



REPUBLIC OF SAN MARINO

We the Captains Regent of the Most Serene Republic of San Marino

Having regard to Article 4 of Constitutional Law n. 185/2005 and to Article 6 of Qualified Law n. 186/2005;

Hereby promulgate and order the publication of the following Ordinary Law, approved by the Great and General Council during its sitting of 22 July 2013:

Law n. 101 of 29 July 2013

COLLECTION OF PROVISIONS ON BANKNOTES AND COINS

PART I PREAMBLE

Art. 1 (Purposes)

1. This Law shall implement the Monetary Agreement signed between the Republic of San Marino and the European Union on 27 March 2012 and enforced through Parliamentary Decree n. 120 of 7 August 2012, with special reference to the provisions on euro banknotes and coins and relevant measures for the prevention of fraud and counterfeiting, listed in the second and third paragraphs of the Annex.

Art. 2 (Definitions)

1. For the purposes of this Law:
- 1) "banknote handling machine" means a customer-operated or staff-operated machine as defined in Annex I;
 - 2) "authentication of euro coins" means the process of verifying that euro coins are authentic and fit for circulation;
 - 3) "competent national authorities" means:
 - CBSM, the Central Bank of the Republic of San Marino, as defined in Law n. 96 of 29 June 2005 and subsequent amendments and supplements;
 - CACO, Currency Anti-counterfeiting Central Office, as defined in Article 3 of this Law;
 - 4) "counterfeit banknotes" or "counterfeit coins" means banknotes or coins which, despite having the appearance of euro banknotes or coins, have been fraudulently made or altered;
 - 5) "unfit euro banknotes" means genuine euro banknotes which are considered as unsuitable for recirculation following the fitness checking referred to in Annex III;

- 6) "reference band" means the set of combinations between the values for diameter and values for edge height included in the reference range for diameter (between 19.00 millimetres and 28.00 millimetres) and the reference range for edge height (between 7.00 % and 12.00 % of each value within the reference range for diameter) respectively;
- 7) "ECB" means the European Central Bank;
- 8) "cash dispenser" means a self-service machine which, through the use of a bank card or other means, dispenses euro banknotes to the public, debiting a bank account, such as an automated teller machine (ATM) dispensing cash. Self-checkout terminals (SCoTs) with which the public can pay for goods or services either by bank card, cash or other payment instruments, having a cash-withdrawal function, are also considered cash dispensers;
- 9) "CNAC" means the Coin National Analysis Centre;
- 10) "ETSC" means the European Technical and Scientific Centre, established by Decision 2005/37/EC;
- 11) "technical and statistical data" means data by means of which counterfeit banknotes or counterfeit coins may be identified (technical description of type of counterfeit) and data on the number of counterfeit banknotes and counterfeit coins by their origin;
- 12) "counterfeiting" means the following activities:
 - any fraudulent making or altering of banknotes or coins, whatever means are employed;
 - the fraudulent uttering of counterfeit banknotes or counterfeit coins, knowing that they are counterfeit;
 - the import, export, transport, receiving or obtaining of counterfeit banknotes or counterfeit coins with a view to uttering the same and with knowledge that they are counterfeit;
 - the fraudulent making, receiving, obtaining or possession of:
 - instruments, articles, computer programs and any other means peculiarly adapted for the fraudulent making or altering of euro banknotes or coins;
 - holograms or other components which serve to protect euro banknotes and coins against counterfeiting;
- 13) "cash handlers" means:
 - a) banks and post offices;
 - b) other payment service providers referred to in letter I of Annex 1 to Law n. 165 of 17 November 2005 (payment institutions);
 - c) electronic money issuance service providers referred to in letter J of Annex 1 to Law n. 165 of 17 November 2005 (EEMI);
 - d) the parties that are professionally responsible for counting and verifying the authenticity and fitness of cash, including those authorised to conduct cash transport and custody activities referred to in Decree-Law n. 148 of 26 October 2009 (service companies);
 - e) CBSM, when exercising its banking activity;
 - f) entities whose activity consists in exchanging notes and coins of different currencies in the framework of the reserved activity referred to in letter K to Annex 1 to Law n. 165 of 17 November 2005;
 - g) other economic agents, such as traders and gambling houses and games of chance referred to in Law n. 67 of 25 July 2000, engaged on a secondary basis in the processing and distribution to the public of banknotes via automated teller machines (cash dispensers), within the limit of these secondary activities;
 - h) San Marino subsidiaries of entities established abroad and performing the same activities of the parties indicated in the letters above;
 - i) any other entity participating in the processing and distribution to the public of banknotes and coins identified by CBSM in the Regulation mentioned in point 24 hereunder;
- 14) "medals and tokens" means those metallic objects, other than blanks intended for striking coins, which have the appearance and/or technical properties of a coin but, not being issued under San Marino or foreign legislative provisions, are neither a legal means of payment nor legal tender;

- 15) "commemorative coins" means 2-euro coins intended for circulation but showing a different national design from that of the regular coins (except for the edge lettering and the mandatory indication of the year of issuance) and issued to commemorate subjects of major national or European relevance;
- 16) "collector coins" means euro coins that are not issued with a view to their entry into circulation;
- 17) "circulation coins" means euro coins intended for circulation, the denominations and technical specifications of which are laid down in Article 14;
- 18) "euro coins unfit for circulation" means euro coins that are genuine but that have been rejected during the authentication process or euro coins the appearance of which has been significantly altered;
- 19) "NAC" means the National Analysis Centre of euro banknotes;
- 20) "regular coins" means circulation coins excluding commemorative coins;
- 21) "anti-money laundering legislation" means the national legislation for the prevention and combating of money laundering in accordance with Directive 2005/60/EC, in particular Law n. 92 of 17 June 2008 and subsequent amendments and supplements, the relevant implementation decrees and the instructions of the Financial Intelligence Agency;
- 22) "gold", "silver" and "platinum" means alloys containing gold, silver and platinum with a millesimal fineness in weight of at least 375, 500 and 850 respectively;
- 23) "trained staff members" means employees of cash handlers who have:
 - a) knowledge of the different public security features and sorting criteria of euro banknotes and coins, as specified and published by the Eurosystem, and listed, with regard to banknotes, in Annex III to this Law; and
 - b) the ability to check euro banknotes and coins in accordance with such criteria;
- 24) "CBSM Regulation" means the regulation implementing this Law, issued by CBSM in the exercise of its regulatory powers referred to in Article 38, paragraph 1, of Law n. 96 of 29 June 2005 and subsequent amendments and supplements;
- 25) "recirculation" means the action of putting back into circulation, over the counter or through an automated teller machine, banknotes and coins that cash handlers have received either from the public (as payment or as a deposit), or from another cash handler;
- 26) "euro symbol" means the symbol representing the euro '€' as shown and described in Annex I to Regulation (EC) n. 2182/2004 of 6 December 2004;
- 27) "type of banknote handling machine" means a banknote handling machine that can be distinguished from other banknote handling machines as described in Annex I, point 3.

Art. 3

(Currency Anti-counterfeiting Central Office)

1. The Currency Anti-counterfeiting Central Office referred to in the Geneva International Convention of 20 April 1929 shall be established at the Interpol National Central Bureau of the Republic of San Marino.
2. CACO shall:
 - a) organise and coordinate investigations in the field of coin and banknote counterfeiting and gather information facilitating such investigations, preventing and suppressing counterfeiting;
 - b) cooperate with national issuing entities and police authorities, as well as foreign authorities performing similar functions;
 - c) cooperate with the Judicial Authority in the investigations concerning criminal violations under this Law;
 - d) receive from cash handlers banknotes or coins in currencies other than euro, suspected of being counterfeit for the purposes of withdrawing them from circulation and of related investigation activities;
 - e) instruct cash handlers for the purposes of this Article.

3. CACO shall sign a Memorandum of Understanding with CBSM defining collaboration terms and respective competences with regard to prevention procedures and authenticity checking of euro banknotes and coins.
4. Moreover, CACO may sign Memoranda of Understanding with Europol or with competent foreign authorities performing similar functions.

Art. 4

(Disclosure requirements)

1. The entities intending to conduct cash handling activities in point 13 of Article 2, shall previously inform the competent national authorities of the intended activities, the organisational structure and the types of devices to be used by filling in the form attached to CBSM Regulation.
2. Cash handlers shall also inform the competent national authorities of the termination of their activity.

PART II

EURO BANKNOTES

Art. 5

(Denominations and specifications)

1. Euro banknotes shall include seven denominations in the range of five euro to 500 euro, depicting the theme "Ages and styles of Europe", with the technical specifications established by the ECB and currently indicated in Annex IV, Table 1.
2. The seven denominations in the euro banknote series shall bear the representation of gateways and windows on the front side (recto) and bridges on the reverse side (verso). All seven denominations shall be typical of the different European artistic periods referred to in Annex IV. Other elements of the designs shall include:
 - a) the symbol of the European Union;
 - b) the name of the currency in the Roman and Greek alphabets and, additionally, for the second series of euro banknotes, the name of the currency in the Cyrillic alphabet;
 - c) the initials of the ECB in the European Union's official language variants; for the first series of euro banknotes, the initials of the ECB shall be limited to the following five official language variants: BCE, ECB, EZB, EKT and EKP and, additionally, for the second series of euro banknotes, the initials of the ECB shall be limited to the following nine official language variants: BCE, ECB, ЕЦБ, EZB, EKP, EKT, EKB, БСЕ and EBC;
 - d) the © symbol which indicates that the copyright belongs to the ECB;
 - e) the signature of the President of the ECB.

Art. 6

(Copyright and reproduction regime)

1. ECB shall hold the copyright on the designs of the euro banknotes. CBSM shall protect in the territory of the Republic of San Marino, acting on behalf of ECB, the copyright with regard to reproduction of euro banknotes.
2. Reproductions which the general public might mistake for genuine euro banknotes shall be deemed unlawful.
3. Any unlawful reproduction under paragraph 2 above, as well as any reproduction violating ECB copyright such as, inter alia, reproductions which might adversely affect the standing of euro banknotes, shall be considered non compliant.

4. "Reproduction" shall mean any tangible or intangible image that uses all or part of a euro banknote as specified in preceding Article 5 and in Annex IV, or parts of its individual design elements such as, inter alia, colour, dimensions and use of letters or symbols, whose image may resemble or give the general impression of a genuine euro banknote, irrespective of:

- a) the size of the image; or
- b) the material(s) or technique(s) used to produce it; or
- c) whether or not elements of the design of the euro banknote, such as the letters or symbols, have been altered or added to.

5. Reproductions complying with the following criteria shall be deemed lawful, since there is no risk that the general public might mistake them for genuine euro banknotes:

- a) one-sided reproductions of a euro banknote, provided that the size of the reproduction is equal to or greater than 125 % of both the length and width, or equal to or less than 75 % of both the length and width of the respective euro banknote as specified in Article 5 and in Annex IV; or
- b) two-sided reproductions of a euro banknote, provided that the size of the reproduction is equal to or greater than 200% of both the length and width, or equal to or less than 50% of both the length and width of the respective euro banknote as specified in Article 5 and in Annex IV; or
- c) reproductions of individual design elements of a euro banknote, provided that such a design element is not depicted on a background resembling a banknote as specified in Article 5 and in Annex IV; or
- d) one-sided reproductions depicting a part of the front side or reverse side of a euro banknote, provided that such a part is smaller than one third of the original front side or reverse side of the euro banknote as specified in Article 5 and in Annex IV; or
- e) reproductions made of a material clearly different from paper, which looks distinctly different from the material used for banknotes; or
- f) intangible reproductions made available electronically on websites, by wire or wireless means or by any other means that allow members of the public to access these intangible reproductions from a place and at a time individually chosen by them, provided that:
 - the word SPECIMEN (sample) is incorporated diagonally across the reproduction in Arial font or a font similar to Arial font, and
 - the resolution of the electronic reproduction in its 100 % size does not exceed 72 dots per inch (dpi).

6. In the event of reproductions under paragraph 5(f):

- the length of the word SPECIMEN shall be at least 75 % of the length of the reproduction, and
 - the height of the word SPECIMEN shall be at least 15 % of the width of the reproduction, and
- the word SPECIMEN shall be displayed in a non-transparent (opaque) colour contrasting with the dominant colour of the respective euro banknote as specified in Annex IV.

7. ECB and CBSM, upon receiving a written request, shall provide confirmation that reproductions not complying with the criteria of paragraphs 5 and 6, in so far as they cannot be mistaken by the general public for a genuine euro banknote as specified in Article 5 and in Annex IV, are also lawful. Where a reproduction is produced exclusively in the territory of San Marino, the requests above shall be addressed to CBSM. In all other cases, such requests shall be addressed to ECB. CBSM, upon receiving such requests on behalf of ECB, shall inform the latter of all answers given to confirmation requests.

8. Where CBSM becomes aware of:

- a non-compliant reproduction in the San Marino territory, it shall, by means of a standardised communication provided by ECB, order the non-compliant party to stop producing the non-compliant reproduction, and shall, where deemed appropriate, order the party in possession of the non-compliant reproduction to hand over the non-compliant reproduction. In the event of non-compliance with the order, it shall inform ECB without delay. ECB shall adopt the relevant measures after consultation with CBSM, also cooperating with the latter and relying on its intermediation;
- a non-compliant reproduction made available electronically on websites, by wire or wireless

means or by any other means that allow members of the public to access the non-compliant reproduction from a place and at a time individually chosen by them, it shall notify ECB without delay. ECB shall adopt the relevant measures after consultation with CBSM, also cooperating with the latter and relying on its intermediation.

9. The provisions referred to in the paragraphs above shall also apply to euro banknotes withdrawn from circulation or having lost legal tender status.

Art. 7

(General principles on euro banknotes suspected of being counterfeit or unfit for circulation)

1. Cash handlers shall carry out authenticity and fitness checking of euro banknotes according to the procedures established in this Law, in its Annexes and in CBSM Regulation for any further technical details.

2. If two or more cash handlers are involved in the recirculation of the same euro banknotes, the party responsible for the authenticity and fitness checking of these euro banknotes shall be the one designated in contractual arrangements between the relevant cash handlers, without prejudice to paragraph 4 hereunder.

3. The authenticity and fitness checking shall be carried out either by a type of banknote handling machine successfully tested by the Eurosystem and listed on ECB website, or manually by a trained staff member.

4. Euro banknotes may only be recirculated via customer-operated machines or cash dispensers if they have been checked for authenticity and fitness by a type of banknote handling machine referred to in the paragraph above and classified as genuine and fit. This requirement shall not apply to euro banknotes that have been delivered directly to a cash handler by CBSM or by another cash handler declaring that it has already checked the euro banknotes for authenticity and fitness in this manner.

5. Staff-operated machines, when used for the purpose of authenticity and fitness checking, and customer-operated machines may only be put into operation by cash handlers if they have been successfully tested by the Eurosystem and listed on the ECB's website as laid down in Article 11. The machines shall be used only for the denominations and series of euro banknotes listed on ECB's website for the corresponding machines, with the standard factory settings, including any updates thereof, that have been successfully tested unless stricter settings are agreed between CBSM and the cash handler.

Art. 8

(Classification and treatment of euro banknotes by banknote handling machines)

1. Euro banknotes checked by a customer-operated machine or by a staff-operated machine shall be classified and treated in accordance with Annexes IIa and IIb.

Art. 9

(Detection of suspect counterfeit euro banknotes)

1. Cash handlers shall be obliged to ensure that euro banknotes which they have received and which they intend to put back into circulation are checked for authenticity and that counterfeits are detected.

2. For the purposes of the paragraph above, cash handlers shall:

- a) withdraw from circulation all euro banknotes received by them which they know or have sufficient reason to believe to be counterfeit;
- b) hand over immediately to the competent national authorities, in line with CBSM Regulation, and in any case within a maximum of 20 working days, banknotes that are not authenticated as genuine following classification carried out in accordance with Annex IIa or IIb or following

manual authenticity checking by a trained staff member.

Art. 10

(Detection and reimbursement of unfit euro banknotes)

1. Cash handlers shall be obliged to:
 - a) carry out:
 - manual fitness checking according to the minimum standards laid down in Annex III;
 - automatic fitness checking through banknote handling machines successfully tested according to the minimum standards published on ECB's website;
 - b) withdraw from circulation euro banknotes received which, though not suspected of being counterfeit, are unfit for circulation;
 - c) hand over to CBSM, for the purposes of their reimbursement or exchange, damaged genuine banknotes in compliance with Annexes IIa and IIb and any other supplementary technical provisions contained in CBSM Regulation.
2. Upon request, CBSM shall exchange damaged genuine banknotes when:
 - more than 50 % of the euro banknote is presented; or
 - 50 % or less of the euro banknote is presented, if the applicant proves that the missing parts have been destroyed.
3. Further to the preceding paragraph the following additional conditions apply to the exchange of damaged genuine euro banknotes:
 - a) where doubt exists as to the applicant's legal title to the euro banknotes: identification shall be provided by the applicant, as well as proof that the applicant is the owner or otherwise authorised applicant;
 - b) where doubt exists as to the authenticity of the euro banknotes: identification shall be provided by the applicant;
 - c) where ink-stained, contaminated or impregnated genuine euro banknotes are presented: a written explanation as to the kind of stain, contamination or impregnation shall be provided by the applicant;
 - d) where the genuine euro banknotes have been damaged by anti-theft devices: a written statement on the cause of neutralisation shall be provided by the applicant;
 - e) where the genuine euro banknotes have been damaged by anti-theft devices in connection with an attempted or actual robbery, theft, or other criminal activity: the banknotes shall be exchanged only at the request of the owner or otherwise authorised applicant who is the victim of the attempted or actual criminal activity leading to the damage to the banknotes;
 - f) where the genuine euro banknotes have been damaged by anti-theft devices and they are presented by cash handlers: a written statement on the cause of neutralisation, the reference and characteristics of the anti-theft device, details of the party presenting the damaged banknotes and the date of presentation thereof shall be provided by such cash handlers;
 - g) where the genuine euro banknotes have been damaged in bulk due to the activation of anti-theft devices: they shall normally be presented in sets of 100 euro banknotes, provided that the amount of euro banknotes presented is sufficient to form such sets;
 - h) where cash handlers present for exchange, in one or more transactions, damaged genuine euro banknotes with a value of at least EUR 7,500: documentation on the origin of the banknotes and identification of the customer or, where applicable, of the beneficial owner as defined in anti-money laundering legislation, shall be provided by such cash handlers. This obligation shall also apply in the event of doubt regarding whether the threshold value of EUR 7,500 is reached. The rules laid down in this paragraph shall be without prejudice to any stricter identification and reporting requirements set forth in anti-money laundering legislation.
4. Notwithstanding the above, where CBSM knows or has sufficient reason to believe that:
 - a) the genuine euro banknotes have been intentionally damaged, it shall refuse to exchange and shall withhold the euro banknotes, in order to avoid the return of such euro banknotes into

circulation or to prevent the applicant from presenting them for exchange. However, CBSM shall exchange the damaged genuine euro banknotes if it either knows or has sufficient reason to believe that applicants are bona fide, or if applicants can prove that they are bona fide. Euro banknotes which are damaged to a minor degree, e.g. by having annotations, numbers or brief sentences placed on them, will in principle not be considered to be intentionally damaged euro banknotes;

- b) a criminal offence has been committed, CBSM shall refuse to exchange the damaged genuine euro banknotes and shall withhold them, against acknowledgement of receipt, to promote the opening of judicial investigation. Unless otherwise decided by the judicial authority, the genuine euro banknotes shall qualify for exchange under the conditions laid down in the preceding paragraphs;
- c) the damaged genuine euro banknotes are contaminated such that they pose a risk to health and safety, CBSM shall exchange the damaged genuine euro banknotes, if the applicant can provide a health and safety assessment issued by public competent offices.

5. CBSM shall charge cash handlers a fee amounting to 10 euro cent per damaged euro banknote when they request CBSM, in accordance with the preceding paragraph, to exchange genuine euro banknotes that have been damaged by anti-theft devices. The fee shall only be charged if at least 100 damaged euro banknotes are exchanged. The fee shall be charged for all exchanged euro banknotes. No fee shall be charged where euro banknotes have been damaged in connection with an attempted or actual robbery, theft or other criminal activity.

6. CBSM shall credit cash handlers the value of genuine euro banknotes that have been accidentally damaged by anti-theft devices on the day of receipt of those banknotes, provided that:

- a) the euro banknotes have not been damaged in connection with an actual robbery, theft or other criminal activity;
- b) CBSM can immediately verify that the requested amount corresponds at least roughly to the value of the banknotes presented; and
- c) all other information required by CBSM is submitted.

7. Any difference revealed after processing between the value of the accidentally damaged genuine euro banknotes presented for exchange and the amount credited prior to processing shall be debited or credited, as the case may be, to the cash handler. The fees mentioned in paragraph 5 shall be calculated on the basis of the effective number of the accidentally damaged genuine euro banknotes processed by CBSM.

8. CBSM may, after informing ECB, lay down stricter standards than those in Annex III for one or more denominations or series of euro banknotes if this is justified, for example by a deterioration in the quality of the euro banknotes in circulation within the territory of the State. Such stricter standards shall be published on CBSM's website.

Art. 11

(Test procedures for banknote handling machines)

1. All successfully tested types of banknote handling machines shall be listed on ECB's website during the periods of validity of the test results, as referred to in paragraph 2. A type of banknote handling machine that becomes unable during this period to detect all counterfeit euro banknotes known to the Eurosystem shall be removed from the list in accordance with a procedure specified by ECB.

2. Where a type of banknote handling machine is successfully tested, the test results shall be valid for one year from the end of the month when the test has been conducted, provided that it remains capable of detecting all counterfeit euro banknotes known to the Eurosystem during this period.

Art. 12

(Monitoring activities and corrective measures)

1. For the purposes of this Law, CBSM shall be authorised to:
carry out on-site inspections, including unannounced ones, at cash handlers' premises to monitor their banknote handling machines, in particular the machine capacity to check for authenticity and fitness and to trace suspect counterfeit euro banknotes and euro banknotes that are not clearly authenticated to the account holder or to the submitting party;
- ii) verify the procedures governing the operation and control of the banknote handling machines, the treatment of checked euro banknotes and any manual authenticity and fitness checking.
2. For the purposes of the paragraph above, CBSM shall cooperate with CACO, under the terms and conditions laid down in the ad-hoc Memorandum of Understanding in compliance with Article 3 above.
3. CBSM and CACO may request the provision of documents and acts deemed necessary, and may take samples of processed euro banknotes to check them at CBSM's own premises. In the latter case, a representative of the inspected subject shall be entitled to be present at the check.
4. Without prejudice to Article 31 hereunder, in case of non-compliance with the provisions of this Law and of CBSM Regulation, CBSM may require the adoption by the cash handler of corrective measures within a specified time limit. Until the non-compliance is rectified, CBSM may, on behalf of the ECB, prohibit the cash handler from recirculating the euro banknote denomination(s) of the series concerned. If the non-compliance is due to a failure of the type of banknote handling machine, this may lead to its removal from the list referred to in preceding Article 11.
5. Where a cash handler does not cooperate with CBSM with regard to an inspection, this shall be considered as non-compliance for the purposes of the preceding paragraph and of Article 31 hereunder.

Art. 13

(Reporting obligations)

1. Cash handlers shall:
 - i) inform CBSM in writing, electronically or by hard copy, of the type of banknote handling machine used at least 5 days before such machine is put into operation;
 - ii) and provide CBSM with any other information specified in CBSM Regulation, in compliance with the purposes, principles and any other provision in Annex IV to Decision ECB/2010/14.

PART III EURO COINS

Art. 14

(Denominations and specifications)

1. Euro coins shall include eight denominations in the range from 1 cent to 2 euro, with the technical specifications established by the European legislation and currently indicated in Annex IV, Table 2.

Art. 15

(National side)

1. The national side of coins intended for circulation shall not repeat any indication of the denomination, or any parts thereof, of the coin, neither shall it repeat the name of the single currency or of its subdivision. By derogation from the paragraph above, the edge lettering of the 2-euro coin may include an indication of the denomination, provided that only the figure "2" or the term "euro" in the relevant alphabet, or both, are used.

2. The national side of all denominations of circulation coins shall bear:
 - a) the indication "Republic of San Marino", in full or abbreviation;
 - b) the design approved by the European Commission, according to the procedures established by the Community legislation in force;
 - c) the circle of 12 stars like those depicted on the European Union flag;
 - d) the year mark.
3. The designs for the national side of circulation coins shall be chosen taking into account that euro coins circulate in all Member States whose currency is the euro.

Art. 16

(Issuance of circulation coins)

1. Circulation coins shall be issued and put into circulation at face value, in accordance with Article 5, paragraph 3 of the Monetary Agreement mentioned in Article 1, by resorting to an authorised European mint.

Art. 17

(Special provisions on commemorative coins)

1. The Republic of San Marino may only issue two commemorative coins per year.
2. The total number of commemorative coins put into circulation for each individual issue shall not exceed the higher of the following two ceilings:
 - 0.1 % of the cumulated total net number of 2-euro coins put into circulation by all Member States whose currency is the euro up to the beginning of the year preceding the year of issuance of the commemorative coin. This ceiling may be raised, upon reasoned request, to 2.0 % if a widely recognised and highly symbolic subject is commemorated. In this case, the Republic of San Marino shall refrain from launching another commemorative coin issue using the raised ceiling during the subsequent four years;
 - 5.0 % of the total number of 2-euro coins put into circulation by the Republic of San Marino up to the beginning of the year preceding the year of issuance of the commemorative coin.

Art. 18

(Issuance of collector coins)

1. The Republic of San Marino may issue and put on the market collector coins also above their face value.
2. Collector coins shall have the status of legal tender only in the territory of San Marino, where they shall in no case be considered as ordinary means of payment, since not intended for circulation. The CBSM Regulation may establish the measures necessary to discourage the use of collector coins as means of payment.
3. Collector coins shall meet the following criteria:
 - a) San Marino's identity shall be clearly and easily recognisable;
 - b) their face value shall be different from the face values of circulation coins;
 - c) their images shall not be similar to the common sides of circulation coins, and if similar to any national side of circulation coins, their overall appearance can still be easily differentiated;
 - d) their colour, diameter and weight shall differ significantly from circulation coins for at least two of these three characteristics; therefore, the difference shall be regarded as significant if the values including tolerances are outside the tolerance ranges fixed for circulation coins;
 - e) they shall not have a shaped edge with fine scallops or a "Spanish flower" shape.
4. The issuances of collector coins shall be accounted for on an aggregated basis in the volume of coin issuance to be approved by the European Central Bank.

Art. 19

(Copyright and reproduction regime)

1. The copyright on the design of the common face of the euro coins shall belong to the European Union represented by the Commission, also with respect to euro coins issued by the Republic of San Marino and circulating in its territory. The copyright on the design of the national face of the euro coins issued by the Republic of San Marino shall belong to the State of San Marino.
2. Under the paragraph above, reproduction of all or part of the common face design of the euro coins shall be authorised without recourse to a specific procedure in the following cases:
 - for photographs, drawings, paintings, films, images and reproductions in flat format (without relief) in general, provided they are in faithful likeness and are used in ways which do not damage or detract from the image of the euro;
 - for reproduction with relief on objects other than coins, medals and tokens or any other objects which might be confused with coins;
 - for reproduction on tokens made in soft materials or made in plastic provided the size is at least 50% greater or smaller than the real coins.
3. Any other reproduction of all or part of the common face design of the euro coins shall be expressly authorised by CBSM, upon verification with the CNAC designated for the Republic of San Marino.

Art. 20

(Medals and tokens similar to euro coins)

1. The production and sale of medals and tokens, and their importation and distribution for sale or for other commercial purposes, shall be prohibited in the following circumstances:
 - a) when the terms "euro" or "euro cent" or the euro symbol appear on their surface;
 - b) when their size is inside the reference band;
 - c) when any design appearing on the surface of medals and tokens is similar to:
 - i) any design, or parts thereof, appearing on the surface of euro coins, including in particular the terms "euro" or "euro cent", the 12 stars of the European Union, the image of the geographical representation and the numerals, in the way depicted on euro coins; or
 - ii) those symbols representative of national sovereignty of States, as depicted on euro coins, including in particular the effigies of the Head of State, the coat of arms, the Mint marks, the Mint master marks, the name of the State; or
 - iii) the edge shape or the edge design of euro coins; or
 - iv) the euro symbol.
2. Medals and tokens bearing the terms "euro" or "euro cent" or the euro symbol without an associated nominal value shall not be prohibited when their size is outside the reference band, unless a design similar to one of the elements referred to in letter c) of the preceding paragraph appears on their surface.
3. Medals and tokens whose size is inside the reference band shall not be prohibited when:
 - a) they are pierced with a hole of over 6 millimetres in the centre, or when their shape is polygonal but not exceeding six edges, provided the condition under letter c), point ii) of paragraph 1) is respected; or
 - b) they are made of gold or silver or platinum; or
 - c) they fulfil the following conditions:
 - i) the combinations of diameter and edge height of medals and tokens are consistently outside the ranges defined in each of the cases specified in Section A) of Annex V; and
 - ii) the combinations of diameter and metal properties of medals and tokens are consistently outside the ranges defined in each of the cases specified in Section B) of Annex V.

4. CBSM, in cooperation with CACO, shall monitor the strict compliance with the provisions of this Article.

Art. 21

(General principles on coins suspected of being counterfeit or unfit for circulation)

1. The authenticity and fitness checking of euro coins shall be conducted according to the procedures established in this Law and any other technical provision that may be included in CBSM Regulation.
2. If two or more cash handlers are involved in the recirculation of the same euro coins, the entity responsible for the authenticity and fitness checking of these euro coins shall be the one designated in contractual arrangements between the relevant cash handlers.

Art. 22

(Authentication of euro coins)

1. Cash handlers, except for those mentioned in point 13, letter g) of Article 2, shall ensure that euro coins which they have received and which they intend to put back into circulation are subject to an authentication procedure. They shall implement that obligation by means of suitable coin-processing machine or manually by trained staff.
2. Following authentication, if cash handlers either know or have sufficient reason to believe that coins are counterfeit, they shall hand over such coins, in line with CBSM Regulation and in any case within a maximum of 20 working days, to the competent national authorities.
3. Following authentication, all coins unfit for circulation, which however are not suspect counterfeit coins, shall be handed over to CBSM.

Art. 23

Testing requirement for coin-processing machines

1. Cash handlers referred to in the preceding Article shall use only the types of coin-processing machines that, having successfully passed a detection test, were listed on the website referred to in the following Article at the time of their purchase. Cash handlers shall ensure that those machines are regularly adjusted to maintain their detection capability, taking into consideration the modifications introduced in the list referred to above, in compliance with the terms and conditions established by CBSM Regulation. The detection test shall be designed to ensure that a coin-processing machine is capable of rejecting the known types of counterfeit euro coins, euro coins unfit for circulation and all other coin-like objects that do not comply with the specifications of genuine euro coins. Following the successful testing of a coin-processing machine, a detection test report summary shall be issued for the attention of the manufacturer of the machine and copied to the ETSC.

Art. 24

(Publication of a list of coin-processing machines)

1. ETSC shall publish on its website a consolidated list of all coin-processing machines, for which a positive and valid detection test report summary is received.

Art. 25

(Controls)

1. CBSM, also with the collaboration of CACO, shall perform with or without announcement on-the-spot controls at the premises of the cash handlers with a view to verifying that they

exclusively use a representative number of the coin-processing machines referred to in the preceding Article. In case of manual checking, cash handlers shall provide the competent national authorities with an appropriate declaration on the training received by the personnel in charge of the checking activity. The number of coin-processing machines to be checked annually, in any case, by CBSM shall be such that the volume of euro coins processed by those machines during that year represents at least 25 % of the total cumulated net volume of coins issued by the State from the introduction of euro coins until the end of the previous year. The number of coin-processing machines to be checked shall be calculated on the basis of the volume of the three highest denominations of euro coins intended for circulation. In the event that the number of coin-processing machines to be checked annually is higher than the number of machines operating in the State, all the coin-processing machines operating in the State shall be checked annually.

2. As part of the annual controls, CBSM shall monitor the capacity of cash handlers to authenticate euro coins on the basis of:

- a) the existence of a written policy providing instructions relating either to the use of automatic coin-processing equipment or to manual sorting, as appropriate;
- b) the allocation of appropriate human resources;
- c) the existence of a written maintenance plan intended to keep coin-processing machines at their appropriate performance level;
- d) the existence of written procedures for submitting counterfeit euro coins, euro coins unfit for circulation and other coin-like objects that do not comply with the specifications of genuine euro coins to the competent national authority;
- e) the existence of internal control procedures describing the modalities and the frequency of the controls to be carried out by cash handlers to ensure that their sorting centres and their personnel follow the instructions set out in this paragraph.

3. Without prejudice to Article 31 hereunder, in case of non-compliance with the provisions of this Law and of CBSM Regulation, CBSM may require the adoption by the cash handler of corrective measures within a specified time limit. Until the non-compliance is rectified, CBSM may prohibit the cash handler from recirculating the euro banknote denomination(s) of the series concerned. If the non-compliance is due to a failure of the type of banknote handling machine, this may lead to its removal from the list referred to in preceding Article 24.

4. Where a cash handler does not cooperate with CBSM with regard to an inspection, this shall be considered as non-compliance for the purposes of the preceding paragraph and of Article 31 hereunder.

Art. 26

(Withdrawal and reimbursement of euro coins unfit for circulation)

1. CBSM shall reimburse or replaces euro coins that have become unfit or that have been rejected during the authentication procedure.

2. CBSM 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.

3. CBSM 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.

Art. 27

(Handling fees of submitted euro coins)

1. With a view to encouraging the withdrawal from circulation and the submission to CBSM of counterfeit euro coins or euro coins unfit for circulation, the persons submitting such euro coins shall be granted general exemption from handling fees, without prejudice to the transport and

related costs which shall be borne by such persons submitting the euro coins to CBSM.

2. For allowing the exemption in the preceding paragraph, the applicant shall produce a certificate attesting residence or the registered office on the territory of San Marino.

Art. 28

(Packaging of euro coins unfit for circulation)

1. The natural or legal person submitting euro coins for reimbursement or replacement shall sort them per denomination in standardised bags or boxes, as follows:

a) the bags or boxes shall comprise the quantities per denomination hereunder specified (where the total quantity of euro coins unfit for circulation is smaller than 100 per denomination, these euro coins may be submitted in non-standard packaging):

(i) 500 coins for each of the denominations of EUR 2 and EUR 1;

(ii) 1,000 coins for each of the denominations of EUR 0.50, EUR 0.20 and EUR 0.10;

(iii) 2,000 coins for each of the denominations of EUR 0.05, EUR 0.02 and EUR 0.01;

(iv) for smaller quantities, 100 coins of each denomination;

b) each bag or box shall bear the identifying details of the submitting natural or legal person, the value and the denomination contained, the weight, the date of packaging and the bag or box number;

c) the submitting natural or legal person shall provide a packaging list with an overview of the bags or boxes submitted;

d) 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 which have been used.

Art. 29

(Checks of euro coins unfit for circulation)

1. CBSM may check submitted euro coins unfit for circulation as follows:

a) the quantity declared shall be checked by weighing each bag or box;

b) authenticity and visual appearance shall be checked on the basis of a sample of at least 10 % of the submission.

2. In the event that anomalies following the checks referred to in paragraph 1, or deviations from the preceding Article, are identified, the entire bag or box shall be checked.

3. Where the acceptance or processing of euro coins constitutes a health risk for handlers or a submission fails to meet packaging and labelling standards, CBSM may refuse to accept such coins.

Art. 30

(Reporting, communication and evaluation)

1. Without prejudice to the reporting requirements which may be contained in the CBSM Regulation, cash handlers shall provide CBSM at least annually or upon request with at least the following information:

a) the types and number of coin-processing machines used;

b) the location of each coin-processing machine; and

c) the volume of coins processed per coin-processing machine, per year and per denomination, for at least the three highest denominations.

2. CBSM shall ensure that information concerning the authorities designated for reimbursement or replacement of euro coins and specific modalities is made available to the public on the CBSM's website.

3. CBSM shall also ensure the annual submission to the competent European Authorities, or to the authorities designated by the latter for the relations with the Republic of San Marino, of any

information or statistical data concerning the conduct of the activities, including controls, referred to in this Law.

PART IV
FINAL AND TRANSITIONAL PROVISIONS

Art. 31
(Penalties)

1. Unless the act constitutes an offence, in case of violation of the provisions contained in this Law and in CBSM Regulation, cash handlers shall be punishable by a fine ranging from EUR 100.00 to 50,000.00, imposed by CBSM under the terms of the delegated decree to be issued by 31 August 2013, without prejudice to the criteria and procedures laid down in Decree n. 76 of 30 May 2006; in case of violation of the prohibition referred to in paragraph 1 of Article 20, the fine may be up to 40% of the value of the goods or rights constituting the offence, in addition to a fine from EUR 2 to 15 per each medal, metal token or metal object.
2. In case of voluntary settlement, violators shall pay 50% of the value of the fine imposed.
3. Violations of this Law and of CBSM Regulations shall be taken into account by CBSM also for the purposes of its supervision of the financial system and of reporting to the Office for Control and Supervision over Economic Activities.
4. In addition to the provisions in Article 32 of Law n. 96/2005 and subsequent amendments and supplements, CBSM may publish data on penalties imposed under this Law with reference to each cash handler.

Art. 32
(Cooperation and mutual assistance)

1. The competent national authorities, in the implementation of this Law, shall provide the national authorities of other States performing similar functions, with suspected counterfeit banknotes and coins and the technical and statistical data in their possession for analysis and identification purposes. To the same bodies the collaboration and assistance necessary to guarantee the suppression of counterfeiting may also be required. In particular, the necessary expert analyses of suspected counterfeit euro banknotes shall be carried out by the NAC designated for San Marino pursuant to the European legislation in force. The necessary expert analyses of suspected counterfeit euro coins shall be carried out by the NCAC designated for San Marino pursuant to the European legislation in force.
2. The results of the analyses on euros referred to in the paragraph above shall be communicated by CACO to Europol, as well as all centralised information on investigations into counterfeiting and offences related to counterfeiting of the euro, including the identification of the persons involved, the circumstances in which the offences were discovered, the context of the seizure and links with other cases. The same activity shall be carried out by CACO also with respect to banknotes and coins other than euro.
3. The provisions referred to in the preceding paragraphs shall be applied in such a way that they do not prevent suspected counterfeit banknotes and coins from being used or retained as evidence in criminal proceedings. For the purpose of detecting further counterfeit banknotes and coins still in circulation, the National Analysis Centre and the National Coin Analysis Centre can analyse euro counterfeits also during on-going judicial proceedings.
4. For the purposes of this Law, CBSM may conclude memoranda of understanding with NACs and NCACs.
5. Without prejudice to the above, with a view to ensuring the effective protection of euro against counterfeiting risks, the competent national authorities shall cooperate with the European Commission, ECB and Europol.

Art. 33

(Coordination and repealing rules)

1. Article 9, paragraph 2 of Decree n. 121 of 27 November 2001 shall be amended as follows:
"2. The equivalence established in paragraph 1 shall apply to the offences committed before 1 January 2002, as well as to banknotes and coins that have not been issued yet but intended for circulation and having legal tender status."
2. Articles 3, 7 and 8 of Decree n. 121 of 27 November 2001, as amended by Article 96 of Law n. 194 of 22 December 2010, shall be repealed.

Art. 34

(Implementing and updating rules)

1. Annexes I, IIa, IIb, III, IV and V may be supplemented or amended by delegated decree.
2. CBSM, by means of the Regulation referred to in Article 2 above, may introduce technical and operational provisions that are more detailed than those provided for in this Law. In any case such provisions shall become effective from the entry into force of this Law.

Art. 35

(Transitional provisions)

1. Cash handlers operating at the date of entry into force of this Law, shall send to the competent national authorities, under the terms and conditions established in CBSM Regulation, the activity report referred to in Article 4.
2. Cash handlers using at the date of entry into force of this Law banknote and coin - processing machines not in the Community list referred to in Articles 11 and 24 respectively, shall replace them by 31 December 2014 at the latest, provided that these machines are suitable as of 11 January 2011.
3. In the absence of the condition set out in the preceding paragraph, cash handlers shall replace the machines by 31 August 2013.

Art. 36

(Entry into force)

1. This Law shall enter into force on the fifteenth day following that of its legal publication.

Done at Our Residence, on 29 July 2013/1712 since the Foundation of the Republic

THE CAPTAINS REGENT
Antonella Mularoni - Denis Amici

THE MINISTER
OF INTERNAL AFFAIRS
Gian Carlo Venturini

ANNEX I
(to Law n. 101 of 29 July 2013)

BANKNOTE HANDLING MACHINES

1. General technical requirements

- 1.1. To qualify as a banknote handling machine, a machine shall be capable of processing batches of euro banknotes, classifying the individual euro banknotes and physically separating the euro banknotes according to their classifications without the intervention of the machine operator, subject to Annex IIa and IIb. Banknote handling machines shall 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 shall be adaptable to ensure that they are capable of reliably detecting new counterfeits. However, they shall 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. Other customer-operated machines

4	Cash-out machines (COM)	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).
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Cash-recycling machines (CRMs) may be used as cash-in machines (CIMs) or as combined cash-in machines (CCMs) when detector systems, software and other components for the performance of their core functionalities correspond to those listed on the ECB's website for the type of cash-recycling machines (CRMs).

Combined cash-in machines (CCMs) may be used as cash-in machines (CIMs) when detector systems, software and other components for the performance of their core functionalities correspond to those listed on the ECB's website for the type of combined cash-in machines (CCMs).

Table 2
Staff-operated machines

1	Banknote processing machines (BPMs)	Banknote processing machines (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 shall process batches of banknotes.

Teller assistant recycling machines (TARMs) and teller assistant machines (TAMs) may be customer-operated machines if the kind of machine has been tested and is listed on the ECB's website respectively as cash-recycling machine (CRM) or as cash-in machine (CIM) or combined cash-in machine (CCM). In this case, a teller assistant recycling machine (TARM) shall be considered as a cash-recycling machine (CRM) and a teller assistant machine (TAM) shall be considered as cash-in machine (CIM) or combined cash-in machine (CCM).

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.

ANNEX IIa
(to Law n. 101 of 29 July 2013)

CLASSIFICATION AND TREATMENT OF EURO BANKNOTES BY CUSTOMER-OPERATED MACHINES

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

Table 1
Classification and treatment of euro banknotes by customer-operated machines in which cash is deposited with customer tracing

<i>Category</i>	<i>Properties</i>	<i>Treatment</i>
1 Objects not recognised as euro banknotes	Not recognised as euro banknotes because of any of the following: - euro banknotes not accepted 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 CBSM 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 processed separately and handed over for authentication to CBSM immediately, at the latest 20 working days after deposit in the machine Information on the account holder is stored for eight

		<p>weeks after the euro banknotes have been detected by the machine. This information is made available on request to CBSM. Alternatively, in agreement with CBSM, information allowing the traceability of the account holder can be handed over together with the euro banknotes to CBSM</p> <p>Banknotes may be credited to the account holder</p>
4a Euro banknotes that are identified as genuine and fit	All authenticity and fitness checks carried out by the machine giving positive results	<p>Banknotes can be used for recirculation</p> <p>Banknotes are credited to the account holder</p>
4b Euro banknotes that are identified as genuine and unfit	<p>All authenticity checks carried out by the machine giving positive results</p> <p>At least one fitness criterion checked giving a negative result</p>	<p>Banknotes cannot be used for recirculation and are returned to CBSM</p> <p>Banknotes are credited to the account holder</p>

Specific rules relating to Table 1:

- Categories 2 and 3 euro banknotes are not returned to the customer by a machine if the 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.
- Category 3 euro banknotes may not be physically separated from category 4b euro banknotes. In this case, both the timing for the handing over to CBSM of categories 3 and 4b euro banknotes and the requirements for the traceability of customers of category 3 euro banknotes, as specified for category 3, shall apply.

Table 2
Classification and treatment of euro banknotes by other customer-operated machines

<i>Category</i>	<i>Properties</i>	<i>Treatment</i>
1. Objects not recognised as euro banknotes	Not recognised as euro banknotes because of any of the following: - euro banknotes not accepted 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	Banknotes 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	Banknotes cannot be dispensed to customers To be handed over for authentication to CBSM immediately, at the latest 20 working days after detection by the the machine, together with information related 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	Banknotes cannot be dispensed to customers The euro banknotes are processed separately and handed over for authentication to CBSM 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	Banknotes cannot 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	Banknotes cannot be dispensed to customers and are returned to CBSM

Specific rules relating to Table 2:

1. Categories 1, 2 and 3 euro banknotes may not be physically separated. In such a case, all three categories shall be treated as category 2 euro banknotes. If categories 1, 2 and 3 euro

banknotes may be separated by means of a banknote handling machine, or, with the consent of CBSM, by trained staff members, such banknotes shall be treated according to Table 2.

2. Category 3 euro banknotes may not be physically separated from category 4b euro banknotes. In this case, the timing for the handing over to CBSM of categories 3 and 4b euro banknotes, as specified for category 3, shall apply.

ANNEX IIb
(to Law n. 101 of 29 July 2013)

CLASSIFICATION AND TREATMENT OF EURO BANKNOTES BY STAFF-OPERATED
MACHINES

Euro banknotes are classified into one of the categories of Table 1. Categories 4a and 4b euro banknotes shall be physically separated from categories 1, 2 and 3 euro banknotes. Machines which do not check euro banknotes for fitness do not need to distinguish between categories 4a and 4 b euro banknotes.

Table 1
Classification and treatment of euro banknotes by staff-operated machines

<i>Category</i>	<i>Properties</i>	<i>Treatment</i>
1. Objects not recognised as euro banknotes	Not recognised as euro banknotes because of any of the following: - euro banknotes not accepted 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	Banknotes are returned by the machine to the operator for further evaluation and treatment After visual evaluation by a staff member these banknotes may be returned by the cash handler 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	Banknotes are returned by the machine to the operator for further treatment These banknotes are processed separately and handed over for final authentication to CBSM immediately, at the latest 20 working days after deposit in the machine
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	
4a Euro banknotes that are identified as genuine and fit	All authenticity and fitness checks carried out by the machine giving positive results	Banknotes can be used for recirculation Banknotes are 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	Banknotes cannot be used for recirculation and are returned to CBSM

		Banknotes are credited to the account holder
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Specific rule relating to Table 1:

If categories 2 and 3 euro banknotes may be separated by the machine itself or by another banknote handling machine, or, with the consent of CBSM, by trained staff members, category 3 euro banknotes may be handed over to CBSM together with category 4b euro banknotes. In this case, both the time-limit for the handing over to CBSM of category 2 euro banknotes and the time-limit relative to categories 3 and 4b euro banknotes, as specified in the Table, shall apply.

Specific classification and sorting rules for some staff-operated machines

1. BPMs classify and physically sort categories 1, 2 and 3 euro banknotes into one or more dedicated output stackers, and categories 4a and 4b euro banknotes into two separated dedicated output stackers, as established by Annex I Ib, therefore at least three dedicated output stacker are needed to avoid the intervention of the machine operator.
2. BPMs with only two dedicated output stackers may however classify and sort euro banknotes if the following requirements are fulfilled:
 - a) the authenticity and fitness checks are conducted in the same pass. In this pass, any category 4a euro banknotes shall be sorted into one stationary output stacker, whereas euro banknotes belonging to the other categories shall be sorted into a separate stationary output stacker that does not have any physical contact with any category 4a euro banknote;
 - b) if any categories 1, 2 or 3 euro banknote is identified as being present in the second output stacker, the operator shall re-run the euro banknote(s) from the second output stacker. In this second pass, categories 1, 2 and 3 euro banknotes shall be separated from category 4b euro banknotes by sorting the former into a dedicated output stacker, and shall be treated as indicated in the above-mentioned Table. Since the machine is not able to physically separate categories 1, 2 and 3 euro banknotes and to sort them into different dedicated output stackers, these banknotes shall be all considered and treated as category 2 euro banknotes.
3. BAMs classify and physically sort categories 1, 2 and 3 euro banknotes into one dedicated output stacker and categories 4a and 4b euro banknotes into a second dedicated output stacker, therefore at least two dedicated output stackers are needed to avoid the intervention of the machine operator.
4. BAMs with only one dedicated output stacker may however classify and sort euro banknotes if the following requirements are fulfilled:
 - a) each time any categories 1, 2 or 3 euro banknote is processed, the machine must stop the processing immediately and keep the interested euro banknote in a position that avoids any physical contact with authenticated euro banknotes;
 - b) the result of the authenticity check shall be indicated for any single categories 1, 2 or 3 euro banknote on a display. Since the machine is not able to physically separate categories 1, 2 and 3 euro banknotes and to sort them into different dedicated output stackers, these banknotes shall be all considered and treated as category 2 euro banknotes;
 - c) the machine must check for the presence of any categories 1, 2 or 3 euro banknote when it stops processing, and processing can only be resumed after the physical removal of the categories 1, 2 or 3 euro banknote by the operator;

d) for each stop of the processing mode no more than one categories 1, 2 or 3 euro banknote can be accessible to the operator.

ANNEX III
(to Law n. 101 of 29 July 2013)

MINIMUM STANDARDS FOR MANUAL FITNESS CHECKING OF EURO BANKNOTES

This Annex lays down minimum standards for manual fitness checking of euro banknotes by trained staff members.

In the course of the fitness checks, euro banknotes with any defect as set out in the table below, or with a clearly noticeable defect in one of the visible security features, are unfit. However, folded euro banknotes and euro banknotes with folded corners may be rectified by manual unfolding where possible. The fitness checks are carried out by a visual inspection of the individual euro banknotes and do not require the use of any tools.

List of sorting criteria for manual fitness checking

<i>N.</i>	<i>Feature</i>	<i>Description</i>
1	Soil	Visually noticeable distribution of dirt across the euro banknote
2	Stain	Visually noticeable localised concentration of dirt
3	Graffiti	Visually noticeable added image or lettering written or marked in any manner on a euro banknote
4	De-inked note	Visually noticeable lack of ink on part or whole of the euro banknote, e.g. a washed euro banknote
5	Tear	Euro banknote with at least one tear at the edge
6	Hole	Euro banknote with at least one visually noticeable hole
7	Mutilation	Euro banknote with a part/parts missing along at least one edge (in contrast to holes), e.g. a missing corner
8	Repair	Parts of one or more euro banknotes joined together by tape, glue or other means
9	Crumples	Euro banknote with multiple random folds across it that strongly affect its visual appearance
10	Limpness	Euro banknote with structural deterioration resulting in a marked lack of stiffness
11	Folded euro banknote	Euro banknote that is folded, including a euro banknote that cannot be unfolded
12	Folded corner	Euro banknote with at least one clearly noticeable folded corner

ANNEX IV
(to Law n. 101 of 29 July 2013)

DENOMINATIONS AND SPECIFICATIONS OF EURO BANKNOTES AND COINS

Table 1 – Banknotes

Face value (euro)	Dimensions	Dominant colour	Design
5	120 x 62 mm	Grey	Classical
10	127 x 67 mm	Red	Romanesque
20	133 x 72 mm	Blue	Gothic
50	140 x 77 mm	Orange	Renaissance
100	147 x 82 mm	Green	Baroque and rococo
200	153 x 82 mm	Yellow-brown	Iron and glass architecture
500	160 x 82 mm	Purple	Modern 20th century architecture

Table 2 – Coins

Face value (euro)	Diameter in mm	Thickness in mm	Weight in gr	Shape	Colour	Composition	Edge
2	25.75	1.95	8.5	Round	External part: white Internal part: yellow	Copper-nickel (Cu75Ni25) Three-layers: nickel-brass Nickel Nickel-brass CuZn20Ni5/Ni12/CuZn20Ni5	Edge lettering Fine milled

1	23.25	2.125	7.5	Round	External part: yellow Internal part: white	Nickel-brass (CuZn20Ni5) Three-layers Cu75Ni25/Ni7/Cu75Ni 25	Interrupted milled
0.50	24.25	1.88	7.8	Round	Yellow	«Nordic Gold» Cu89Al5Zn5Sn1	Shaped edge with fine scallops
0.20	22.25	1.63	5.7	"Spanish flower" shape	Yellow	«Nordic Gold» Cu89Al5Zn5Sn1	Smooth
0.10	19.75	1.51	4.1	Round	Yellow	«Nordic Gold» Cu89Al5Zn5Sn1	Shaped edge with fine scallops
0.05	21.25	1.36	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	1.36	2.3	Round	Red	Copper-covered steel	Smooth

ANNEX V
(to Law n. 101 of 29 July 2013)

RANGES OF THE REFERENCE BAND

Section A)

Defined ranges		
	Diameter (mm)	Edge height (mm)
1.	19.45-20.05	1.63-2.23
2.	21.95-22.55	1.84-2.44
3.	22.95-23.55	2.03-2.63
4.	23.95-24.55	2.08-2.68
5.	25.45-26.05	1.90-2.50

Section B)

	Diameter (mm)	Metal properties
1.	19.00-21.94	Electrical conductivity between 14.00 and 18.00 % IACS
2.	21.95-24.55	Electrical conductivity between: – 14.00 and 18.00 % IACS; or – 4.50 and 6.50 % IACS, unless the medal or token is of single alloy and its magnetic moment is outside the range from 1.0 to 7.0 μ Vs.cm
3.	24.56-26.05	Electrical conductivity between: – 15.00 and 18.00 % IACS; or – 13.00 and 15.00 % IACS, unless the medal or token is of single alloy and its magnetic moment is outside the range from 1.0 to 7.0 μ Vs.cm
4.	24.56-26.05	Electrical conductivity between 13.00 and 15.00 % IACS, unless the medal or token is of single alloy and its magnetic moment is outside the range from 1.0 to 7.0 μ Vs.cm