**ABSTRACT:**

In this paper, we propose a system for automated currency recognition using image processing techniques. The proposed method can be used for recognizing both the country or origin as well as the denomination or value of a given banknote. Only paper currencies have been considered. This method works by first identifying the country of origin using certain predefined areas of interest, and then extracting the denomination value using characteristics such as size, color, or text on the note, depending on how much the notes within the same country differ. We have considered 20 of the most traded currencies, as well as their denominations. Our system is able to accurately and quickly identify test notes.