



Euro banknotes

KEY FACTS

Used by 340 million people in 19 countries, since 2002 euro banknotes have been a powerful symbol of **European integration**. There are seven denominations of banknote ranging from €5 to €500, with a spectrum of colours based on the seven colours of the rainbow. Each banknote depicts a period of Europe's cultural history (the Gothic era, the Renaissance, architecture of the 19th century, etc.). On the front of the notes, a gateway represents Europe's openness to the world, and on the back, a bridge symbolises the ties that unite the peoples of Europe. The 12 stars, 12 being the figure of perfection and plenitude, represent the harmony between nations. The new series of banknotes feature a portrait of Princess Europa, the character from Greek mythology who gave her name to the European continent.

The Banque de France is responsible for the **reliability and quality of banknotes**. It systematically sorts the banknotes that come back to its branches: it authenticates them and removes from circulation those that are no longer fit for use. Taking all denominations together, around 15% of the banknotes received are replaced following this sorting process. The new euro banknotes are covered in a protective coating to increase their durability.

The banknotes are produced by the national central banks in accordance with the needs of the euro area. The Banque de France, the **foremost manufacturer of banknotes** in the euro area, has a subsidiary in the Puy-de-Dôme *département* that manufactures the banknote paper, and a printing works that produced 1.3 billion euro banknotes in 2016, predominantly €20 notes, this being the most used denomination in France.

The euro is the **foremost currency in circulation** (in terms of number of banknotes) in the world, ahead of the dollar.

KEY FIGURES

20.2

billion

The number of banknotes in circulation (with a value of EUR 1,126 billion)

41%

The proportion of €20 notes in the total number of banknotes supplied to banks by the Banque de France

20%-25%

The estimated proportion of banknotes that leave the euro area and circulate in countries in the rest of the world

6.2

billion

The number of euro banknotes manufactured in the euro area in 2016 (1.3 billion by the Banque de France)

BANKNOTES AND YOU

So that people have complete confidence in the banknotes, there are strict rules regarding their **use**, **production** and **reproduction**.

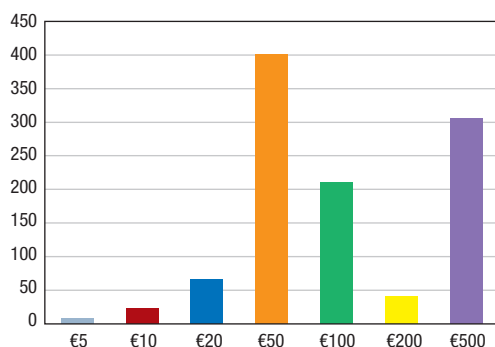
Euro banknotes and coins have the status of **legal tender**, which means that they must be accepted for any payment in the countries of the euro area. However, this legal tender status only applies to genuine notes and retailers therefore have the right to **refuse banknotes** that appear to them to be counterfeits.

The French Criminal Code punishes severely the **counterfeiting** and **forging** of banknotes (with sentences of up to 30 years in prison). Counterfeit notes must not be left in circulation: they must be handed in to the Banque de France. The **use of the banknote design** for the purposes of illustration is only permitted if there is no possible confusion with genuine banknotes (reproduction of one side only, different dimensions, use of a clearly different material from banknote paper, etc.). Since 1 September 2015, a decree has prohibited cash payments in excess of EUR 1,000, in order to limit the share of anonymous transactions in the economy that may be fraudulent.

A BRIEF HISTORY

- The first banknotes, or **paper money**, appeared in around 994 in China during the **Song dynasty**, as a result of a shortage of metal money. Gold, silver and bronze coins have existed since 600 BC, but they are cumbersome and heavy to carry.
- In the early 17th century in **the Netherlands**, the **Bank of Amsterdam** decided to issue paper notes in exchange for the coins that merchants came to deposit, enabling them to carry out transactions among themselves without having to physically move their gold. These notes simply replaced metal money.
- The first real **banknote** was created in 1661 by a Swedish banker, **Johan Palmstruch**, the founder of Stockholms Banco. He thought that it was unlikely that everyone would wish to retrieve their gold at the same time.
- In 1685 in New France (Canada), the colonial authorities were waiting to be supplied with royal money and were forced to issue banknotes made from **playing cards**.
- The first banknotes in France – “**billets de monnaie**” – were issued between 1701 and 1716 in the reign of **Louis XIV**. In the beginning, people did not have confidence in this form of money. During the **French Revolution**, the government issued notes secured on Church property that had been nationalised and that they intended to sell: **assignats**.
- Since its creation in 1800, the **Banque de France** has been responsible for putting into circulation and maintaining banknotes, the use of which gradually became widespread.

Net issuance of euro banknotes by denomination
(in EUR billion)



Source: ECB.

UNDERSTANDING BANKNOTES

Banknote security features

Euro banknotes are among the most reliable in the world: on average, fewer than one out of 40,000 is a forgery. In order to make them even easier to authenticate and more **difficult to counterfeit**, a new series of notes was developed using the most up-to-date technology.

To check a banknote's authenticity, we use the **Feel-Look-Tilt method**:

- **Feel**: the paper, which is made of cotton, has a crisp and firm texture. On the front, there is a series of short raised lines on the left and right edges. They make it easy to identify the banknote, especially for visually impaired people. The main image, the lettering and the numeral giving the banknote's value also feel thicker.
- **Look**: looking at the banknote against the light reveals the portrait of Europa under the European flag on the left. A dark line (the security thread) also appears, on which the € symbol and value of the banknote in tiny white lettering can be seen.
- **Tilt**: when the banknote is tilted, the silvery holographic stripe reveals the banknote's value, the € symbol and a reproduction of the note's architectural image. On the new €5 and €10 notes, a portrait of Europa and rainbow-coloured reflections can also be seen. In the bottom left-hand corner, the “emerald number” changes colour from green to blue. The particularity of the new €20 note is that it features a window with a portrait of Europa in the hologram.

There are other security features that are invisible to the naked eye but that can be seen with a **magnifying glass** or under a **UV lamp** or **infrared light**. Replacing an entire series of banknotes is a long process of modernisation that needs to include the adaptation of all of the machines that accept the notes (photo booths, ticket machines, etc.).



The new €20 banknote has security features to combat counterfeiting effectively.

TO LEARN MORE

Suggested reading:

- [Design and manufacture of banknotes](#), Banque de France
- [How to recognise and use euro banknotes and coins](#), Banque de France
- [ECB: euro banknotes and coins](#)

Suggested viewing:

- [Euro banknotes and coins](#)

Useful links:

- On banknote security features: [Our money](#)