



22.11.2023

NOTICE TO MEMBERS

Subject: Petition No 0446/2023 by M. R. (German) on abolishing one- and two-cent euro coins and rounding up cash transactions to five cents

1. Summary of petition

The petitioner calls for the abolition of the 1 and 2 cent coin and for the introduction of an obligation to round figures to multiples of 5 cents for cash payments. The petitioner justifies his request with the fact that paying with 1 and 2 cent coins is burdensome and often not possible in vending machines, so that these coins often pile up at home or are lost. The resulting need to mint new coins entails a waste of raw materials and energy resources in view of their questionable usefulness. Furthermore, the cost of producing one- and two-cent coins is disproportionate to their value. The petition refers to the countries of Finland, Belgium, the Netherlands and New Zealand, which have already introduced a rounding system for cash payments and have already withdrawn 1 and 2 cent coins from payment transactions. The petitioner is aware that the denomination of the euro coins was laid down in 1998 in Article 1 of Regulation (EC) No 975/98. Germany alone cannot amend this Regulation, so that the coins continue to be legal tender and must be accepted. But, and this is the aim of the petition, it is possible to put an end to the minting of these coins.

2. Admissibility

Declared admissible on 26 July 2023. Information requested from Commission under Rule 227(6).

3. Commission reply, received on 22 November 2023

According to Recital 7 of Regulation (EU) No 651/2012 (hereinafter the 'Regulation'), the use of different denominations of euro coins and euro banknotes should be periodically and carefully examined by the competent institutions against the criteria of cost and public acceptability. In particular, the Commission should conduct an impact assessment on the

continued issuance of 1- and 2-euro cent coins. In line with this mandate, the Commission published two contributions on the issuance and circulation of 1- and 2-euro cent coins in 2013¹ and 2018². Among the issues identified in these reports are also the ones raised by the petitioner, namely that the 1- and 2-cent euro coins are not circulating efficiently among economic operators but are mostly hoarded or get lost, that the continuous issuance of 1- and 2-euro cent coins caused by their high loss rate can have a substantial environmental impact, and that continued issuance of these coins is a loss-making activity for a substantial number of euro area Member States because the production, handling and issue costs are higher than the face value.

The latest Eurobarometer (October 2022) shows that 66% of the respondents who admit to having difficulties in distinguishing and handling euro coins when they pay in cash have particular difficulties with the 1-euro cent, while also 66% have particular difficulties with the 2-euro cent. By comparison, the percentage of respondents having difficulties with the 5-cent coin is 51%³. The percentages of respondents having particular difficulties with the other euro coin denominations do not exceed 34%. This confirms that significantly more citizens have difficulties with the handling of 1- and 2-cent euro coins than most other coins.

Six euro area Member States have introduced rounding rules to the nearest 5-euro cents for cash payments: Belgium, Finland, Ireland, Italy, Netherlands and Slovakia. In order to solve some of the problems identified with regard to 1- and 2-cent euro coins, Member States may introduce, and some Member States have introduced, rounding rules, but they could only do so in so far as those rules do not touch on the EU's exclusive competence in monetary law matters (i.e. not with rules which in view of their aim and content would constitute monetary law). Member States cannot lawfully take on their own monetary law measures such as a decision to end the minting or circulation of certain euro coins on their territory.

Conclusion

The Commission is committed to evaluating the use of 1 and 2 cent euro coins and the possibility of introducing uniform rounding rules as stated in its Work Programme 2020. Therefore, the Commission carried out a public consultation (the results of which were published on 27 May 2021⁴) and, in addition, consulted a broad range of stakeholders including other EU institutions and national authorities such as the Ministries of Finance or the National Central Banks. It also entered into a dialogue with the civil society, i.e. consumers and retailer associations, the cash industry as well environmental organisations and stakeholders looking after social inclusion. In addition, the Commission canvassed citizens through regular Eurobarometer surveys.

1 COM(2013) 281 final.

2 COM(2018) 787 final/2.

3 [Flash Eurobarometer 512 : The euro area - Data Europa EU](#)

4 https://economy-finance.ec.europa.eu/system/files/2021-05/opc_rounding_rules_factual_summary.pdf

The Commission has assessed the costs and benefits of the continued issuance of the 1- and 2-cent euro coin denominations in an impact assessment, which considers a full range of options to address the problems identified with regard to 1- and 2-cent coins, from no action, through to soft law, to EU legislative proposals to discontinue 1- and 2-cent coins and introduce uniform rounding rules at EU level.

The Commission expects to take a decision later this year on the impact assessment and possible legislative proposals.