



BANK ĊENTRALI TA' MALTA
EUROSISTEMA
CENTRAL BANK OF MALTA

Standards for Euro Coin Service Providers

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SERVICES REQUIRED

1. INTRODUCTION

Euro coins circulating in Malta are made up of those bearing the Maltese national side as well as those bearing the national sides of the other Eurosystem Member States. The Service Provider selected by tender for euro coin services shall be directly responsible to the Central Bank of Malta to receive deposits from and supply

coins to the commercial banks, to authenticate, sort, count and pack coins and to store fit and mint coins in a secure location and to carry out other ancillary services. The selected Service Provider shall also be required to provide on-going accounting information to the Central Bank of Malta and to take part in specific surveys.

2. STORAGE OF COINS

To provide a secure and segregated storage area with a capacity to receive, handle and store about 600 half euro pallets (0.6 m x 0.8 m x 0.6m) weighing around half a metric ton each that can be stacked on top of each other. This relates to storage of circa fifty (50) million euro coins, plus or minus ten (10) million euro coins of various denominations. The Bank will undertake to pay storage fees for a minimum of forty (40) million coins irrespective of the inventory held.

3. DEPOSITS AND ISSUE OF COINS

The selected Service Provider is to provide secure and adequate facilities for the undertaking of coin transactions with the commercial banks, being the issue and deposit of euro coins in terms of the requests communicated by commercial banks, subject to any related conditions given by the Bank in writing. These facilities shall be made available from Monday to Friday, during the Central Bank's cash operations hours (08:30 – 12:00). It is the Bank's policy in supplying coins, to issue first fit re-issuable coins (*i.e.* coins that had already been issued and returned and after examination found fit for recirculation), before mint stocks.

All coin deposits and withdrawals requests would be pre-advised by the commercial banks, on the day preceding the transaction, by an encrypted email or by telephone, using a coded message system in case email is unavailable. Coins should only be accepted or issued to authorised bank's representatives and/or their agents, who have to be identified by the Service Provider.

Deposit of coins shall be accepted by the Service Provider in whole sealed bags or any other type of container as directed by the Bank, on 'a said to contain' basis according to the quantities and values shown in Appendix A.

All deposits shall be accepted against a deposit voucher giving a breakdown of coin deposits by denomination and value. A receipt shall be given to the commercial banks.

Coins shall be issued by the Service Provider against a withdrawal voucher provided by the commercial banks. The voucher shall state the denomination and value of the coins requested. Mint and re-issue coins shall be issued in rolls or loose coins in sealed plastic bags in terms of the quantities and values shown in Appendix A. Coins shall only be released to the commercial banks once it has been ascertained that they have affected the payment to the Bank.

4. COIN PROCESSING

The Service Provider shall provide sufficient facilities for the examination of all coins deposited by the commercial banks, consisting of the separation of fit and unfit coins by denomination and non-euro coins. The examination process, using suitable Coin Processing Machines, shall involve the full scrutiny of all coins and include the off sorting of any counterfeit and foreign coins. The equipment used for authentication purposes shall have successfully passed a detection test carried out by the designated national authority and by the European Technical & Scientific Centre (ETSC). The European Technical and Scientific Centre is

established within the Commission in Brussels to analyse and classify every new type of counterfeit coin within the meaning of Regulation (EU) No 1338/2001. The table below shows the coins processed during the last four years for information purposes.

Year	Coins processed
2017	59,004,850
2018	61,964,891
2019	63,081,300
2020	35,160,950

Suspect counterfeit coins shall be sent to the Counterfeit Surveillance Unit of the Bank within 48 hours of their detection, accompanied by relevant details of their deposit. The Service Provider shall furthermore assist the Police with any investigation in relation to counterfeit coins.

5. DISCREPANCIES FOUND IN COIN BAGS

The Bank charges commercial banks a fee for discrepancies found in individual coin bags. The Service Provider shall keep a detailed record of all coin bags in which discrepancies have been found and to submit a detailed report to the Bank as soon as the processing is completed, detailing all types of discrepancies found in each bag as well as the depositor bank. The Bank reserves the right to change the coin examination procedures from time to time in agreement with the Service Provider.

6. UNFIT COINS FOUND IN COIN BAGS

The Service Provider shall keep detailed records on unfit coins found for every respective commercial bank and provides the Bank with the required detailed information.

7. CCTV SYSTEM COVERING COIN EXAMINATION OPERATIONS

For the purpose of transparency, the coin examination process must be recorded thoroughly on a CCTV System, which must have a recording storage facility of at least two months, or as otherwise agreed with the Bank. The purpose of this system is to ensure that the footage will be available in order to confirm the authenticity of discrepancies. The Bank shall have the right to view such footage in accordance with requests it may have. The related footage shall be provided to the Bank in any format agreed between both parties.

8. COIN PACKAGING

The Service Provider shall pack examined fit coins in paper rolls and subsequently shrink-wrap them in packages of ten rolls with transparent plastic material or loose coins in sealed plastic bags in accordance with the specifications given in Appendix A, in preparation for their re-issue. Other coin packaging requirements different from above will be discussed and agreed. The packaging material might be reviewed in accordance with any green friendly measures/legal provisions related to this area. The specifications for the coin roll stationery are given in in Appendix B.

9. REPORTING

The Service Provider shall provide accounting data to the Central Bank of each working day, by not later than 12:30pm. The daily reporting shall include information on daily deposits and withdrawals by each bank and information on the processing of coins as per table below. The Service Provider shall retain data of activities undertaken for six years and shall prepare other reports that may be requested from time to time by the Bank. The two parties will agree to the reporting method prior to the signing of the agreement.

CREDIT INSTITUTION	VALUE	N° OF COINS	TOTAL COINS	SHORTAGES				OVER	TOTAL COINS	OTHER DENOMINATION							DISCREPANCIES (NET VALUE)	CHARGEABLE BAGS	
				SCF	F	SHORT	TOT			2.00	1.00	0.50	0.20	0.10	0.05	0.02			0.01
TOTALS																			

10. RECONCILIATIONS AND INSPECTIONS

The Service Provider shall submit on a weekly basis, a certified return of the coin stocks held on its premises showing quantities broken down by denomination of coin and type of stock, i.e. mint, fit for re-issue, unprocessed coins and unfit coins.

The Bank reserves the right to undertake inspections, reconciliations, spot checks and audits by its authorised officers, relating to all operations required and including inspections of the security infrastructure and standards on the Service Provider's premises. While normally such checks will be undertaken against due notice to the Service Provider, the Bank reserves the right to also undertake unannounced inspections.

11. SECURITY INFRASTRUCTURE

In view of the sensitive nature of the services to be provided, the Service Provider shall give a detailed description of the security infrastructure it has in place to safeguard the operation of the coin management process. The Service Provider is to fill in the questionnaire signifying compliance with the security requirements being requested by the Bank for the undertaking of the euro coin services and giving additional details and clarifications as required. The minimum-security requirements for the undertaking of such services are detailed in Appendix C.

12. PROPOSED PREMISES AND RISK MANAGEMENT

The Bank reserves the right to inspect the proposed premises to conduct its own risk assessment prior to selecting a Service Provider.

13. RESOURCES EMPLOYED

A list of employees who will be employed to undertake the on-going daily mentioned coin operations, including the proposed replacements for employees on sick leave, vacation leave and any other authorized absences is to be submitted to the Bank prior to the start of operations. Prior to the start of the operations, the Service Provider shall provide clean police conduct certificates of all personnel assigned to these duties.

The Bank reserves the right to send authorised official/s to work and support the daily operations within the premises of the Service Provider.

The Service Provider would also need to inform the Bank when changes occur to the pool of personnel assigned to these duties. The Service Provider shall designate an Officer who will be responsible for the coin operations and who will serve as a Liaison Officer between the two parties.

The Service Provider shall provide and be responsible for:

- a) All the necessary equipment to undertake the coin operations such as palletisers, fork lifters, coin rolling and examination machines and shall also be responsible for their maintenance as well as the necessary training of the personnel for the proper use of the equipment in relation to health and safety standards.
- b) Other related equipment such as communication devices etc.
- c) Coin rolling material, shrink-wrap material, vouchers, and packaging material approved by the Bank.
- d) Computer infrastructure to provide timely information regarding accounting, communication and to retain direct contact with the Bank. Communication relating to cash transactions and of a similar sensitive nature should be submitted in an encrypted manner.
- e) Other resources as agreed between the Service Provider and the Bank as deemed necessary for the undertaking of the services.

14. CONTROLS

The Bank expects the Service Provider to undertake various controls to ensure the security and transparency of the coin operations that as a minimum should include the following:

1. All coin transactions with the banks will at all times be undertaken by two custodians.
2. Dual combination/key access to strong room/s, operation areas.
3. All withdrawals and deposits are to be recorded and an end of day report is to be submitted to the Bank.
4. On a weekly basis, the two custodians together with the Liaison Officer in charge of operations shall physically check all the stocks of coins against records held. A certified copy of the reconciliation is to be submitted to the Bank.
5. Custodians must store all coins in a manner, which should facilitate physical reconciliations.
6. Upon completion of a processing batch or at least once weekly, a report of all shortages and overs is to be submitted to the Bank.
7. Only authorized personnel are to be granted entry in the strong room/s and operational areas and an attendance register must be kept to record all movements.
8. The Bank reserves the right to request additional controls from time to time in agreement with the Service Provider.

15. AGREEMENT

The selected Service Provider shall sign an agreement with the Bank for the undertaking of the coin management services prior to the initiation of the operations.

APPENDIX A – Specifications on Denominations and Value

Packing of Coins Rolls for Re-Issue Purposes

Denomination	Quantity of coins in one roll*	Quantity of Rolls in one shrink wrapped pack	Value in € per Roll	Value in € per shrink wrap pack
€ 0.01	50	10	€ 0.50	€ 5.00
€ 0.02	50	10	€ 1.00	€ 10.00
€ 0.05	50	10	€ 2.50	€ 25.00
€ 0.10	40	10	€ 4.00	€ 40.00
€ 0.20	40	10	€ 8.00	€ 80.00
€ 0.50	40	10	€ 20.00	€ 200.00
€ 1.00	25	10	€ 25.00	€ 250.00
€ 2.00	25	10	€ 50.00	€ 500.00

Packing of Loose Coins in sealed plastic bags for Re-Issue Purposes

Denomination	Quantity of Coins in a Bag	Value in € per bag
€ 0.01	2,000	€ 20.00
€ 0.02	1,500	€ 30.00
€ 0.05	1,000	€ 50.00
€ 0.10	1,200	€ 120.00
€ 0.20	800	€ 160.00
€ 0.50	800	€ 400.00
€ 1.00	750	€ 750.00
€ 2.00	500	€ 1,000.00

Value and number of coins in Coin Bags Deposited by Commercial Banks

Denomination	Quantity of Coins in a Bag	Value in € per bag
€ 0.01	2,000	€ 20.00
€ 0.02	1,500	€ 30.00
€ 0.05	1,000	€ 50.00
€ 0.10	1,200	€ 120.00
€ 0.20	800	€ 160.00
€ 0.50	800	€ 400.00
€ 1.00	750	€ 750.00

APPENDIX B – Specifications on rolls’ stationery

Paper for 1 cent rolls		
Customer Approval	Name	Signature
	Date	



Gray Colour
PENTONE ref N° 421

Text Colour Black

Paper for 2 cent rolls		
Customer Approval	Name	Signature
	Date	

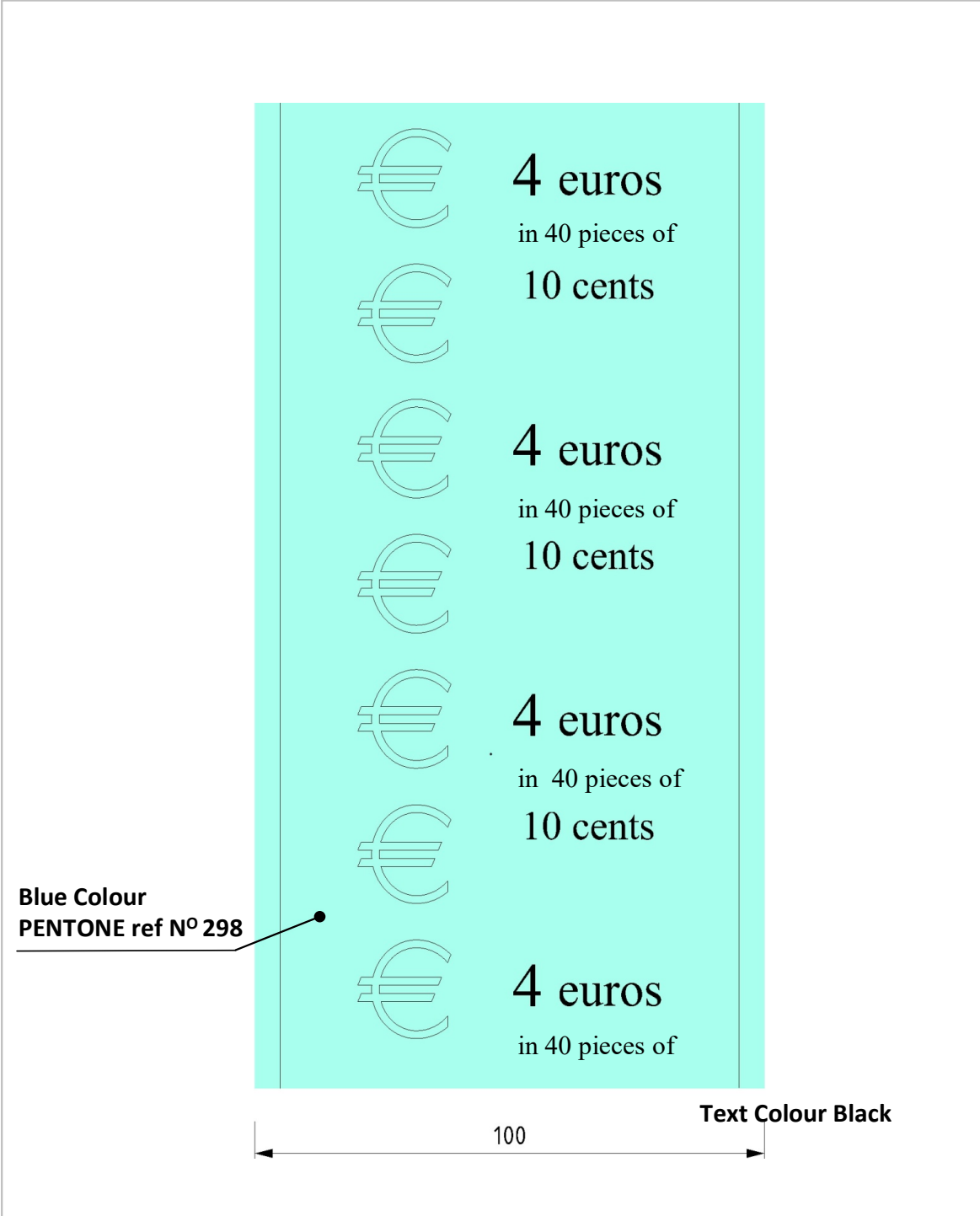


Red Colour
PENTONE ref N° 192

Text Colour Black

Paper for 5 cent rolls

Customer Approval	Name	Signature
	Date	



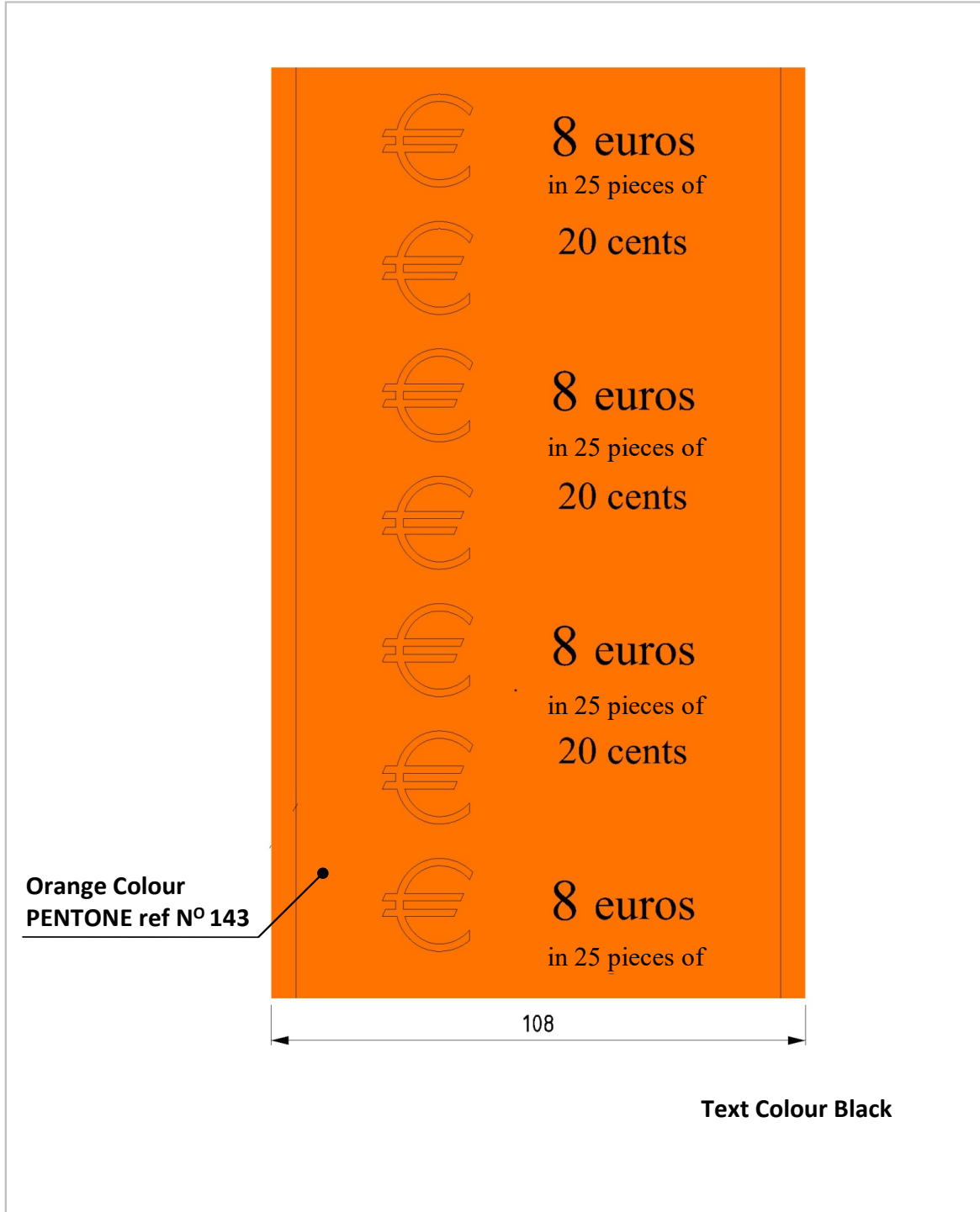
Blue Colour
PENTONE ref N° 298

Text Colour Black

100

Paper for 10 cent rolls

Customer Approval	Name	Signature
	Date	

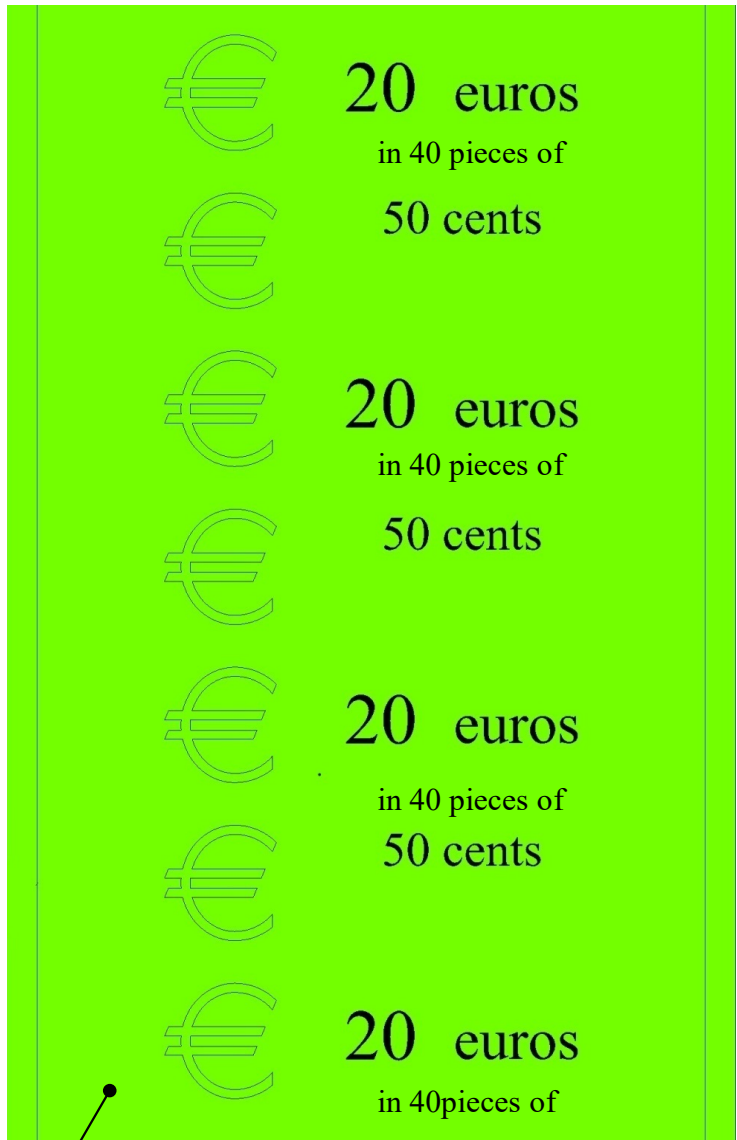


Orange Colour
PENTONE ref N° 143

108

Text Colour Black

Paper for 20 cent rolls		
Customer Approval	Name	Signature
	Date	



Green Colour
 PENTONE ref N° 367

Text Colour Black

Paper for 50 cent rolls

Customer Approval

Name

Date

Signature



Yellow Colour
 PENTONE ref N° 114

Text Colour Black

Paper for 1 euro rolls

Customer Approval

Name

Date

Signature

€ 50 euros
in 25 pieces of

€ 2 euros

€ 50 euros
in 25 pieces of

€ 2 euros

€ 50 euros
in 25 pieces of

€ 2 euros

€ 50 euros
in 25 pieces of

VioletColour
PENTONE ref N° 514

Text Colour Black

Paper for 2 euro rolls

Customer Approval

Name

Date

Signature

APPENDIX C – Minimum Security Requirements

The potential Service Provider is to fill the following security questionnaire signifying compliance to requirements and adding clarifications where deemed necessary:

	Building Security	Yes	No	Remarks
1	The inner construction shell of the premises shall be at least 9” in solid limestone walls and/or 9” cement bricks filled with concrete, whilst the outer construction shell shall have two course 9” limestone walls complemented with concrete roofing throughout the building.			
2	All doors and window leading to the high security areas shall offer a degree of passive resistance and alarmed on a 24/7 basis.			
3	The premises shall have adequate illumination both on the inside and outside and supported by a stand-by generator. It should also have adequate emergency lightning to complement the CCTV recording system in a total power failure scenario.			
4	Doors and frames in the vaults should be manufactured from heavy duty steel and equipped with heavy duty alarmed security locks and managed on a dual controlled basis			
5	The perimeter around the premises shall be supported by a three (3) metre high boundary wall and/or a three metre security fencing embedded in a concrete base and armed with vibration detection, anti-scaling monitoring together with infrared motion detection on the inside perimeter areas complimented with CCTV monitoring and recording on a 24/7 basis.			
6	Entrance doors to the premises shall be constructed of robust steel and supported by anti-ram barriers.			
7	Infrared beams motion detection on the outside together with reinforced grilles for all outside windows.			
8	A three-chamber interlock set-up interlocking system between the vaults, holding area and loading bay.			
9	A secure key-management system for a) security keys b) other high-profile keys.			
10	Periodical patrols around the compound especially during silent hours.			
11	Plans and schematics of all areas encompassing the overall security / fire requirements mentioned in this document.			
12	An up-to-date risk assessment covering all security aspects as well as adequate insurance coverage.			

13	Random inspections of the Premises from a security perspective by Bank Officials may be necessary.			
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	Alarm Monitoring	Yes	No	Remarks
1	A 24/7 alarm monitoring system having an 'anti-tamper' capability and backed up by a UPS and a stand-by generator. The system shall have a log-archiving capacity and audit trail of at least six months.			
2	Motion /infrared detection to cover: - Across the premises, both inside and outside.			
3	Audible alarms on the inside and outside of the premises.			
4	Panic alarms throughout the premises directed to: - the Security Control Centre. - a direct panic alarm from the premises Control Centre to Police Headquarters Control Room. (if this is attainable)			
5	The vaults shall be alarm monitored when not in use and CCTV monitored on 24/7 basis. The alarm monitoring for the vault/s shall be an independent system having its control panel located inside the vault/s with individual arm/unarm capability PINs for the vault custodians and directly interlinked with Police Control Room and the premises main alarm monitoring system. UPS and stand-by generator support is also a must			
6	The building's general alarms' control panel shall be situated inside the security area and strictly access controlled.			
7	24/7 digital CCTV monitoring and recording system with infrared technology, for both inside and outside the premises, with an archiving capacity for two/three months. The recording should be at least 12fps for activity detection and 3fps for non-activity periods. The CCTV system should be backed up by a UPS and stand-by generator. The system should be housed in the premises control centre and access to the CCTV System should be dually controlled.			
8	Monitoring of the premises, both inside & outside, including external areas and perimeters shall be on a 24/7 basis from the Control Room situated either on-site or off-site.			
9	The Control Centre shall be situated inside an internal secure area and supported by a strict regime of access controls. It should itself be monitored by an intruder alarm and CCTV systems.			
10	The alarms' monitoring regime shall have clear prescribed directions/instructions to assist the Alarms' Handling Operator/s to be able to act swiftly and effectively for each and every alarm scenario together with a regime of clear			

	instructions for eventual contingencies. A Business Continuity Plan (BCP) shall be set up for eventual invoking at short notice should the need arise.			
11	A strict multi-level regime of access controls shall be operated throughout the premises.			
12	There should at least be two or three communication systems, of which one should be encrypted.			
13	The premises shall have a fire system as well as the necessary regime of fire extinguishers and be Health & Safety compliant			

	Security Personnel	Yes	No	Remarks
1	Security personnel must be at least paid the National Minimum Wage and be paid overtime for work outside normal working hours.			
2	Security personnel shall be in possession of a Police Licence to act as Security Guards that needs to be renewed annually. They have to undergo a thorough criminal background check, possibly certified by the MCCA Security Screening Certification.			
3	Service Providers should subject security personnel to at least twenty four hours (three days) of security related training annually			
4	Security personnel should not exceed sixty hours of work weekly.			
5	Security personnel on duty shall carry a means of direct communication with the Control Centre, together with a panic alarm pendant, which shall also be monitored on the Control Centre's alarm monitoring/handling system.			