



REGULATION
FOR THE WITHDRAWAL FROM
CIRCULATION OF SUSPECTED
COUNTERFEIT EURO BANKNOTES
AND COINS

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The Central Bank of the Republic of San Marino

Regulation No. 2010-02 Regulation for the withdrawal from circulation of suspected counterfeit Euro banknotes and coins

CONTENTS

ARTICLE 1 - DEFINITIONS	3
ARTICLE 2 - PREMISE.....	3
ARTICLE 3 - PURPOSE OF THE REGULATION.....	3
ARTICLE 4 - CONSULTATIONS	3
ARTICLE 5 – LIABLE PARTIES	3
ARTICLE 6 - PROCEDURE FOR THE WITHDRAWAL OF EURO BANKNOTES AND COINS.....	4
ARTICLE 7 - CHECKS AND REQUIREMENTS CONSEQUENT TO WITHDRAWAL OF SUSPECTED COUNTERFEIT BANKNOTES AND COINS.....	4
ARTICLE 8 - INSTRUCTIONS FOR COMPLETING ANNEX A - REPORT B1.....	5
ARTICLE 9 - INSTRUCTIONS FOR COMPLETING ANNEX B - REPORT M1.....	6
ARTICLE 10 - INSTRUCTIONS FOR COMPLETING ANNEX C - REPORT B2.....	7
ARTICLE 11 - INSTRUCTIONS FOR COMPLETING ANNEX D - REPORT M2.....	8
ARTICLE 12 - SANCTIONS	8
ARTICLE 13 - NON EURO BANKNOTES AND COINS.....	8
ARTICLE 14 - FINAL AND TRANSITIONAL RULES.....	8
ANNEX A – REPORT B1	
ANNEX B – REPORT M1	
ANNEX C – REPORT B2	
ANNEX D – REPORT M2	

The Central Bank of the Republic of San Marino

Regulation No. 2010-02 Regulation for the withdrawal from circulation of suspected counterfeit Euro banknotes and coins

Article 1 - Definitions

1. For the purpose of this Regulation, the expressions used herein have the following meaning:

1. "**Central Bank**": the Central Bank of the Republic of San Marino;
2. "**Lisf**": Law No.165 of 17 November 2005, as subsequently amended;
3. "**B1**": report for internal use for suspected counterfeit Euro banknotes;
4. "**B2**": report for external use for suspected counterfeit Euro banknotes;
5. "**M1**": report for internal use for suspected counterfeit Euro coins;
6. "**M2**": report for external use for suspected counterfeit Euro coins;
7. "**Liabe parties**": parties that pursuant to article 7 of Decree No. 121 dated 27 November 2001, manage or distribute cash professionally, in the territory of San Marino.

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

Article 2 - Premise

1. Currently the withdrawal from circulation of suspected counterfeit banknotes and coins is governed by the regulations issued by the Inspectorate for Credit and Currencies, and is consequently only known to the banks to whom it is directed; otherwise the regulations issued by the CENTRAL BANK are subject to the obligations of being made public, including publication in the Official Bulletin, pursuant to art. 39, paragraph 4 of LISF.

2. The provisions issued by the Inspectorate for Credit and Currencies at the time, provide for similar procedures for suspected counterfeit "Euros" and for currencies other than the Euro, with the consequent requirement in the case of the latter to simply interpose with the Supervisory Authority in respect of Interpol in San Marino, which is effectively the structure responsible for interacting formally with similar foreign entities regarding other foreign currencies.

Article 3 - Purpose of the Regulation

1. The purpose of this Regulation is to:

- extend the list of LIABLE PARTIES to increase the effectiveness of the previously applicable regulation;
- replace the previously applicable regulation with provisions that are consistent with the CENTRAL BANK'S rules in terms of form and publication methods;
- with regard to currencies other than the Euro, establish a direct and more effective transmission channel to the entities responsible for fighting the counterfeiting of banknotes and coins.

Article 4 - Consultations

1. This Regulation, in line with the provisions of art. 38, paragraph 5 of the LISF and Implementation Regulation No. 2006-02, was the subject of prior consultations.

Article 5 – Liabe parties

1. The LIABLE PARTIES for the withdrawal from circulation of suspected counterfeit Euro banknotes and coins are:

- a) the "authorised parties" referred to in article 1 of the LISF;

The Central Bank of the Republic of San Marino

Regulation No. 2010-02 Regulation for the withdrawal from circulation of suspected counterfeit Euro banknotes and coins

- b) the insurance and reinsurance intermediaries registered in the relative Register required by Regulation 2007-02 issued by the CENTRAL BANK;
- c) companies that carry out debt recovery on behalf of third parties;
- d) companies that carry out the custody and transportation of cash;
- e) the San Marinense branches of parties with registered offices abroad, which carry out the same activities as the parties referred to in the points above;
- f) the post offices, other Public Administration offices and the Broader Public Administration that carry out financial transactions through cash services in respect of the public;
- g) the State Tax Department and Treasury of the CENTRAL BANK;
- h) parties that manage gambling houses and of games of chance provided by Law No. 67 dated 25 July 2000 as subsequently amended;
- i) legal persons that trade one currency against another on an occasional basis and limited scale, in accordance with art. 26 bis of Law No. 92 dated 17 June 2008.

Article 6 - Procedure for the withdrawal of Euro banknotes and coins

1. If while exercising their activities, LIABLE PARTIES should find themselves with banknotes and coins that are counterfeit or suspected of being counterfeit, they must comply with the procedure below, aimed at withdrawing these from circulation.

2. In progressive order, the stages in the procedure are:

- a) unconditionally retain counterfeit or suspect banknotes/coins;
- b) prepare three copies of report B1 (in the case of banknotes) and/or M1 (in the case of coins);
- c) prepare two copies of report B2 (in the case of banknotes) and/or M2 (in the case of coins);
- d) send in advance by fax to the CENTRAL BANK, reports B1, M1, B2, M2 and a photostat copy of the banknotes and coins withdrawn, within and no later than the first business day subsequent to the day on which the false or potentially false banknotes and coins were identified;
- e) deliver a copy of reports B1 and/or M1 to the client-presenting person, except where the banknotes/coins were found in the absence of any such person;
- f) retain a copy of reports B1 and B2, M1 and M2, with an attached photostat copy of the banknotes/coins withdrawn;
- g) send a copy of reports B1 and B2, M1 and M2 with the banknotes and coins withdrawn, by registered letter with acknowledgement of receipt to the CENTRAL BANK, within and no later than the second business day subsequent to the day on which the cash was withdrawn.

3. The banks are entitled to take the actions provided for in letter g) in the paragraph above, also by means of transmission through the clearing house.

Article 7 - Checks and requirements consequent to the withdrawal of suspected counterfeit banknotes and coins

1. On receipt of the reports, withdrawn banknotes and coins, the CENTRAL BANK arranges to send:

The Central Bank of the Republic of San Marino

Regulation No. 2010-02 Regulation for the withdrawal from circulation of suspected counterfeit Euro banknotes and coins

- photostat copies of the banknotes, coins and B2 and M2 reports to the Office responsible at the Italian Ministry of the Economy and Finance, to also facilitate the subsequent sending - once again through the offices of the relevant Italian Authorities - of the relative information needed for analysis purposes, in the context of Europol, should the prerequisites arise and should the false nature be confirmed following the technical inspections conducted pursuant to paragraph 3 below.

- the original banknotes and B2 report to the Bank of Italy;

- the original coins and M2 report to the Italian State Printing Works and Mint (Istituto Poligrafico della Zecca di Stato), through the Italian Government "Cassa Speciale".

2. The CENTRAL BANK may also contact the client-presenting person directly in order to collect more detailed information from the latter.

3. The Bank of Italy and the Italian State Printing Works of the Mint shall conduct a technical inspection on the banknotes and coins withdrawn, in order to ascertain whether they are false.

4. The outcome of the technical inspection is sent by the CENTRAL BANK to the reporting LIABLE PARTY, and if the technical inspection should confirm that the cash withdrawn is counterfeit, the Bank shall notify the relevant Judicial Authority.

5. If the inspection finds that the banknotes and coins are genuine, the CENTRAL BANK notifies the reporting LIABLE PARTY of their validity, arranging for a reimbursement of the equivalent amount in their favour.

Article 8 - Instructions for completing Annex A - Report B1

1. To complete report B1, LIABLE PARTIES must fill in fields 1 to 26 according to 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 LIABLE PARTY, the full address of the withdrawing of any branch/agency/office, the telephone and fax number;

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;

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";

The Central Bank of the Republic of San Marino

Regulation No. 2010-02 Regulation for the withdrawal from circulation of suspected counterfeit Euro banknotes and coins

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, which they form an integral part of;

15) 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 "Presenting person absent". Under "Other useful information" include the other circumstances regarding the finding or presentation of the banknote (for example, whether this refers to banknotes originating from automatic cash dispensers, petrol stations, department stores, etc. or whether this was voluntarily delivered by the presenting person);

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 suspected counterfeit banknotes;

23 and 24) specify the surname and name of the operator who withdraws the banknote;

25) affix the stamp of the LIABLE PARTY and the signature of the reporting operator;

26) if possible, have the person presenting the withdrawn banknote to sign with their full name.

Article 9 - Instructions for completing Annex B - Report M1

1. To complete report M1, LIABLE PARTIES must fill in fields 1 to 25 according to 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 LIABLE PARTY, the full address of the withdrawing of any branch/agency/office, the telephone and fax number;

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 country that the coin withdrawn refers to;

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 "Presenting person absent". The box "Other

useful information" must include other circumstances of the finding or presentation of the coin (for example, if this refers to a coin originating from automatic cash dispensers, petrol stations, department stores, etc. or whether this was voluntarily delivered by the presenting person).

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 suspected counterfeit coins;

22 and 23) specify surname and name of the operator who withdraws the coin;

24) affix the stamp of the LIABLE PARTY and the signature of the reporting operator;

25) if possible, have the person presenting the withdrawn banknote to sign with their full name.

Article 10 - Instructions for completing Annex C - Report B2

1. To complete report B2, LIABLE PARTIES must fill in fields 1 to 15 according to 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 LIABLE PARTY, the full address of the withdrawing of any branch/agency/counter, the telephone and fax number;

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;

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 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 M2 of which they form an integral part;

15) 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 "Presenting person absent". Under "Other useful

information" include the other circumstances regarding the finding or presentation of the banknote (for example, whether this refers to banknotes originating from automatic cash dispensers, petrol stations, department stores, etc. or whether this was voluntarily delivered by the presenting person).

Article 11 - Instructions for completing Annex D - Report M2

1. To complete report M2, LIABLE PARTIES must fill in fields 1 to 14 according to 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 LIABLE PARTY, the full address of the withdrawing of any branch/agency/office, the telephone and fax number;
- 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 coins withdrawn;
- 9) specify the country that the coin withdrawn refers to;
- 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 M2 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 "Presenting person absent". Under "Other useful information" include the other circumstances regarding the finding or presentation of the coin (for example, whether this refers to coins originating from automatic cash dispensers, petrol stations, department stores, etc. or whether this was voluntarily delivered by the presenting person).

Article 12 - Sanctions

1. In the case of LIABLE PARTIES violating the provisions contained in this Regulation, the CENTRAL BANK may apply a monetary sanction from a minimum of Euro 2,500.00 to a maximum of Euro 25,000.00, in accordance with article 7, paragraph 3 of Decree No. 121 dated 27 November 2001.

Article 13 - Non Euro banknotes and coins.

1. With regard to counterfeit banknotes and coins in currencies other than the Euro, the withdrawal and relevant transmission must be carried out directly by the LIABLE PARTIES to Interpol in San Marino.

Article 14 - Final and transitional rules.

2. This Regulation shall enter into force on 1 January 2011, and on the same date, the abrogation is effective regarding Circular No. 31 dated 16 January 2002 and Uniform Letters No. 102 and 103 dated 14 November 2002 and 12 August 2003 respectively.

San Marino, 21 December 2010