

NATIONAL CASH CHANGEOVER PLAN



MINISTRIES OF NATIONAL ECONOMY AND FINANCE



BANK OF GREECE

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CHANGEOVER TO THE EURO

Greece's entry into Economic and Monetary Union marks the beginning of a new era of stability and growth, offering opportunities for strong performance and progress. Given its efforts and economic potential, Greece is gaining a well-deserved position in contemporary Europe. Priorities are now shifting towards making the most of our participation in the euro area. Faster growth, full employment and prosperity are our goals for this new era.

The introduction of euro banknotes and coins is the final and most visible step in the changeover process. Greece has a transitional period of one year, ending on 31 December 2001, before the launching of euro banknotes and coins. On 1 January 2002 euro banknotes and coins will be put into circulation simultaneously in all euro area Member States, while national banknotes and coins will be gradually withdrawn.

The necessary actions for the physical introduction of the euro have already been initiated. In all euro area countries, coordinated efforts are being made at the printing works and mints involved in the production of euro banknotes and coins. The entities that will undertake to store, distribute and circulate the new currency will assume enormous responsibility in ensuring the uninterrupted supply of the market. It is estimated that in Greece some 700 million drachma banknotes and 7,000 tonnes of drachma coins will be withdrawn, while some 600 million euro banknotes and 8,300 tonnes of euro coins will be ready for circulation by the end of 2001.



Lucas Papademos
Governor of the Bank of Greece

The Bank of Greece, as the country's monetary authority, and the Ministries of National Economy and Finance are taking care of the logistics associated with this major project. The main points of the National Cash Changeover Plan were finalised in consultation with the Hellenic Bank Association, labour unions, employers' organisations and local authorities.

Preparatory work is progressing at a satisfactory pace. Any problems that may arise during the transitional period will be addressed promptly and effectively.

The Ministries of National Economy and Finance and the Bank of Greece are proud to present today the National Cash Changeover Plan, which includes the main directions in which concerted efforts will be moving. Providing citizens and other economic agents with reliable and accurate information is essential to a seamless transition to the new monetary environment. We believe that this will enable a smooth introduction of euro banknotes and coins, thereby completing the final stage towards the changeover to the single currency.

Yannis Papantoniou
Minister of National Economy and Finance

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Governor of the Bank of Greece

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Accession to the euro area marks the beginning of a new era for Greece. The euro, the single currency, is a strong bond shared by 12 European countries; it symbolises their joint efforts for stability, welfare and a higher standard of living for their peoples, as well as their strong presence as a single entity in the world economy. The introduction of the single currency is a big step forward in the year-long process of European integration.

The introduction of the euro is not only a landmark on Greece's road to a better future, but also a challenge: while the Greek economy has already come a long way, having managed to meet the convergence criteria laid down in the Maastricht Treaty and to qualify for Economic and Monetary Union (EMU), it must now respond successfully to the new conditions created by EMU membership. One aspect of this new environment is the introduction of euro banknotes and coins, which is a complex undertaking.

Ahead of the introduction of euro banknotes and coins, the euro was adopted by 11 European Union Member States as their national currency on 1 January 1999. Greece adopted it on 1 January 2001, at the irrevocable conversion rate of €1 = GRD 340.750. The economies of first-wave EMU participants have already started to reap the benefits of EMU, including lower transaction costs and greater price transparency. However, the full impact of the fundamental change implied by the introduction of the single currency will not be felt by European citizens before the beginning of 2002, when national banknotes and coins will be replaced by euro banknotes and coins.

Responsibility for introducing and launching euro banknotes and coins and for withdrawing drachma banknotes and coins in Greece lies with the Bank of Greece, as the country's monetary authority. Preparatory work is already under way at the Bank and appropriate measures are being taken to ensure that the venture will be crowned with success. To this end, the Bank relies on the con-

tribution of the parties involved: government authorities, in particular the Ministries of National Economy and Finance, the Hellenic Bank Association, organisations in the field of industry, commerce, travel and other services, professionals, employees, consumers and educational institutions.

The decision for Greece's entry into EMU as from 1 January 2001 was made by the ECOFIN Council at Santa Maria da Feira (Portugal) on 19 June 2000. At the same time, the EU Council decided to amend Council Regulation (EC) 2866/98 and to adopt Council Regulation (EC) 1478/2000, setting the irrevocable conversion rate of the drachma at GRD 340.750 per €1, with effect from 1 January 2001.

The period from the adoption of the euro to the launching of euro banknotes and coins, known as the "transitional period", is planned to last three years for the 11 countries that entered EMU on 1 January 1999¹.

In Greece, according to the **National Changeover Plan** (July 1998), the transitional period has a duration of **one year** ending on 31 December 2001; after that date, euro cash will be introduced in Greece simultaneously with the other 11 Member States of Monetary Union².

1. This was clearly envisaged in the Madrid scenario and is explicitly stated in Article 10 of Council Regulation (EC) 974/98 concerning the introduction of the euro, which is based on Article 123 of the Treaty on European Union.

2. At the informal ECOFIN meeting of Noordwijk (1997) it was decided that the changeover scenario for the countries that will join the European Union after 1 January 1999 should envisage a transitional period similar to that applicable to "first-wave" countries under the Madrid scenario (i.e. three years). However, countries that will join Monetary Union after 1 January 1999 are authorised to introduce the euro **at a faster pace** than the first group of entrants on the basis of the facilitation principle, as long as the quality of their preparation is not affected. Consequently, the one-year transitional period in Greece is consistent with the spirit of the Noordwijk decision.

From 1 January to 28 February 2002, euro banknotes and coins will circulate along with drachma banknotes and coins. The **dual circulation period** will therefore last **two months**. Drachma banknotes and coins will start being withdrawn on 1 January 2002 and will cease to be legal tender on 1 March 2002³, as reiterated in Law 2842/27 September 2000 re: "Complementary measures for the implementation of Council Regulations (EC) 1103/97 and 974/98, as amended, on the introduction of the euro".

It should be noted that under Article 15 of Council Regulation (EC) 974/98, the period of dual circulation was to have a maximum duration of six months. Nevertheless, the ECOFIN Council, in its joint statement of 8 November 1999, shortened that period to a maximum of two months. This should reduce considerably the relevant costs incurred by enterprises, which will have to carry out cash transactions with their customers in both currencies during that period.

The Greek **National Cash Changeover Plan**⁴ is the outcome of cooperation between the Ministries of National Economy and Finance and the Bank of Greece, with input from the Hellenic Bank Association. The thorough elaboration and publication of the National Cash Changeover Plan was considered necessary to help banks, business enterprises and citizens adjust to the conditions that will emerge during the changeover.

3. As from 1 March 2002 parties involved in a transaction will no longer be required to accept cash in drachmas.

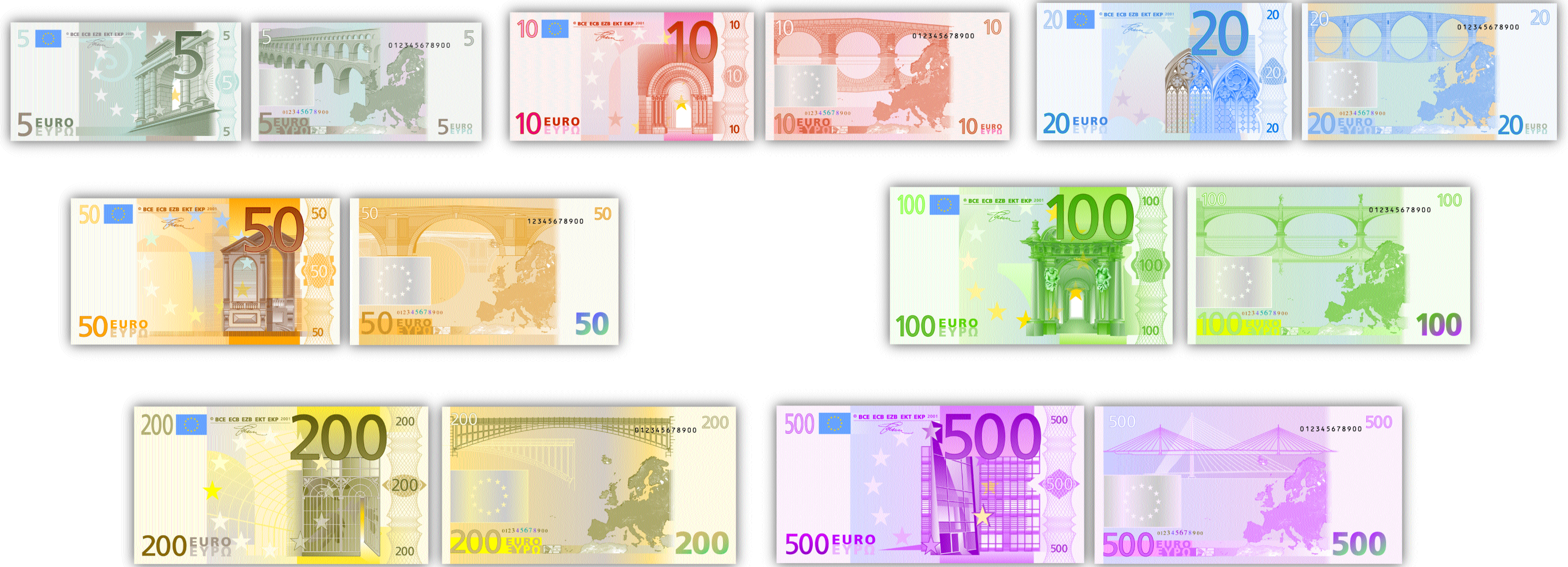
4. In order to facilitate the introduction of the euro, European Commission communication COM(2000) 443 of 12 July 2000 states, inter alia, that the national cash changeover plans must be finalised and published in a short period of time.

The introduction of the euro as the national currency of 11 Member States of the European Union on 1 January 1999 set a landmark in the course towards Economic and Monetary Union. Greece is ready to adopt the euro at the start of 2001. As mentioned above, euro banknotes and coins will be launched on 1 January 2002.

The euro symbol (€) was inspired by the Greek letter epsilon and refers to the first letter of the word "Europe". The two parallel horizontal lines represent the stability of the euro. Its official abbreviation is "EUR".

1. Euro banknotes

The name of the single European currency was adopted by the European Council meeting held in Madrid on 15 and 16 December 1995. At the same meeting, it was decided that the word "euro" would be inscribed on euro banknotes in both Latin and Greek characters (i.e. as "EURO" and "ΕΥΡΩ"). This view was endorsed by the Council of the European Monetary Institute (the forerunner of the European Central Bank), which chose the final designs for the euro banknotes and decided on their physical specifications and security features.



The European Monetary Institute (EMI) launched a design competition, in which banknote designers nominated by all EU Member States took part. The final result of the competition was announced in December 1996. The winning designs, produced by Robert Kalina of the Oesterreichische Nationalbank, depict the architectural styles of seven periods in European cultural history (Classical, Romanesque, Gothic, Renaissance, Baroque and Rococo, the age of iron and glass architecture, modern 20th century architecture), each one of which will be represented on one of the seven euro denominations (€5, €10, €20, €50, €100, €200 and €500).

The architectural styles are illustrated by three main architectural elements: windows, gateways and bridges, selected for their symbolic value. Windows and gateways symbolise the spirit of openness and co-operation in Europe, while bridges are used as a metaphor for communication among the people of Europe. The twelve stars of the European Union, which are also featured on the euro banknotes, represent the dynamism and harmony of contemporary Europe.

The euro banknotes feature the initials of the issuing authority (the European Central Bank) in its five linguistic variants (BCE, ECB, EZB, EKT, EKP), covering the 11 official languages of the European Union, as well as the signature of the President of the European Central Bank, Willem F. Duisenberg.

Each of the seven euro banknotes is distinct in size and in dominant colour. Measures have also been taken to facilitate their recognition by the blind and the partially sighted: apart from the different size of each denomination, some of the elements of the banknotes are printed in relief, using deep engraving and intaglio printing techniques. Tactile marks are also positioned along the edges of the €200 and €500 banknotes for easier identification.

Protection against counterfeiting was the major concern for the euro banknote designers. The security features that have been incorporated into the euro banknotes should enable people to easily verify the authenticity of a banknote.

Indeed, the banknote paper is made of cotton fibres, which give it a distinctive texture. The banknotes also contain a watermark and fluores-



cent fibres and therefore cannot be easily reproduced by either copying or printing. The security thread, special foils and machine-readable features have also been integrated into the banknotes and will be detectable by special detectors in banknote-accepting machines.

The euro banknotes are being printed by 12 banknote printing works in the countries of the euro area. In some countries, these printing works are either part of the respective National Central Bank, as in the case of Greece, or affiliated to it. In others, printing has been assigned to private or public enterprises.

2. Euro coins

While both sides of the euro banknotes will be the same throughout the euro area, only one side of the euro coins will be common to all the Member States. The other side will have designs related to the national identity of each country and decided by the competent authorities in each respective country. **Euro coins will be used interchangeably throughout the euro area, irrespective of their national side.**

The designs of the common side were chosen in 1997 from a set of proposals submitted by all EU countries. The designs chosen were produced by Luc Luycx of the Royal Belgian Mint and reflect the unity of the European Union. There will be 8 euro coin denominations (1, 2, 5, 10, 20 and 50 euro cent, €1 and €2).

To help identification of the various denominations by partially sighted people, several special features have been incorporated, e.g. a different edge in each denomination. Particular care has been taken in designing higher denominations (€1 and €2), with a view to achieving a high degree of anti-counterfeit protection: this is ensured mostly by their sophisticated bimetal technology, as well as by the lettering around the edge of the €2 coin.

The euro coins are being produced by mints throughout the euro area. Since the euro coins will be interchangeable throughout the euro area, irrespective of their national side, they must conform to specific standards for use in vending machines in all the Member States. A detailed quality management system ensures that the coins produced in all of the mints involved meet the same high standards.



3. The national side of the euro coins

In May 2000 the Minister of National Economy and the Governor of the Bank of Greece decided on the national side of the Greek coins, choosing from a set of proposals pre-selected by a special advisory committee and the Monetary Policy Council.

The designer of the national sides of the coins is the sculptor



1 cent coin

A trireme – an outstanding specimen of shipbuilding ingenuity – which was the predominant type of ship used by the naval forces of the Athenian democracy in classical times.



2 cent coin

A corvette, a type of ship used during the Greek War of Independence (1821-1827).



5 cent coin

An ocean-going tanker, symbolising the dynamic entrepreneurial spirit of modern Greek shipping.



10 cent coin

A leading figure of Greek Enlightenment, Rigas Feraios - Velestinlis (1757-1798), was both an intellectual and a man of action. He was a visionary of a Balkan federation free from Ottoman rule.



20 cent coin

Ioannis Capodistrias (1771-1831) who, after a successful diplomatic career abroad, served as the first Governor of Greece (1828-1831). He worked methodically to organise a modern Greek state based on European standards.



50 cent coin

Eleftherios Venizelos (1864-1936), the most prominent Greek statesman of the 20th century. He was a pioneer of social reform, a brilliant diplomat and played a key role in modernising the Greek state and liberating Greek territories.



€1 coin

A reproduction of an Athenian tetradrachm (four-drachma coin) minted in the 5th century BC, featuring an owl, symbol of the goddess Athena.



€2 coin

The abduction of Europa by Zeus in the form of a bull, as depicted in a 3rd century AD mosaic found in Sparta.



George Stamatopoulos, who works at the Bank of Greece Mint. The national sides of the 1, 2, 5, 10, 20 and 50 euro cent coins feature the word “ΛΕΠΤΟ” or “ΛΕΠΤΑ”, a generic term denoting a subdivision of a currency unit.

The themes of the national sides of the euro coins are the following:

NATIONAL CASH CHANGEOVER PLAN

Preparations for the physical introduction of the euro

are divided into three periods:

- € period up to 31 December 2001;
- € dual circulation period
(1 January – 28 February 2002);
- € period after 28 February 2002.

The steps to be taken in each of the above periods are described on the following pages.



All denominations of the Belgian coins show King Albert II and his monogram – a capital "A" underneath a crown.

1. The period up to 31 December 2001

The period up to 31 December will be devoted to systematic preparation, which will be of crucial importance for the successful introduction of the euro. The Bank of Greece, in consultation with all the entities and agents involved, has already made detailed plans for the various phases of the project.

For the successful launching of euro banknotes and coins, sufficient amounts of banknotes and coins must be available by 1 January 2002, so that they can be widely used in transactions from the very start of that year. It is therefore necessary to front-load banknotes and coins to banks and retailers prior to 1 January 2002. It is also necessary to take measures for ensuring the timely withdrawal of dormant holdings of drachma coins. The public should be informed of the physical characteristics and security features of euro banknotes and coins and get familiar with the change in the scale of values entailed by the introduction of the single currency.

A. CALCULATION OF EURO QUANTITIES

Euro banknotes and coins will be launched simultaneously in all 12 euro area Member States on 1 January 2002. To this end, by 31 December 2001 (or earlier, taking into account the time needed for the distribution of euro cash) the necessary quantities of banknotes and coins will have been produced in the various denominations specified by the ECB, so that national banknotes and coins can be withdrawn smoothly from circulation.

In this context, the competent authorities of the country are taking appropriate steps to ensure the timely production of the necessary quantities of euro banknotes and coins, based on estimates of the amount of national banknotes and coins in active circulation at end-2001.

Specifically, the Bank of Greece has estimated the amounts of drachmas in circulation at end-2001, on the basis of the income elasticities of demand for individual denominations, as



The €1 and €2 coins feature the eagle, the traditional symbol of German sovereignty. The Brandenburg Gate is depicted on the 10, 20 and 50 cent coins, while the oak twig adorns the 1, 2 and 5 cent coins.



The effigy of King Juan Carlos I de Borbón y Borbón is reproduced on the €1 and €2 coins. The 10, 20 and 50 cent coins commemorate Miguel de Cervantes, the father of Spanish literature. The cathedral of Santiago de Compostela is shown on the 1, 2 and 5 cent coins.

well as on the basis of projected GDP growth for 2000-2001. The amounts calculated as above have been corrected for the estimated volume of banknotes and coins which have been lost or remain unused in the possession of the public (dormant holdings). Lastly, each denomination has been converted into euro on the basis of the euro/drachma conversion rate (€1 = GRD 340.750) and a substitution key (correlating individual drachma denominations to euro denominations). Additional quantities of euro banknotes and coins will be produced, in order to address potential problems in the exchange process, as well as any errors in the estimates, which will be frequently updated in the run-up to the launch day.

Based on the above estimates, the Bank of Greece is carrying out work for ensuring that 597 million euro banknotes and, with the co-operation of the Ministry of Finance, 1,600 million euro coins, in the various denominations, will be available by the end of 2001. These quantities are considered sufficient to ensure a smooth substitution of the euro for the drachma.

The quantities to be produced are shown in the following table:

Euro denomination	Required quantity (in million)	Value (in € million)
Coins		
1 cent	87	1
2 cent	172	3
5 cent	288	14
10 cent	257	26
20 cent	371	74
50 cent	145	72
€ 1	117	117
€ 2	163	325
Total	1600	634
Banknotes		
€ 5	138	690
€ 10	183	1830
€ 20	178	3560
€ 50	67	3350
€ 100	26	2600
€ 200	4	800
€ 500	1	500
Total	597	13330



A tree appears on the €1 and €2 coins, surrounded by the Republican motto "liberté, égalité, fraternité". The theme of the sower has been selected for the 10, 20 and 50 cent coins. The head of Marianne adorns the 1, 2 and 5 cent coins.

B. FRONTLOADING OF EURO BANKNOTES AND COINS TO BANKS AND RETAILERS

The ECOFIN Council, in its joint statement of 8 November 1999, invited Member States to make all possible efforts to ensure that the bulk of transactions is carried out in euro by mid-January 2002.

To this end, it will be necessary to frontload euro banknotes and coins to commercial banks well in advance of 1 January 2002. The same applies to certain retailers, especially chains of stores whose transactions are carried out predominantly in cash.

The main channel for feeding banknotes of high denominations into the economy is the credit system, through withdrawals from bank accounts. On the other hand, banknotes of lower denominations, as well as coins, are supplied mostly through retailers. This allocation of responsibilities has served as a basis for planning the frontloading of euro banknotes and coins to banks and retailers.

In particular, the Bank of Greece will start frontloading euro banknotes and coins to **commercial banks** on 1 October 2001. On 1 December 2001, banks will start sub-frontloading euro banknotes of lower denominations (€5 and €10) and euro coins of all denominations to **retailers**, provided that the latter are explicitly committed to not putting the currency into circulation before 1 January 2002. Retailers should estimate their euro currency needs during the dual circulation period and contact their banks in order to arrange sub-frontloading.

Operators of vending machines should take all necessary measures to ensure that coin collectors are compatible with euro coins.

No frontloading to the public before 1 January 2002 is envisaged.



All denominations show the Celtic harp, a traditional symbol of Ireland.

C. WITHDRAWAL OF DRACHMA BANKNOTES AND COINS

Through an appropriate communications policy, holders of drachma amounts should be encouraged to deposit them in bank accounts by the end of 2001, as bank accounts will be converted into euro automatically and free of charge at the beginning of 2002. It is also recommended that the public minimises cash holdings towards the end of 2001.

The Bank of Greece and the Ministry of Finance, supported by the Hellenic Bank Association, the Church, the Hellenic Post Office and chambers of commerce, will seek to bring dormant holdings of drachma coins back into circulation and ensure their timely withdrawal. The concentration of dormant holdings of drachma coins at the Bank of Greece prior to December 2001 will be important for the smooth withdrawal of the drachma from January 2002 onwards.

A key role in this direction will be played by communications policy programmes, which are being elaborated by the Ministry of National Economy and the Bank of Greece. In this respect, the International Savings Day on 31 October 2001 offers an additional opportunity for raising public awareness on changeover-related matters.

The Bank of Greece Printing Works Department (IETA) has made all necessary preparations to accommodate the storage and destruction of withdrawn drachma banknotes. Taking into account environmental considerations, the Bank of Greece has bought a shredding machine for the mechanical destruction of unfit, withdrawn and misprinted banknotes. The machine cuts banknotes into tiny pieces and compresses them into bricks, instead of the obsolete process of incineration.

The Bank of Greece and the Ministry of Finance have specified the procedure for the withdrawal of coins and have made detailed plans for the concentration, storage and destruction of withdrawn coins. In particular, destruc-



The €2 coin reproduces a portrait of Dante Alighieri, the €1 coin shows the famous drawing by Leonardo da Vinci, while smaller denominations feature Emperor Marcus Aurelius, a sculpture by Umberto Boccioni, a detail from "Birth of Venus" by Sandro Botticelli, the Flavian amphitheatre in Rome, the tower of Mole Antoniana and the Castel del Monte.

tion will be achieved by the use of defacing machines which will be installed at the branches of the Bank of Greece, while the transport and disposal of defaced coins will be effected through the Organisation for the Management of State-Owned Movable Property (ODDY).

D. BANKING CHARGES FOR CONVERSION TO THE EURO

In December 2000, the Hellenic Bank Association issued a supplement to its Code of Good Practice. The Code was issued in March 1997 and was adopted by the members of the Association. The supplement contains provisions on changeover-related banking charges, in order to ensure harmonisation with the provisions of Commission Recommendation 98/286/EC of 23 April 1998 concerning banking charges for conversion to the euro.

For the conversion of banknotes expressed in national currency units into euro units and vice versa, commercial banks will use the official conversion rates with all six significant figures. This means that the conversion rates may not be rounded or truncated when making conversions. The inverse rates deriving from the conversion rates will not be used. Monetary amounts to be converted from one national currency unit into another will first be converted into a monetary amount expressed in the euro unit, which amount may be rounded to not less than three decimals, and will then be converted into the other national currency unit (Article 4 of Regulation (EC) 1103/97). Under Commission Recommendation 98/286/EC, banks should provide clear and transparent information concerning any conversion charges or exchange charges they apply.

The Bank of Greece is taking all the necessary measures in order to implement Article 52 of the ESCB/ECB Statute –stating that banknotes denominated in currencies with irrevocably fixed exchange rates are exchanged by the national central banks at their respective par values—through to March 2002.



The coins of Luxembourg all represent the effigy of His Royal Highness the Grand Duke Henri.

E. COMMUNICATIONS POLICY

In order to facilitate public acceptance of the single currency, the European Central Bank, in cooperation with the Bank of Greece, and the Ministry of National Economy, in cooperation with the European Commission, are implementing the following communications policy projects:

• EURO 2002 INFORMATION CAMPAIGN

The European Central Bank, in co-operation with the twelve central banks of participating countries, has launched a two-year information campaign on euro banknotes and coins. A private advertising company has been selected to support this campaign at an EU-wide level. The cost to the participating central banks is estimated at €80 million. The Bank of Greece is fully involved in the shaping and implementation of this campaign.

The aim of the campaign is to familiarise citizens in the euro area and the rest of the world with the euro banknotes and coins, with particular focus on:

- € distinguishing the seven denominations of banknotes and the eight denominations of coins;
- € identifying genuine euro banknotes and coins, which involves, in particular, awareness of their security features;
- € further information on the launching of the euro and the withdrawal of the national currency (launching date, dual circulation period, time and place of exchange).

The strategy of the campaign relies on the co-operation of various entities, e.g. ministries and other public authorities, banks, enterprises, educational institutions, which can by nature operate as "information multipliers" at a European and national level. The entities that have agreed to actively support the campaign, known as "euro-partners", are sup-



All denominations show Queen Beatrix.

plied with all necessary material and useful information for the preparation of their own communication activities.

A significant part of the campaign involves training professional cash handlers, in particular cashiers, on how to identify counterfeit banknotes and on other relevant issues. In this context, a first series of training programmes, to be held on the premises of the Bank of Greece from early 2001 onwards, will target cash handlers from various public and private organisations, who will then train their colleagues in their respective organisations.

The information campaign envisages the constant supply of accurate information to the public over the second half of 2001, in order to ensure a smooth and successful transition to the new currency. All media available will be used to this end: printed material, television and radio commercials, advertisements in the press and promotional events. Particular care is being taken to supply information to sensitive groups of the population, such as people with special needs.

• INFORMATION POLICY PROGRAMME (EPEP-EURO)

The Information Policy Programme on the euro (EPEP-EURO), which is co-financed by the Ministry of National Economy and the European Commission, is the basic framework for information activities in Greece, aimed at supporting the promotion of the new currency and pointing to the main aspects of the new monetary reality.

The objectives and content of the EPEP-EURO programme are redefined annually; this ensures that any issues, whether general or specific, arising from the implementation of the changeover scenario can be dealt with effectively through a concrete communications strategy, while also taking into account current developments at a national and European level.



The Austrian coins show the radical pacifist Bertha von Suttner (€2 coin), the composer Wolfgang Amadeus Mozart (€1 coin), the secession building in Vienna (50 cent coin), the Belvedere Palace (20 cent coin), St. Stephen's Cathedral (10 cent coin) and a floral series (Alpine primroses, edelweiss and a gentian flower).

The first phase of the programme has already been completed. The actions and respective targets of the second phase are as follows:

1st platform of action: Speeding up of businesses' preparation for, and operative adjustment to, the single currency, through actions aimed at:

- € encouraging businesses to speed up their preparation and implementation of their respective changeover plans;
- € raising businesses' awareness of the benefits and impact of the introduction of the euro, as a matter of strategic importance.

2nd platform of action: Informing as many citizens as possible, especially sensitive groups of the population, through actions aimed at:

- € informing citizens of special issues and practical details related to the use of the new currency;
- € familiarising consumers with the new scale of values and ensuring that users can recognise euro banknotes and coins.

These actions are focused on the following target groups:

- € Retailers and small and medium-sized enterprises (SMEs), given their role in the smooth functioning of the market and the economy in general and their contribution to maintaining and increasing employment. The smooth functioning of the market largely hinges on the adaptability of retailers and SMEs and on their response to the introduction of the euro. Issues like the dual display of prices (both in euro units and in national currency units) and measures intended to build up consumer and business confidence in the new currency are high on the



The Portuguese coins feature the three seals of the first King, Dom Alfonso Henriques.

agenda of the programme. In this context, printed material related to the physical introduction of the euro will be prepared and distributed to retailers.

- € The general public and special groups of the population, to which specially designed and customised information will be supplied, in order to facilitate their daily transactions once the euro has been introduced.

F. PROTECTION AGAINST COUNTERFEITING

The production of euro banknotes and coins ensures maximum protection against counterfeiting, as the sophisticated security features incorporated in the designs make them hard to reproduce. Nevertheless, an extensive network of organisations and procedures has been set up to enable the competent authorities to deal with any attempt to counterfeit euro banknotes and coins.

The European Central Bank and the national central banks have established a Counterfeit Monitoring System (CMS), the core unit of which is the Counterfeit Currency Database (CCD). This database will store and process all information relating to counterfeit euro banknotes and coins that may be detected in the future.

The main tasks of CMS are:

- € to collect statistical data, which will help deal with counterfeiting attempts across the EU and identify the strong and weak points of the security features of the new currency;
- € to assist police authorities at European and national level in their fight against counterfeiting;
- € to provide timely and accurate information to the public, where necessary.



Cloudberry flowers appear on the €2 coin. The €1 coin is adorned by the motif of two flying swans, while a heraldic lion features on the other coins.

The system and the database are operated by the Counterfeit Monitoring Network (CMN), comprising a number of organisations, centralised or regional, with specified roles and responsibilities. Thus, the Counterfeit Analysis Centre (CAC), based in Frankfurt (Germany), will address banknote-related issues, while the European Technical and Scientific Centre (ETSC), based in Pessac (France), will be responsible for coin-related issues. Respective structures will be set up in each participating country. Close links have been established not only with the European Commission but also with Europol which, in collaboration with national police forces, is responsible for the fight against counterfeiting.

In this context, the Bank of Greece, playing an active part within the bodies that elaborate anti-counterfeit measures, is promoting the establishment of a National Counterfeit Centre (NCC) under its supervision. This body will be exclusively responsible for coordinating activities at the national level and will serve as a link with the other centralised bodies of the network. At the same time, the Bank of Greece is promoting the establishment of a National Analysis Centre (NAC) for banknotes and a Coin National Analysis Centre (CNAC) for coins, to be operated and supervised by the Hellenic Police Forensic Science Department, Counterfeit and Forgery Section. Close cooperation will be required between the Bank and other competent national authorities, such as the Ministry of Public Order, the Ministry of Finance etc. Furthermore, the existing legal framework is being reviewed, so that necessary amendments can be made in time.

2. Dual circulation period (1.1-28.2.2002)

The dual circulation period will last from 1 January 2002 to 28 February 2002. During that period, both drachma and euro banknotes and coins will be legal tender, meaning that a party to a transaction will not be able to refuse a cash payment either in drachmas or in euro. The purpose of this dual circulation is to facilitate transactions and should not be taken as an encouragement to the public to continue dealing in drachmas at the same frequency until 1 March 2002. Instead, transactions in drachmas should be phased out, as the drachma is gradually withdrawn. The joint statement of the ECOFIN Council on 8 November 1999 clarifies that efforts must be made so that by mid-January 2000 the bulk of transactions are carried out in euro.

By 31 December 2001 at the latest, commercial banks will have converted all drachma accounts, irrespective of holder, into euro, free of charge and at the irrevocably fixed conversion rate of the drachma (€1 = GRD 340.750 drachmas)⁵. In order to ensure the successful introduction of the single currency, efforts will be made to have all payments conducted in euro after 1 January 2002. Withdrawals from accounts held by the public sector, business enterprises and private individuals will be effected exclusively in euro.

With a view to a fast and effective withdrawal of drachma banknotes and coins and their replacement by euro banknotes and coins, commercial banks will not make any payment in drachmas in over-the-counter transactions, after Monday, 31 December 2001.

In this context, the Bank of Greece has urged commercial banks to convert their cash dispensers (ATMs) as soon as possible so that they can deliver euro instead of drach-

5. See Commission Recommendation of 23 April 1998 concerning banking charges for conversion to the euro (98/286/EC), Article 2(a), (ii).

2 0 0 1			2 0 0 2		
ON 1 JANUARY THE EURO BECOMES THE NATIONAL CURRENCY and exists in scriptural form only The irrevocable euro/drachma conversion rate is €1 = GRD 340.750			ON 1 JANUARY EURO BANKNOTES AND COINS ARE PUT INTO CIRCULATION		
OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
<ul style="list-style-type: none"> On 1 October 2001 the Bank of Greece starts frontloading euro banknotes and coins to banks. 	<ul style="list-style-type: none"> Frontloading to banks continues. 	<ul style="list-style-type: none"> Banks start sub-frontloading euro banknotes of lower denominations and coins to retailers. Bank accounts are converted into euro by 31 December 2001, free of charge. Commercial banks do not make payments in drachmas in over-the-counter transactions after 31 December 2001. 	<ul style="list-style-type: none"> The euro circulates in parallel with the drachma from 1 January to 28 February. Outgoing payments of commercial banks are made in euro only. Drachma banknotes and coins retain their legal tender status. Drachma banknotes and coins are gradually withdrawn. Most transactions are carried out in euro. Change is given mostly in euro. Banks will be supplying ATMs mainly with €5, €10 and €20 banknotes. Banks exchange drachma amounts for euro without charge. 		<ul style="list-style-type: none"> All transactions are conducted in euro only. Drachma banknotes are exchanged for euro at the Bank of Greece for a period of 10 years (until 1 March 2012). Drachma coins are exchanged for euro coins at the Bank of Greece and Tax Offices, for a period of 2 years (until 1 March 2004).

mas. Any ATMs that will not have been converted will continue to dispense drachmas until the second week of January 2002. ATMs will however continue to accept deposits in drachmas until mid-January 2002 at the latest, if this is technically feasible. Moreover, in order to facilitate daily transactions by the public and enterprises, banks should ensure that their ATMs supply users with euro banknotes of smaller denominations, i.e. of €5 and €10.

Commercial banks intend to exchange drachma banknotes

and coins for euro banknotes and coins for their customers (accountholders) and non-customers alike, in all cases free of charge.⁶

Retailers have been urged to give change in euro, to the greatest extent possible, and to make all outgoing payments (wages, fees, tax payments, debt repayments etc.) in euro from the very beginning of the year 2002. Measures should be also taken to deal with the implications of the parallel possession of cash in drachmas and euro during the dual circulation period (insurance costs of the additional cash).

6. Customers will also be able to deposit any drachmas in their possession in bank accounts and then proceed to withdraw amounts in euro, free of charge. The arrangement for the free exchange of drachmas for euro is in conformity with Commission Recommendation 98/286/EC of 23 April 1998 concerning banking charges for conversion to the euro, Article 2 (b), indent (iii).

The euro and the drachma

CONVERSION AND ROUNDING			
From the drachma to the euro		From the euro to the drachma	
GRD	Euro (€)	Euro (€)	GRD
C O I N S			
1	There is no equivalent euro denomination	0.01	3
2	0.01	0.02	7
5	0.01	0.05	17
10	0.03	0.10	34
20	0.06	0.20	68
50	0.15	0.50	170
100	0.29	1	341
500	1.47	2	682
B A N K N O T E S			
100	0.29	5	1,704
200	0.59	10	3,408
500	1.47	20	6,815
1,000	2.93	50	17,038
5,000	14.67	100	34,075
10,000	29.35	200	68,150
		500	170,375

CONVERSION AND ROUNDING			
From the drachma to the euro		From the euro to the drachma	
GRD	Euro (€)	Euro (€)	GRD
100	0.29	1	341
200	0.59	2	682
300	0.88	3	1,022
400	1.17	4	1,363
500	1.47	5	1,704
600	1.76	6	2,045
700	2.05	7	2,385
800	2.35	8	2,726
900	2.64	9	3,067
1,000	2.93	10	3,408
2,000	5.87	11	3,748
3,000	8.80	12	4,089
4,000	11.74	13	4,430
5,000	14.67	14	4,771
6,000	17.61	15	5,111
7,000	20.54	16	5,452
8,000	23.48	17	5,793
9,000	26.41	18	6,134
10,000	29.35	19	6,474
		20	6,815

Conversion and rounding are effected in accordance with Council Regulation EC 1103/97, as amended.

Additional information is available on the following websites:

- € Bank of Greece
<http://www.bankofgreece.gr>
- € Ministry of National Economy
<http://www.euro-hellas.gr>
- € Ministry of Finance -State General Accounting Office
<http://www.mof-glkg.gr>
<http://www.gsis.gov.gr>
- € European Central Bank
<http://www.ecb.int>
- € European Union – Economic and Monetary Policy
http://www.europa.eu.int/pol/emu/index_en.htm
- € European Union – Euro Website
<http://www.europa.eu.int/euro/html/home5.html?ang=5>
- € Hellenic Bank Association
<http://www.eurotrain.net>
- € Greek Federation of Bank Employee Unions - OTOE, Institute of Labour - INE
<http://www.ine.otoe.gr>
- € European Info Centres in Greece
<http://www.eic.gr>
- € Frequently Asked Questions
<http://www.ecb.int/change/eurobnfaq.en.htm>
- € Eur-lex (Directory of Community legislation in force)
<http://www.europa.eu.int/eur-lex/index.html>
- € Legislation on Economic and Monetary Union
http://www.europa.eu.int/eur-lex/en/lif/reg/en_register_103030.html
- € Abrogation of Greece's derogation
http://www.europa.eu.int/eur-lex/en/lif/dat/2000/en_300D0427.html
- € Determination of the irrevocable conversion rate between the drachma and the euro
http://www.europa.eu.int/eur-lex/en/lif/dat/2000/en_300R1478.html
- € High resolution mock-ups of the euro coins (both the common and the national sides of the coins of all 12 countries participating in the euro area) can also be found on a special page of the European Commission's website
<http://www.europa.eu.int/euro/html/dossiers/00209/html/index-EN.html>

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