nordic Gold  Cu89Al5Zn5Sn1	Plain
0.10	19.75	1.51	4.1	Round	Yellow	Nordic Gold  Cu89Al5Zn5Sn1	Coarse milled
0.05	21.75	1.41	3.9	Round	Red	Copper covered steel	Smooth
0.02	18.75	1.36	3	Round	Red	Copper covered steel	Smooth with a groove
0.01	16.25	1.32	2.2	Round	Red	Copper covered steel	Smooth

### Article 2

This Regulation shall enter into force on 1 January 1999.



ISSN 0254-1475

COM(97) 247 final

# DOCUMENTS

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Catalogue number : CB-CO-97-263-EN-C

ISBN 92-78-20780-2

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Office for Official Publications of the European Communities  
L-2985 Luxembourg