

## Incidence of counterfeit banknotes in the first half of 2007

### Fewer counterfeit banknotes detected

In the first half of 2007, the Bundesbank detected 19,664 counterfeit euro banknotes in German payment transactions, which constitutes a decline of around 7% in comparison with the second half of 2006. This is now the fifth consecutive time that the incidence of counterfeit banknotes has been below that of the preceding half year. The loss arising from these counterfeits is €1.8 million. The distribution of counterfeits across the denominations is as follows:

Bank- notes	€5	€10	€20	€50	€100	€200	€500	Total
Number	344	745	1,917	8,584	3,295	4,541	238	19,664
%	1.7	3.8	9.7	43.7	16.8	23.1	1.2	100.0

In Germany, the €50 banknote remains the most frequently counterfeited denomination. With a decline of around 9 percentage points, there is a strong downward trend in the incidence of counterfeit €20 notes. Among the high denominations, the emphasis has shifted from the €100 banknote (- 9 percentage points) to the €200 banknote (+ 15 percentage points). The reduction in certain denominations is mainly due to the success of police investigations at a European level, which have led to raids on counterfeit print shops producing these notes.

According to Dr Hans Reckers, the Executive Board member responsible for cash, "With an overall annual incidence of approximately five counterfeit banknotes per 10,000 inhabitants, Germany is still well below the euro-area average".

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## Recognising counterfeit banknotes

Banknotes should still be checked carefully at all times; otherwise there is a risk – especially for cashiers – of being deceived by counterfeit money. As is generally known, counterfeit money is not eligible for replacement.

Several security features should always be checked as it is only through a combination of these various features that the authenticity of the banknotes can be verified. The simple “feel, look and tilt” test is helpful when checking the authenticity of banknotes.

- For example, embossed parts of the printed image on the front of the banknotes (“BCE ECB EZB EKT EKP” on the top edge) can be identified by touch.
- The watermark can be recognised in the unprinted area by holding the banknote up to the light.
- The hologram image changes when the banknote is tilted.
- On the back of the banknote the iridescent stripe (denominations up to €20) or the shifting colours of the right-hand denomination value (denominations from €50 upwards) can be checked by tilting the banknote.

According to Dr Hans Reckers “All counterfeits that have appeared until now can be identified using the “feel, look and tilt” test. It is advisable when checking a suspect banknote to compare it with one that is known to be genuine.”

Checking banknotes with magnifying glasses, counterfeit detector markers and ultraviolet lamps does not always produce a clear test result.

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## Further increase in incidence of counterfeit coins

In the first half of 2007, the Bundesbank detected 39,792 counterfeit euro coins in German payment transactions, which constitutes an increase of 5 % in comparison with the second half of 2006. Annually, there are around 10 counterfeit coins per 10,000 inhabitants in Germany.

The distribution of counterfeits across the denominations was as follows:

Coins	50 cent	€1	€2	Total
Number	669	1,681	37,441	39,792
%	1.7	4.2	94.1	100.0

## Checking coins for authenticity

Counterfeit euro coins can usually be distinguished from genuine coins only after a very thorough visual check. The following pointers can make it easier to identify genuine coins.

- On genuine euro coins, the motif clearly stands out from the background of the coin. By contrast, the image on counterfeit coins often appears blurred, and the surface of the coins is uneven.
- Counterfeits generally have a slightly different colour from genuine coins.
- The edge inscriptions of genuine €2 coins are sharp. Those on counterfeit coins are frequently incomplete or irregular.
- Genuine €1 and €2 coins are only slightly magnetic and remain attracted to the magnet but can be removed again with a minimum of effort. Counterfeit coins, on the other hand, are usually either non-magnetic or are strongly attracted to the magnet.

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## Counterfeit prevention

The Bundesbank offers training courses through its branch network to the banking industry, retail traders and any other interested parties free of charge. Information in the form of brochures, CD-ROMs and posters can be obtained from Bundesbank.

Regularly updated information on this subject can be found at the Bundesbank's website

([http://www.bundesbank.de/bargeld/bargeld\\_falschgeld.en.php](http://www.bundesbank.de/bargeld/bargeld_falschgeld.en.php))

or at the European Central Bank's website

(<http://www.ecb.int/bc/banknotes/security/recognise/html/index.de.en.html>)

Should you come into contact with any counterfeit banknotes or coins, the Bundesbank advises you to notify the police and hand the counterfeits in immediately.