EUROPEAN CENTRAL BANK

EUROSYSTEM

OPINION OF THE EUROPEAN CENTRAL BANK

of 5 January 2010

on the reproduction of forint and euro banknotes and of forint and euro coins in Hungary

(CON/2010/1)

Introduction and legal basis

On 14 December 2009, the European Central Bank (ECB) received a request from the Magyar Nemzeti Bank (MNB) for an opinion on a draft decree on the reproduction of forint and euro banknotes (hereinafter the 'draft banknotes decree'), and a draft decree on the reproduction of forint and euro coins, (hereinafter collectively referred to as 'the draft decrees').

The ECB's competence to deliver an opinion is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union and the first and second indents of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions[1], as the draft decrees concern currency matters and means of payment. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

1. Purpose of the draft decrees

1.1 The terms and conditions under which forint and euro banknotes and coins may be reproduced in Hungary are currently laid down in MNB decree 1/2006. By replacing MNB decree 1/2006 with the draft decrees, the MNB aims to separate its regulation of banknotes and coins. The draft decrees focus on adapting the existing rules to relevant Union legislation and on reflecting the technical developments and new methods of reproducing banknotes and coins.

1.2 The main purpose of the draft decrees is to protect forint and euro banknotes and coins against illegal or non-compliant reproductions. The draft decrees broaden the range of reproductions that are not subject to authorisation, regulate the authorisation process with regard to producing reproductions, set the basis for record-keeping, safeguarding and the destruction of reproductions, and clarify copyright matters.

1.3 The draft decrees refer to copyright matters in relation to euro banknotes and coins. The draft decrees acknowledge that the reproductions of euro banknotes are governed by the rules of the

1 OJ L 189, 3.7.1998, p. 42.

ECB[2], and that the reproductions of euro coins are governed by Council Regulations[3] and Commission provisions.

2. General observations

2.1 Since Hungary is a Member State with a derogation, the ECB's requirements regarding the denominations, specifications, reproduction, exchange and withdrawal of euro banknotes do not apply to the MNB as regards of the forint. These requirements will apply to the MNB once Hungary adopts the euro and the MNB becomes a fully integrated member of the Eurosystem. The ECB welcomes the MNB's initiative to strengthen the legal framework for forint banknote reproduction, which is similar to the ECB's legal framework for euro banknote reproduction.

2.2 In respect of the national central banks that will become part of the Eurosystem, the ECB supports the policy of keeping a clear and consistent separation between national rules relating to banknotes and those relating to coins. The ECB therefore welcomes the draft decrees' separation between rules on banknotes and coins as it facilitates the legal convergence of the national legislative framework necessary for Hungary's preparations for full participation in economic and monetary union.

3. Specific observations

3.1 The ECB welcomes Article 9 of the draft banknotes decree, which provides that it is aimed at ensuring compliance with ECB rules on the reproduction of euro banknotes set out in Article 2 of Decision ECB/2003/4 and Articles 1 to 3 of Guideline ECB/2003/5.

3.2 In order to protect euro banknotes and coins as a means of payment, the general public must be able to distinguish genuine euro banknotes and coins from reproductions. Accordingly, the ECB emphasises the importance of establishing rules on the reproduction of the euro in Member States outside the euro area. In this context, the above provisions of the draft decrees effectively provide for the protection of euro banknotes on the national level.

This opinion will be published on the ECB's website.

Done at Frankfurt am Main, 5 January 2010.

[signed]

The President of the ECB

Jean-Claude TRICHET

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2 Decision ECB/2003/4 of 20 March 2003 on the denominations, specifications, reproduction, exchange and withdrawal of euro banknotes (OJ L 78, 25.3.2003, p. 16) and Guideline ECB/2003/5 of 20 March 2003 on the enforcement of measures to counter non-compliant reproductions of euro banknotes and on the exchange and withdrawal of euro banknotes (OJ L 78, 25.3.2003, p. 20).

3 Council Regulation (EC) No 2182/2004 of 6 December 2004 concerning medals and token similar to coins.