

ESTA views on
“Reinforcing the protection of the Euro:
a **shared** responsibility”

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Brussels 28,29 October 2010

Overview

- General principles
- CIT industry view on the regulatory framework
- Risk of an uneven playing field
- Enhancing the regulatory framework
- Coins and future challenges for cash

General principles

ESTA members must participate in the framework process, which aims to protect the integrity of Euro banknotes/coins, with the same commitment shown during the Euro cash changeover process, to;

- Ensure public confidence in cash payments
- Reach the lowest counterfeit rates on money flow
- Enhance confidence in “our currency” the Euro
- Availability for all social groups on cash usage
- Support the smooth function of the payment processing chain, recognised as crucial for continued confidence in the Euro
- Ensure permanently the authenticity of euro notes and coins

CIT industry view on regulatory framework

- Working to withdraw from circulation, all euro notes and coins received which are suspicious/counterfeit or without enough quality as established for "...other economic agents involved in the processing and distribution of notes and coins"
- Additionally,
- "...other economic agents, such as traders and casinos, should be subject to these obligations where they supply, on a secondary basis, automated teller machines (cash dispensers), but they may not be involved beyond these secondary activities."

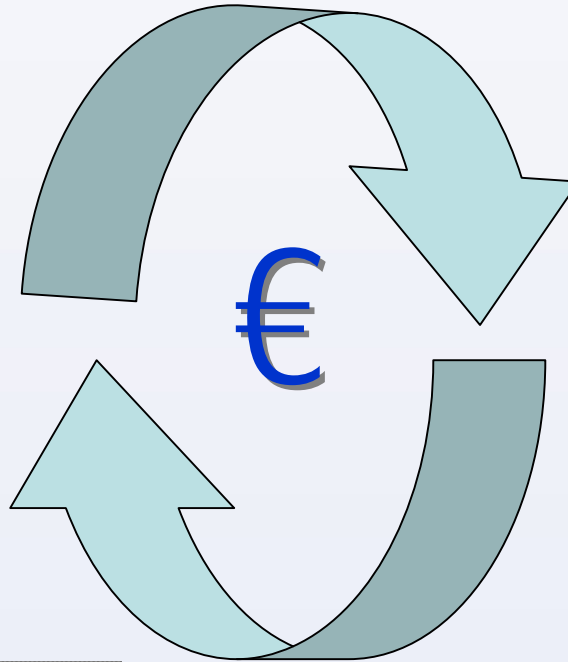
(§2) of Council

Regulation (EC) N° 44/2009

- With the ECB decision with regard to Council Regulation 1338/2001 (amended by 44/2009 of 18 December 2008) not yet published on Article 2; (2.) "Cash handlers means the institutions and economic agents referred to in Article 6(1) of Regulation (EC) No 1338/2001"

CIT industry view on regulatory framework

Appropriate equipment



Activity reporting

Qualified staff

CIT industry view on regulatory framework

Increased security on daily cash operations

Increased the automization of cash operations

Increased confidence in CIT outsourcing services

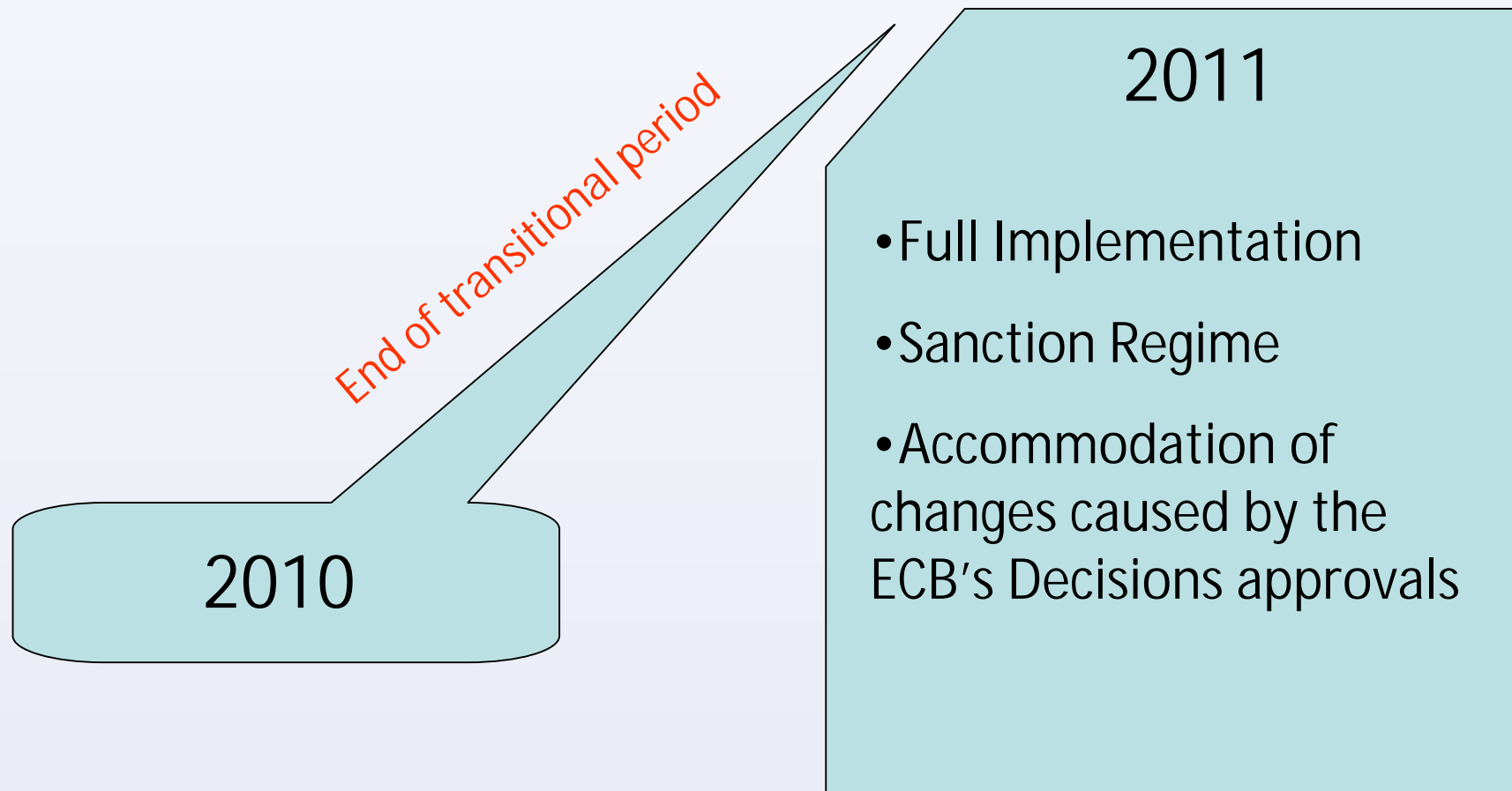
Increased innovation of cash processes through IT

Increased the cash operators knowledge

Increased investment in appropriate equipment

Legal framework clarification to avoid the confusion with CIT operators and other economic agents under the cash handlers designations

CIT industry view on regulatory framework



Risk of an uneven playing field

To balance the scales it will be important to put CIT on one side;

- EU countries (almost all) have strong and proper legislations for CIT security guards or cash operators;
- Salary platform levels regulated by common agreements;
- Obligatory transportation of cash in armoured or equivalents vehicles;
- Licences to operate as CIT almost with 2/3 crewmen;
- Contract firmed with NCBs to work into the Legal framework environment;
- Regular inspection actions from NCBs ;
- Obligatory validation process with NCBs with permanent reporting improvement;

and on the other side:
economic agents, such as traders and casinos or "Cash Handlers"

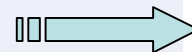
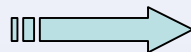
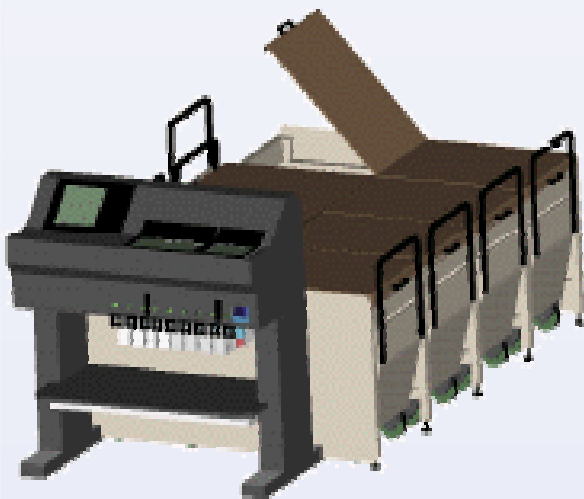
Enhancing the regulatory framework

ESTA members are focused on promoting the regulatory framework despite the threats:

- Clarification of the legal framework to avoid the confusion of CIT operators with other economic agents under the cash handlers designation;
- To avoid misunderstandings on terminology adopted as: (cash handlers and the levels of recycling or recirculation tasks, etc);
- Achieving a harmonized approach based on cost / benefit, among the framework entities involved with CIT;
- Require procedures for future framework revision, especially considering the associated investment (historically almost all costs associated with such framework changes were absorbed by the CIT industry);
- To do a proactive brain storm on the daily coins framework processes. The CIT industry provide a full scope information for the Questionnaire on the authentication of euro coins (OLAF C5/TS/ab D (2009) 7179 – Annex 2);

Coins and future challenges for the cash

	% Euro-denominated coins (unfit or counterfeit)
50 eurocent	0,0061% < 0,0072%
1 euro	0,0028% < 0,0038%
2 euro	0,0051% < 0,0058%



Coins and future challenges for cash

- New regulations amends or refurbishment processes focus on productive actions;
- Administration; labelling/traceability or other requirements and formalities with a manpower resources allocated that can be decreased;
- Sending rejected euro coins (and notes) to authorities with processes identified actions that can be reduced to decrease bureaucracy steps (important for the beginning, but needing a refreshment after the process start up);
- To ensure the authenticity of euro coins (and also for the notes) avoiding the bureaucracy shadow on cash costs; **urgently review on coins reports** (high level of manpower allocated, clear identified on the "*Questionnaire on the authentication of euro coins (OLAF C5/TS/ab D (2009) 7179 – Annex 2)*");
- The euro protection as a **shared responsibility** let an important space also to involve the EU citizens with their proactive participation. Actions developed by all euro entities to reach the public knowledge will contribute positively for our main task;

Confidence in the Euro

Thank You