

REGULATION
ON EURO BANKNOTES AND COINS

year 2013 / number 04

(Consolidated text as of 19/12/2013 - Update I)

PART I INTRODUCTION

Article 1 - Sources of law

1. These Regulations implement Law no. 101 of 29 July 2013, and are therefore issued to exercise the regulatory powers referred to in Article 38 of Law no. 96 of 29 June 2005 as amended.

Article 2 - Definitions

1. For the purposes of these Regulations, the terms used herein have the following meaning:

1. **"Compliant devices"**: devices for the authentication or for the authentication and selection of Euro banknotes that are included in the ECB list, or coin handling devices that are included in the ETSC list;
2. **"Cash handling activities"**: activities aimed to preserve the integrity and the state of preservation of cash through:
 - a) identification of suspect counterfeit Euro banknotes, ascertaining their distinctive and security features (authenticity controls);
 - b) identification of euro banknotes that, for their state of preservation, are unfit to be put back into circulation both in over-the-counter transactions and with the supply of automatic cash dispensers (fitness checking);
 - c) authentication of Euro coins to identify suspect counterfeit coins or those unfit for circulation;
3. **"Central Bank" or "CBSM"**: the Central Bank of the Republic of San Marino;
4. **"System data"**: information on technological equipment used by the cash handler to handle cash, for each counting location, including the number of devices distinguished by identified model according to a code made available by the Central Bank, which identifies the devices according to their hardware and software configuration. In the case of TARM- and TAM-type devices, the prevalent method of use (by the clients or by the handler's staff) is also indicated. System data include, without the need to be broken down by place of installation, total number of cash dispensers, distinguished by type of devices (ATMs, SCoTs...) and total number, divided by model, of the cash-in machines available to the clients that are not used for recycling purposes (e.g. CIMs...);
5. **"Operational data"**: information on the number of banknotes and coins (flow data) handled in the report reference period;
6. **"Decree on sanctions"**: Delegated Decree no. 116 of 8 August 2013 as subsequently amended;
7. **"ECB list"**: list of compliant devices published on the Internet website of the European Central Bank and included, through a hyper link, in the specific page of the Internet website www.bcsm.sm;

8. **"ETSC list"**: list of compliant devices published on the Internet website of the European Commission - Anti Fraud Organisation (OLAF) and included, through a hyper link, in the specific page of the Internet website www.bcsm.sm;
9. **"Reporting entities"**: cash handlers participating in recycling activities;
10. **"GS1"**: integrated system of standards that assigns international unique codes to products, services and places. These codes are distributed by the GS1 institute, an international non-profit institution, through its national representatives. The following codes are part of the GS1 system:
 - a) GLN – Global Location Number: uniquely identifies a physical location belonging to a given party (e.g., count room);
 - b) GTIN – Global Trade Item Number: it uniquely identifies the products covered by the reports (for instance, denomination of banknotes and coins);
11. **"Eurosystem"**: the ECB and national central banks of the Member States of the European Union whose currency is the Euro;
12. **"Help desk"**: Payment System Department of the Central Bank, referred to in article 26 paragraph 3 of Law no. 96 of 29 June 2005, as subsequently amended;
13. **"Law"**: Law no. 101 of 29 July 2013, as subsequently amended;
14. **"LISF"**: Law no. 165 of 17 November 2005, as subsequently amended;
15. **"Counting locations"**: premises where the cash handler installed compliant devices (be they reserved for its staff or which can be used autonomously by clients) of which it avails itself for handling cash for the purposes of recirculation, including count rooms and tellers. Every counting location is identified by a GLN code;
16. **"Trained staff"**: the cash handler's employees who have:
 - a) knowledge of the different public security features of the cash, as specified and published in the Eurosystem, and the ability to monitor it;
 - b) knowledge of the selection criteria listed in Annex III Law no. 101 of 29 July 2013, and the ability to monitor cash according to these criteria;
17. **"Count room"**: counting place where only staff operated machines (SOMs) are used for handling cash;
18. **"Teller"**: counting place where cash handlers installed recirculation devices that can be used autonomously by the clients (Cash Out Machines - COMs) with the exclusion of CIMs as they are not recycling devices, i.e. TARMs used to supply automatic recirculation devices (ATMs);
19. **"CBSM Statutes"**: Law no. 96 of 29 June 2005, as subsequently amended;
20. **"UCFM"**: (Ufficio Centrale per il Falso Monetario) the Anti-Counterfeiting Central Office established at the Interpol National Central Bureau of San Marino.

2. In this document, the use of the terms included in the definitions is highlighted by SMALL CAPS CHARACTERS.

3. For all terms that are not defined in paragraph 1, please refer to the definitions and concepts contained in the articles of the LAW and the sources of law indicated in the definitions.

Article 3 - Purposes

1. This Regulation is intended to supplement the regulations on Euro banknotes and coins, referred to in the same LAW, with the further detailed and operational provisions recalled in the SAME LAW and aimed at cash handlers, so that the latter can avail of the forms and procedural guidelines necessary to implement the regulatory provisions introduced in the full implementation of the Community acquis concerning controls for the authenticity and fitness of Euro banknotes and coins.

Article 4 - Preparation

1. The Regulation, consistently with the provisions of Article 38 paragraph 5 of LISF and the implementing Regulation no. 2006-02, was subjected to prior consultation in public form.

Article 5 - Structure

1. The Regulation is divided into 5 parts: the first is introductory, the second concerns common provisions for euro banknotes and coins, the third concerns only banknotes, the fourth concerns only coins and the last pertains to transitional and final provisions.

2. These Regulations consist of 5 Annexes, which form an integral part thereof.

PART II

Common provisions for Euro banknotes and coins

Article 6 – Cash handling activities

1. Parties intending to conduct CASH HANDLING ACTIVITIES, must notify CBSM and UCFM with at least fifteen days' notice, as from the start of the activity, by using the forms listed in Annex 1.

2. The same form referred to in the first paragraph should also be sent in the event of a change in the information contained therein within fifteen days from the change in the information.

3. The cash handler must also notify CBSM and UCFM if it ceases exercising the related activities within the term of thirty days from cessation.

Article 7 - Authenticity and fitness checking by means of compliant devices

1. The cash handler, except for the provisions of the following article, carries out authenticity and fitness controls by using COMPLIANT DEVICES.

2. THE ECB LIST and THE ECTS LIST are made further available to the cash handler through publication on the CBSM WEBSITE.

Article 8 - Manual authenticity and fitness checking

1. The cash handler may carry out checks for the authenticity and fitness of the banknotes and coins in manual mode, i.e., without the use of COMPLIANT DEVICES, only if the following conditions are met:
 - a) manual checks are carried out by TRAINED STAFF;
 - b) banknotes are put back into circulation by the teller STAFF in charge exclusively of transactions with the general public (for instance: payments, etc.).

Article 9 - Organisational requirements

1. Cash handlers must have appropriate technological resources and make exclusive use of COMPLIANT DEVICES in keeping with the hardware and software standards published on the internet website of the ECB and the European Commission. These devices are to be used according to factory settings including any updates, with the exception of more restrictive settings agreed by CBSM and the cash handler. The contracts for the supply of the devices must certify expressly that the installation and operating procedures are in accordance with the standards published on the website of ECB and of the European Commission, and that the maintenance of these standards is to be monitored as part of regular maintenance activities. The contract must also provide for the supplier's commitment to communicate promptly to the cash handler any changes in the software OF THE COMPLIANT DEVICES and the cancellation of the devices from the EBC LIST or the ECTS LIST.

2. Staff employed by the cash handlers must possess skills appropriate to the activities carried out and be constantly trained by means of appropriate training activities. In particular, cash handlers shall have knowledge of the different public security features of the cash, as specified and published in the EUROSYSTEM, and the ability to monitor them. For cases where manual checking is allowed, staff must also have the knowledge of the selection criteria listed in the Annexes of the LAW and the ability to verify the cash according to these criteria.

3. The procedures for carrying out of the different steps of the cash handling process should be carried out according to documented procedures, with an indications of the responsibilities of the members of staff in charge. In particular:
 - a) procedures are defined for the prompt preparation of the report for the withdrawal of suspect counterfeit banknotes and coins and related transmission to CBSM and UCFM;
 - b) procedures are laid down to prevent the relevant cash of each party to be improperly used.

4. The cash handler must prepare internal information flows to ensure that staff are aware of their own role and of the procedures to be followed for the proper conduct of their activities, with access to the related documentation, including the operating manuals of each device.
5. Internal controls must ensure compliance with company procedures, prompt detection of deficiencies and anomalies, and reporting of the same and verification of any subsequent adjusting measures.
6. The cash handler must also arrange for measures governing the proper and timely recording of operational events and for submitting to CBSM the information flows required by it, with particular regard to the detection of cash handling stages in order to allow for its traceability along the cash processing chain, and also arrange for measures to ensure the security of cash in all handling phases.
7. CBSM verifies the implementation of the provisions of the previous paragraphs by applying the principle of proportionality in order to keep into consideration the size, complexity and operations of the cash handler.
8. At least annually, the compliance function of the cash handler (or the function responsible for internal controls), must verify that cash handling devices are periodically upgraded in order to maintain their identification ability, taking into account the changes introduced in the EBC LIST and in the ECTS LIST.

Article 10 - Outsourcing of cash handling

1. The cash handlers outsourcing cash handling, as a whole or in part, must make provisions in the related outsourcing contract for at least:
 - a) the obligation of the party in charge to follow regulatory and supervisory provisions on authentications and selection of cash for the purpose of recirculation;
 - b) the possibility for the contracting party to check the performance of the service rendered, also through access to the premises of the party in charge and to request, if applicable, corrective measures;
 - c) the right of the contracting party to withdraw, without a sanction, at least in the case where the counterparty violates repeatedly the contractual obligations;
 - d) the procedures for the exchange of information and data;
 - e) indication of the party required to carry out statistical reports directed to CBSM.
2. At least annually, the compliance function of the cash handler (or the function responsible for internal controls), must evaluate and verify for the outsourced activities the adequacy of control procedures, as well as the systems put in place by the party responsible, and the levels of service insured by the latter.

3. For the cash handlers referred to under letters a), b), c), and f) of Article 2, paragraph 1, point 13, of the LAW, the provisions in force concerning outsourcing are nevertheless applied.

Article 11 - Controls and execution procedures

1. CBSM, in order to verify compliance with the provisions on cash handling, pursuant to Article 12 and 25 of the LAW, may acquire acts and documents and carry out inspections.

2. The inspections are carried out by CBSM staff provided with an appointment letter signed by the Director General or his/her deputy.

3. The members of staff in charge may request the submission of any document or deed that they deem necessary, carry out checks on the cash processed by the cash handler as well as withdraw - after preparation of the specific delivery report - specimens of banknotes and coins in order to submit them for checks for authenticity and fitness with CBSM. In this case, the inspected party has the right to request the presence of one of his/her representatives at the inspection.

4. Within 90 days from the conclusion of the investigations, the inspection findings are made known through written communication to the cash handler, which can also be delivered during a dedicated meeting with the inspected party, in the presence of the legal representative of the cash handler. This period may be suspended if it is necessary to acquire any new information.

5. Within 30 days from the date of delivery of the notification referred to in the previous paragraph, the cash handler communicates to CBSM its considerations concerning the findings and the observations made, also notifying the measures already taken or that it intends to take for the purposes of removing the irregularities found.

6. In order to carry out checks on cash handlers, CBSM may collaborate with UCFM, according to the Memorandum of Understanding referred to in Article 3 of the LAW, without prejudice to the autonomous checking power of UCFM pursuant to Article 12 paragraph 3 of the LAW.

7. During the inspections referred to in this article, cash handlers must offer the maximum collaboration in the completion of the investigations. Failure to provide it is in itself a breach that can be sanctioned.

Article 12 - Corrective measures

1. CBSM, without prejudice to the provisions of THE DECREE ON SANCTIONS, may request the cash handler to take corrective measures, indicating the times for their implementation. If the challenged non-compliance is not remedied, CBSM can, within 120 days from the detection of irregularities, on behalf of the ECB, adopt the measure

for banning the reintroduction into circulation of the denomination or denominations of banknotes or coins of the series involved.

2. The banning measure taken by CBSM against the cash handler is published on the CBSM website.

Article 13 - Statistical reports

1. Cash handlers that can qualify as REPORTING ENTITIES, send to CBSM the periodical information that is used for the purpose of monitoring cash recirculation activities and the developments of the cash cycle. CBSM will publish reports and statistics using the data acquired, grouping them so that they cannot be attributed to individual REPORTING ENTITIES.

2. THE REPORTING ENTITY, even when it avails itself of parties external to its organisation to prepare the reports, is responsible for the correctness of the information sent to CBSM and compliance with the terms for submission.

3. Technical instructions on how to submit reports are contained in the "Operating manual for the statistical reports of cash handlers" that will be made available to REPORTING ENTITIES, in its first version, on the cbsm website (www.bcsm.sm) at least 60 days prior to the effective term for the statistical reporting obligations referred to in the following Article 32 paragraph 1.

Article 14 - Coding system

1. The monitoring of recirculation activities carried out by REPORTING ENTITIES assumes the availability of databases that allow for the unique identification of parties and places where the activities are performed: to this end, GS1 coding is adopted.

2. Each REPORTING ENTITY must be equipped with its own GS1 CODE. THE REPORTING ENTITY assigns GLN codes to registered offices AND COUNTING PLACES. THE REPORTING ENTITY is responsible for the proper use of the codes thus attributed, with particular regard to the protection of the requirement for uniqueness - even historical uniqueness - of REGISTERED COUNTING places.

3. In the context of reporting, the different denominations of Euro banknotes and coins are identified through GTIN codes provided by CBSM.

Article 15 - Content of statistical reports

1. Statistical reports concern:

- a) COUNTING PLACES, with the exception of REPORTING ENTITIES that participate in the recirculation activities exclusively through their own cash dispensers for which such information is not required;

b) SYSTEM DATA, with the exception of the devices used to handle banknotes and coins that are distributed exclusively in OVER-THE-COUNTER transactions BY TRAINED STAFF;

c) OPERATING DATA, concern, separately for GTIN, the number of:

- 1) banknotes and coins handled by COMPLIANT DEVICES, with indication of quantities withdrawn from circulation and amounts recirculated. The entry must be distinguished by COUNTING LOCATION and, in the context of this, by owning entity of the handled cash. Owning entity means in the case of a REPORTING ENTITY that offers direct handling of cash taken by the clients, the party itself, while in the case of A REPORTING ENTITY that carries out cash handling on behalf of third parties, the party for whom the service is carried out. The data shall be reported by the REPORTING ENTITY that has handled the same. In the case of cash handling activities carried out under an outsourcing regime, the parties (contracting party and outsourcer) identify, with timely notification to CBSM, the party responsible for sending the data. If the handling process adopted by the REPORTING ENTITY involves a first part with counting and authenticity verification and a second phase of fitness selection, associated or not with a new authenticity verification, the processing is to be considered jointly for the purposes of calculating the amount to be reported;
- 2) total cash distributed through cash dispensing machines.

2. The data referred to in the preceding paragraph referred to under letters b) and c) are provided by completing the forms attached to the Manual referred to in the previous Article 13 paragraph 3.

Article 16 - Frequency of reports

1. Reports related to SYSTEM DATA AND operatingDATA, are sent half yearly according to the terms indicated below:

- a) Reference period: First half of the year
Submission period: 1 July - 31 August
- b) Reference period: Second half of the year
Submission period: 1 January - 28 February of the following year.

2. Reporting OF COUNTING PLACES is carried out at the time of their opening. REPORTING ENTITIES also notify CBSM promptly of cessations occurred or changes of address, in order to constantly keep up-to-date information on cash processing locations.

Article 17 – Correction of reports

1. Without prejudice to the obligation that REPORTING ENTITIES HAVE to follow the technical instructions contained in the Manual referred to in the previous Article 13 paragraph 3:

- a) submission of a corrective report always determines the removal of the previous one with reference to reports of SYSTEM DATA and OPERATING DATA;
- b) the correction the reports of SYSTEM AND OPERATIONAL DATA may be allowed only with the full submission of the correct report. Reports of partial corrections are therefore not accepted.

PART III

Specific provisions for Euro banknotes

Article 18 – Documented procedures for the completion of the different phases of the handling process

1. With reference to the documented procedures referred to in Article above 9 paragraph 3, for each stage of banknote handling, starting from withdrawal of the same with the clients, operating procedures are identified, which allow for the regular reporting with the party lodging the handled banknotes and the prompt management and separation of suspect counterfeits and unfit items from items that can be recirculated. The placement of banknotes on security premises must meet similar criteria. For the purposes of the application of the segregation criterion, the following is necessary:

- a) for banknote handling activities carried out directly, bank and post office tellers are to report constantly to the lodging party whether selected banknotes are suspect counterfeits. Having carried out this detection, the remaining banknotes can be handled indiscriminately;
- b) service companies are to report about the suspect counterfeit banknotes found during cash processing to each party from which they were acquired and, moreover, are to maintain separate the remaining banknotes handled among individual banks, post office tellers and other parties (e.g.: large-scale distribution operators) for the part concerning each of them.

Article 19 - Identification and handling of suspect counterfeit Euro banknotes

1. The cash handlers withdraw from circulation and transmit to CBSM, for the purposes of their being checked, any banknotes classified as not genuine following the automatic checking carried out pursuant to annexes IIa and IIb of the LAW or following a manual control carried out by TRAINED STAFF pursuant to annex III of the LAW.

2. In the cases referred to in the previous paragraph, cash handlers must follow the following procedure:

- a) unconditionally hold the banknotes;
- b) draw up in three copies report B1 referred to in Annex 2;
- b) draw up in two copies report B2 referred to in Annex 3;

- d) previously transmit to CBSM and UCFM, no later than on the second business day following the identification of the suspect counterfeit banknote, reports B1 and B2, together with a photocopy of the banknote withdrawn;
- e) deliver a copy of report B1 to the client-presenting person, except where the banknote was found in the absence of any such person;
- f) keep a copy of reports B1 and B2 with the photocopy attached of the banknote withdrawn;
- g) transmit to CBSM, by hand or by means of a registered letter with acknowledgement of receipt, no later than on the fifth business day following receipt of the banknote, a copy of reports B1 and B2 together with the banknote withdrawn.

3. The banks are the only entities entitled to take the actions provided for under letter g) above, also by means of transmission through the Paper Based Transactions services.

Article 20 - Resulting requirements

1. CBSM, following receipt of the reports and the withdrawn banknotes, proceeds to:
 - a) notify via data transmission the competent Office of the Italian Ministry of Economy and Finances (UCAMP, Central Means of Payment Anti-fraud Office) by using the application SIRFE;
 - b) to send the banknotes and report B2 in its original copy to NAC.
2. CBSM may also contact the client-presenting person directly in order to collect more detailed information from the same.
3. NAC will carry out a technical investigation on the banknotes withdrawn in order to check if they are counterfeit.
4. The outcome of the technical expert investigation will be transmitted by CBSM to the cash handler and the UCFM where applicable.
5. In the case where the expert investigation ascertains the authenticity of the banknote, CBSM proceeds to reimburse the cash handler.

Article 21 - Instructions for the preparation of reports for suspect counterfeit banknotes

1. Cash handlers are required to fill in fields from 1 to 26, as regards report B1, and from 1 to 15 as regards report B2, in accordance with the following instructions:
 - 1) specify a unique and progressive number or alphanumeric identification code;
 - 2) specify the date of reporting (day, month, year);
 - 3) specify the name of the reporting cash handler, the full address of the withdrawing branch/agency/office (if any), telephone number and fax;

- 4 and 5) specify any Abi and Cab codes;
- 6) specify the economic operator code (E.O.C.);
- 7) specify the date when the banknote was identified (day, month, year);
- 8) specify the denomination of the banknotes withdrawn;
- 9) specify the series of the banknotes withdrawn (letter "A" identifies the first series issued in 2002, the other series will be identified by letters "B", "C" etc.);
- 10) specify the alphanumeric combination - the second column (2nd combination) must be filled in only in case of two different alphanumeric combinations on the same banknote withdrawn -;
- 11) specify the "plate number", i.e. the 6 digit alphanumeric code (one letter, three numbers, one letter and one number) on the front of the banknote, in a predetermined position for each denomination;
- 12) this point must always indicate 1 for each lined filled out, except in case of several banknotes of the same denomination and series, all bearing the same alphanumeric combination (or both series, if the two combinations on the one note are different) and the same plate number;
- 13) specify the arithmetic sum of the column "number of items";
- 14) specify the number of forms enclosed, to be used if the four printed lines in section B) should not be sufficient; these attached forms shall bear the protocol reference number 1) of report B1, of which they form part;
- 15) cross the box "In the presence of the presenting person" if the banknotes are withdrawn in the presence of the latter. Otherwise, for instance, in case of banknotes found in an automatic device used by clients, cross the box "Presenting person absent". The box "Other useful information" must include other circumstances about the finding or presentation of the banknote (such as, but not limited to, the voluntary delivery by the presenting person who requests that the banknote be assessed to establish whether it is genuine or counterfeited);
- 16, 17, 18 and 19) specify the identification details of the presenting person, taken from an identity document or provided orally (purported), by crossing the corresponding box;
- 20) specify the address, even if different from the residence, where the presenting person may be found;
- 21) specify a telephone number where the presenting person may be reached;
- 22) specify the circumstances in which the presenting person came into possession of the banknotes;
- 23 and 24) specify surname and name of the operator who withdraws the banknote;
- 25) affix the stamp of the party liable and the signature of the reporting operator;
- 26) if present, have the person presenting the withdrawn banknote sign the form.

Article 22 - Identification and handling of Euro banknotes unfit for circulation

1. Cash handlers withdraw from circulation and transmit to CBSM, for the purposes of their substitution or reimbursement, any banknotes classified as unfit following the automatic checking carried out pursuant to annexes IIa and IIb of the LAW or following a manual control carried out by TRAINED STAFF pursuant to annex III of the LAW.

2. In the cases referred to in the previous paragraph, cash handlers must follow the following procedure:
- a) unconditionally hold the banknotes;
 - b) deliver to CBSM the banknotes withdrawn as unfit, in compliance with the provisions of Article 10 of the LAW and keep CBSM harmless for the non-payment of banknotes that, after the checking made by the Central Bank itself, are found to be suspected of being counterfeited.

PART IV

Specific provisions for Euro coins

Article 23 - Identification and handling of suspect counterfeit coins

1. Cash handlers, except for those referred to in article 2, point 13, letter g) of the LAW, submit the coins to the authentication procedure THROUGH THE USE OF COMPLIANT DEVICES or through the manual control carried out by TRAINED STAFF.

2. As regards to any coins rejected during the authentication process because suspected of being counterfeited, cash handler must apply the following procedure:

- a) unconditionally hold the coins;
- b) draw up in three copies report M1 referred to in Annex 4;
- c) draw up in two copies report M2 referred to in Annex 5;
- d) previously transmit to CBSM and UCFM, no later than on the second business day following identification of suspect counterfeit coin reports M1 and M2, alongside a photocopy of the coin withdrawn;
- e) deliver a copy of report M1 to the client-presenting person, except where the coin was found in the absence of any such person;
- f) keep a copy of reports M1 and M2 with attached a photocopy of the coin withdrawn;
- g) transmit to CBSM, by hand or by means of a registered letter with acknowledgement of receipt, no later than on the fifth business day following receipt of the banknote, a copy of reports M1 and M2 alongside the coin withdrawn.

3. The banks are the only entities entitled to take the actions provided for in letter g) above, also by means of transmission through the Paper Based Transactions services.

Article 24 - Resulting requirements

1. CBSM, following receipt of the reports and coins withdrawn, proceeds to:

- a) notify via data transmission the competent Office of the Italian Ministry of Economy and Finances (UCAMP, Central Means of Payment Anti-fraud Office) by using the application SIRFE;

- b) to send the coins and report M2 in its original copy to CNAC.
2. CBSM may also contact the client-presenting person directly in order to collect more detailed information from the same.
3. On the coins withdrawn, the NCAC will perform a technical investigation in order to assess whether they are counterfeit.
4. The outcome of the technical expert investigation will be transmitted by CBSM to the cash handler and the UCFM where applicable.
5. In the case where the expert investigation ascertains the authenticity of the coin, CBSM proceeds to reimburse the cash handler.

Article 25 - Instructions for the preparation of reports for suspect counterfeit coins

1. The cash handlers are required to fill in fields from 1 to 25, as regards to M1 report, and from 1 to 14 as regards to M2 report, in accordance with the following instructions:
- 1) specify a unique and progressive number or alphanumeric identification code;
 - 2) specify the date of reporting (day, month, year);
 - 3) specify the name of the reporting cash handler, the full address of the withdrawing branch/agency/office (if any), telephone number and fax;
 - 4 and 5) specify any Abi and Cab codes;
 - 6) specify the economic operator code (E.O.C.);
 - 7) specify the date when the coin was identified (day, month, year);
 - 8) specify the denomination of the coin withdrawn;
 - 9) specify the nation to which the coin withdrawn refers;
 - 10) specify the year of issue, as shown on the coin withdrawn;
 - 11) specify for each line, the number of coins withdrawn for the same denomination, country and year of issue;
 - 12) specify the arithmetic sum of the column "number of items";
 - 13) specify the number of attached forms, to be used if the four printed lines provided in section B) are not sufficient. These attached forms shall bear the protocol reference number 1) of the report M1 of which they form an integral part;
 - 14) cross the box "In the presence of the presenting person" if the banknotes are withdrawn in the presence of the latter. Otherwise, cross the box "Absent the presenting person". The box "Other useful information" must include other circumstances of the finding or presentation of the coin (such as, but not limited to, the voluntary delivery by the presenting person who requests that it be assessed whether the coin is genuine or counterfeited);

- 15, 16, 17 and 18) specify the identification details of the presenting person, taken from an identity document or provided orally (purported), by crossing the corresponding box;
- 19) specify the address, even if different from the residence, where the presenting person may be found;
- 20) specify a telephone number where the presenting person may be reached;
- 21) specify the circumstances in which the presenting person came into possession of the coins;
- 22 and 23) specify surname and name of the operator who withdraws the coin;
- 24) affix the stamp of the party liable and the signature of the reporting operator;
- 25) if present, have the person presenting the coin sign the form.

Article 26 - Identification and processing of Euro coins unfit for circulation

1. The cash handlers withdraw from circulation and transmit to CBSM, for the purposes of their replacement or refund, the coins rejected during the authentication process as referred to in the previous article 23 paragraph 1, which are not suspected of being counterfeited.

2. In the cases referred to in the previous paragraph, cash handlers must follow the following procedure:
 - a) unconditionally hold the coins;
 - b) deliver to CBSM the banknotes withdrawn as unfit, in compliance with the provisions of Article 28 of the LAW and keep CBSM harmless for the non-payment of the banknotes that, after having been checked by the Central Bank, are found to be suspected of being counterfeited.

PART V

Transitional and final provisions

Article 27 – Initial requirements

1. Cash handlers already operating on the date of entry into force of the LAW are required to submit to CBSM and UCFM, within 90 days of the date of entry into force of this Regulation, the report on the cash handling ACTIVITIES referred to in Annex 1.

Article 28 – Non-Euro banknotes and coins

1. With regard to the euro banknotes and coins in a currency other than the Euro that are suspected of being counterfeited, their withdrawal and related transmission to UCFM is to be executed by the cash handlers cash in accordance with the instructions of the same UCFM, where imparted pursuant to Article 3 paragraph 2 of the LAW.

Article 29 - Monetary administrative sanctions

1. The violation of the provisions referred to in this Regulation shall be punished according to the provisions of the DECREE ON SANCTIONS.

Article 30 – Abrogation

1. This abrogates and replaces Regulation no. 2010-02, issued by CBSM on 21 December 2010.

Article 31 – Questions

1. The cash handlers may submit questions to CBSM to request clarifications on the contents of this Regulation by sending a letter signed by their legal representative and addressed to the Payment System Department.

Article 32 - Entry into force

1. This Regulation enters into force on 31 August 2013, and the reporting requirements referred to in Article 16 above are effective as from the second subsequent reference period, which coincides with the second calendar half of 2014.

2. Without prejudice to the provisions of paragraph 1 above, TAKING into account that both cbsm's role of Competent National Authority (pursuant to article 2, point 3, OF THE LAW) and the function of cash handler within the limits of the banking activities performed by the Treasury Department (pursuant to point 13, letter e) of the same Article of the LAW), the forms, scopes and procedures for the application to itself of the rules referred to in this Regulation will be defined by CBSM through a specific internal self-regulation.

ANNEX 1

TEMPLATES FOR REPORTING CASH HANDLING ACTIVITIES

TEMPLATE A: Intended for cash handlers operating with devices for cash authentication and the selection and/or automatic cash dispensers.

The undersigned _____ born in _____ on _____ residing in _____ [full address of residence] ISS code/Tax Code _____, as the legal representative of _____ [name of cash handler], with headquarters in _____ [full address of the registered office and administrative office, if different], Economic Operator Code _____.

communicates

the conduct of cash recirculation transactions through equipment for cash authentication and the selection and/or automatic cash dispensers.

For this purpose, the certificate of good standing is attached hereto and the following information is provided:

a) Cash handler type:

.....

b) GS1 Code (if the cash handler has already been assigned one):

.....

c) Brief description of the activity:

.....

d) Start date of cash handling activity

.....

e) Devices for authentication and selection (indicate the model as reported on the ECB website and on the ETSC website, for each model, the number of devices used):

.....

f) Organisational structure for cash handling activities (briefly describe the organisation of the various stages in the cash processing, with an indication of the number of members of staff involved in each phase and controls adopted to grant compliance with the segregation criterion of handled banknotes, type of checks and procedures for carrying them out)

.....

g) Outsourcing (indicate cash handling phases that may possibly be outsourced, and, for each of them, the party to whom the task was entrusted)

.....

San Marino, _____ [date]

The Legal Representative

The Central Bank of the Republic of San Marino
Regulation no. 2013-04 on Euro banknotes and coins

TEMPLATE B: Intended for cash handlers who carry out exclusively manual controls and perform only over-the-counter operations

The undersigned _____ born in _____ on _____ residing in _____ *[full address of residence]* ISS code/Tax Code _____, as the legal representative of _____ *[name of cash handler]*, with headquarters in _____ *[full address of the registered office and administrative office, if different]*, Economic Operator Code _____.

communicates

the conduct of cash recirculation transactions exclusively through manual control carried out by trained staff and the return into circulation of the same only through over-the-counter transactions.

For this purpose, the certificate of good standing is attached hereto and the following information is provided:

a) Cash handler type:

.....

b) GS1 Code *(if the cash handler has already been assigned one)*:

.....

c) Brief description of the activity:

.....

d) Start date of cash handling activity

.....

e) Organisational structure for cash handling activities *(briefly describe the organisation of the various stages in the cash processing, with an indication of the number of members of staff involved in each phase and controls adopted to grant compliance with the segregation criterion of handled banknotes, type of checks and procedures for carrying them out)*

.....

f) Outsourcing *(indicate cash handling phases that may possibly be outsourced, and, for each of them, the party to whom the task was entrusted)*

.....

San Marino, _____ *[date]*

The Legal Representative

ANNEX 2

REPORT FOR THE WITHDRAWAL OF EURO BANKNOTES - B1
CBSM Fax 0549/882328 - UCFM Fax 0549/888891

A) REPORTING PERSON IDENTIFICATION DATA

(1) REFERENCE PROTOCOL

(2) DATE OF MINUTES

dd	mm	

yyyy

(3) REPORTING LIABLE PERSON

name

address of branch/agency/office	street no.

castle	int. acronym

RSM

telephone no.

fax no.

--	--	--	--	--	--	--	--

(4) ABI Code

--	--	--	--	--	--	--	--

(5) CAB

(6) Economic Operator Code

(7) DATE WHEN THE SUSPECT BANKNOTE WAS IDENTIFIED

dd	mm	yyyy

B) IDENTIFICATION DATA OF WITHDRAWN BANKNOTES

(8) DENOMINATION OF BANKNOTES	(9) SERIE S	(10) ALPHANUMERIC COMBINATION		(11) PLATE NUMBER	(12) NUMBER ITEMS
		1^ combinat.	2^ combinat. (if different)		

(14) NUMBER OF ANY SHEETS ATTACHED

(15) C) PROCEDURES FOR COLLECTION

In the presence of the presenting person **In the absence of the presenting person**

Other useful information:

D) PRESENTING PERSON IDENTIFICATION DATA

Data derived from identity document

Purported

(16) SURNAME

(17) NAME

(18) DATE BIRTH

(19) PLACE OF BIRTH

The Central Bank of the Republic of San Marino
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(20) ADDRESS

(21) TELEPHONE
CONTACT

(22) STATEMENT PASSPORTS

The undersigned, under his/her own responsibility, declares that

E) OPERATOR IDENTIFICATION DATA

(23) SURNAME

(24) NAME

(25) _____

The Handler

(26) _____

The Presenting Person

ANNEX 3

- B2 NOTIFICATION REPORT FOR EURO BANKNOTES

CBSM Fax 0549/882328 - UCFM Fax 0549/888891

A) REPORTING PERSON IDENTIFICATION DATA

(1) REFERENCE PROTOCOL

(2) DATE OF MINUTES
dd mm yyyy

(3) REPORTING LIABLE PERSON

name address of branch /agency/office street no.

castle RSM int. acronym telephone no. fax no.

(4) ABI Code (5) CAB (6) Economic Operator Code

(7) DATE WHEN THE SUSPECT BANKNOTE WAS IDENTIFIED
(dd mm yyyy

B) IDENTIFICATION DATA OF WITHDRAWN BANKNOTES

(8) DENOMINATION OF BANKNOTES	(9) SERIES	(10) ALPHANUMERIC COMBINATION		(11) PLATE NUMBER	(12) NUMBER ITEMS
		1^ combinat.	2^ combinat. (if different)		

(14) NUMBER OF ANY SHEETS ATTACHED (13) TOTAL ITEMS

(15) C) PROCEDURES FOR COLLECTION

In the presence of the presenting person **In the absence of the presenting person**

Other useful information:

ANNEX 4

EURO COIN WITHDRAWAL REPORT- M1
CBSM Fax 0549/882328 - UCFM Fax 0549/888891

A) REPORTING PERSON IDENTIFICATION DATA

(1) REFERENCE PROTOCOL

(2) DATE OF MINUTES
dd mm yyyy

(3) REPORTING LIABLE PERSON

name address of branch/agency/office street no.

castle int. acronym RSM telephone no. fax no.

(4) ABI Code (5) CAB (6) Economic Operator Code

(7) DATE WHEN THE SUSPECT COIN WAS IDENTIFIED
dd mm yyyy

B) IDENTIFICATION DATA OF WITHDRAWN COINS

(8) DENOMINATION OF COINS	(9) COUNTRY ISSUER	(10) YEAR OF ISSUANCE	(11) NUMBER OF ITEMS

(13) NUMBER OF ANY SHEETS ATTACHED (12) TOTAL ITEMS

(14) C) COLLECTION PROCEDURES

In the presence of the presenting person In the absence of the presenting person
Other useful information:

D) PRESENTING PERSON IDENTIFICATION DATA

Data derived from identity document Purported

(15) SURNAME (16) NAME

(17) DATE BIRTH (18) PLACE OF BIRTH

The Central Bank of the Republic of San Marino
Regulation no. 2013-04 on Euro banknotes and coins

(19) ADDRESS

(20) TELEPHONE CONTACT

(21) PRESENTING PERSON'S STATEMENT

The undersigned, under his/her own responsibility, declares that

E) OPERATOR IDENTIFICATION DATA

(22) SURNAME

(23) NAME

(24) _____
The Handler

(25) _____
The Presenting Person

ANNEX 5

– B2 NOTIFICATION REPORT FOR EURO BANKNOTES
 CBSM Fax 0549/882328 - UCFM Fax 0549/888891

A) REPORTING PERSON IDENTIFICATION DATA

(1) REFERENCE PROTOCOL

(2) DATE OF REPORT
 dd mm yyyy

(3) REPORTING LIABLE PERSON

name address of branch/agency/office street no.

castle int. acronym telephone no. fax no.

(4) ABI code (5) CAB (6) COE

(7) DATE WHEN THE SUSPECT COIN WAS IDENTIFIED
 dd mm yyyy

B) IDENTIFICATION DATA OF WITHDRAWN COINS

(8) DENOMINATION OF COINS	(9) COUNTRY ISSUER	(10) YEAR OF ISSUANCE	(11) NUMBER OF ITEMS
12) TOTAL ITEMS			

(13) NUMBER OF ANY SHEETS ATTACHED

(14) C) PROCEDURES FOR COLLECTION

In the presence of the presenting person In the absence of the presenting person

Other useful information: