

Recent EU policy developments regarding the cash logistics industry

- European Commission Perspective -



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European Commission
Euro protection and euro cash

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Cascais
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This year's top three



(1) *Cash payment limitations in the EU?*

(2) *Reform cash declarations at EU borders?*



(3) *Quo vadis cross-border CIT?*





EU cash payment restrictions?

Context: Combat of terrorism financing

- 2/2/2016 **Commission Action Plan** against terrorism financing

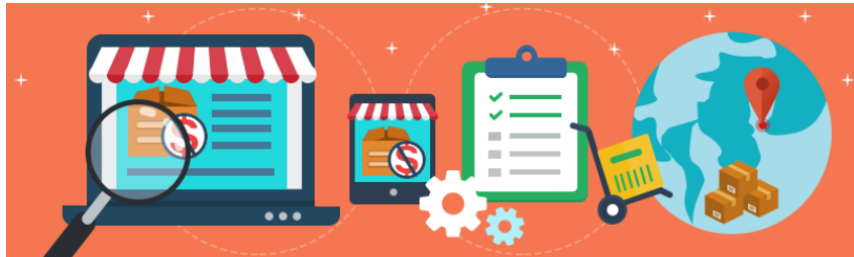
*"Payments in cash are widely used in the financing of terrorist activities... In this context, the relevance of **potential upper limits** to cash payments **could** also **be explored**."*

ACTION PLAN

- 12/2/2016 **Council conclusions**

*"The Council... calls on the **Commission to explore the need** for appropriate restrictions on cash payments exceeding certain thresholds..."*





- **16 EU Member States** have **some restrictions** to **cash payments** (BE, BU, CZ, DK, GR, ES, FR, KR, IT, LV, HU, PO, PT, RO, SI, SK)
- *Thresholds, transactions and persons concerned **vary extensively** among these MS*
- *Recital 19 of **Council Regulation (EC) No 974/98**:
"**Limitations** on payments in notes and coins, established by Member States for public reasons, are **not incompatible** with the status of **legal tender** of euro banknotes and coins, provided that other lawful means for the settlement of monetary debts are available."*



EU Better Regulation process



- **23/1/2017** Publication of the **Roadmap** (Inception Impact Assessment):

Informs stakeholders about the Commission's work in order to allow them to provide feedback on the intended initiative and to participate effectively in future consultation activities. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content.

- **1/3/2017** Launch of an **online open public consultation**. It will remain open until 31/5/2017.
http://ec.europa.eu/info/content/eu-initiative-restrictions-payments-cash_en
<https://ec.europa.eu/eusurvey/runner/CashPayments>

Next step: Impact Assessment

- Taking into account the **results of the open public consultation** and more detailed **consultations with experts and concerned stakeholders**, the **Commission** will **analyse in detail** all the potential economic and social consequences of the various options for action.
- Depending of the outcome of this Impact Assessment, the Commission **may, or may not**, propose **legislative or other action**.
- The whole process should be finalised by **mid-2018**.





EU Cash Controls Regulation (since 2007)



"Enter or leave EU with any amount of cash but declare" (2007)

When entering or leaving EU, duty to declare cash or bearer-negotiable instruments if value is at least 10.000 EUR

"Clamp down on circumvention better" (project 2016)



Threat from terrorists or illegal organisations which send cash through **post** or freight or travel with **cash-like commodities** or take advantage of sub-optimal **info exchange** of national law enforcement

Amendments to Cash Control Regulation currently under discussion between Member States and the EP

1. Extension of duty to declare for cash in freight or sent by post.



2. Extension of term 'cash': besides bearer-negotiable instruments to commodities used as highly liquid stores of value or pre-paid cards



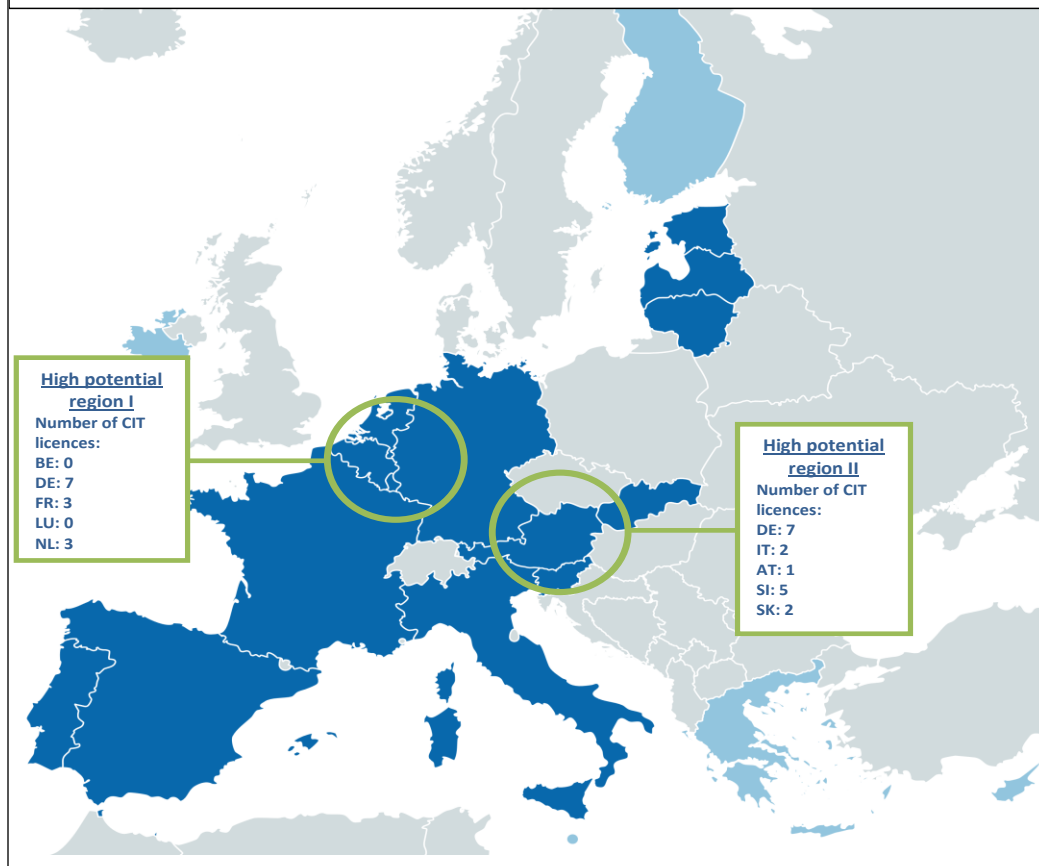
3. More robust and simple mechanism for information exchange between authorities



4. Record duty of and confiscation by authority even for amounts incidentally found less than 10.000 EUR and where criminal link likely



CROSS-BORDER TRANSPORTATION OF EURO CASH BY ROAD IN THE EURO AREA



Higher potential of cross-border CIT: current obstacles

Scope of Regulation
Majority of **pick-ups**
in **host country**



Host transport arrangements
(armoured, IBNS)



Rules on **fire arms** for
CIT in host country



Language of host country



Substantial **wage** differentials



Article 26:

... all 5 years!



- The Commission shall **report** on the **implementation** of this Regulation.
- It shall **consult** the **stakeholders** in the sector, in particular on:
 1. Common training requirements for fire arms?
 2. Licences on group basis?
 3. Minium wages?
 4. Take due account of technological progress in the area of IBNS





Single passport of homologated IBNS



L 316/14

EN

Official Journal of the European Union

29.11.2011

ANNEX II

INTELLIGENT BANKNOTE NEUTRALISATION SYSTEM (IBNS)

I. Definitions and general provisions

An IBNS may contain either banknotes (packaged or unpackaged) or one or several cassettes for ATMs or other types of cash dispensers.

An IBNS must have been homologated **in a participating Member State** in order to be used for **cross**-border transport of euro cash under this Regulation. The homologation must be made according to an existing European specific standard. As long as there is no such standard, the homologation must be made in accordance with this Annex.

II. IBNS approval procedure

- (a) In order to be homologated, the IBNS must have passed various tests in a test laboratory that has been approved or recognised by a participating Member State. It must furthermore be accompanied by instructions for its use.



Recommendations from the Report

- ✓ *Information campaign targeting the cash demand side (banks, supermarkets, retailers) and CIT companies to make more use of matching transport arrangements*
- ✓ *Member States should seek to **apply a wider range of applicable transport arrangements***
- ✓ *Commission **impact assessment** with a view to **possible legislative improvements***



Target for 2021 at the latest?

Appropriate definition of cross-border transport focusing on the cross-border aspect and common rules applying in the host Member State and Member State of transit.



Revision of

Majority of cash deliveries or pick-ups in the host Member State

Restrictions on transportation of **non-euro cash**



Member State of origin principle to be applied to the **transport arrangements** without prejudice to the national firearms rules.

Questions?

Observations?



