

WHITE PAPER ON
PROFESSIONAL CROSS-
BORDER TRANSPORT OF
EURO CASH IN THE EURO
AREA




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I. INTRODUCTION

- The euro: The physical euro was introduced in 2002. However, the transportation of euro cash across borders on a professional basis is not generally allowed  obstacle to the free circulation of the euro.
- The market: CIT market is organised along national lines-very different sets of rules collide.
- The consequence: in practice, cross-border transportation does not benefit from the freedom to provide services.





Current situation

- Cross-border transports have to comply with two or more different complex sets of rules.
- The ECB, the banking sector and the large retail sector have repeatedly called for the launch of an initiative to lift the obstacles to the professional cross-border transportation by road of euro-cash.

The objective

To facilitate the free circulation of euro cash across national borders, under conditions that ensure a high level of safety for the CIT staff and the general public.





Advantages

- Commercial banks would be able to use the cash services of nearest bank/CIT cash centre
- Big retailers, vending machine operators and other professional cash handlers could be serviced across borders.
- CIT companies carrying out transportation in border regions could optimise their transport routes and have access to larger market.

In general, more efficient cash transport benefits the economy as a whole.



II. THE INITIATIVE OF THE COMMISSION

- May 2008: Commission initiated consultations to prepare draft common rules
- Initiative represents the position of the Commission as regards a possible harmonisation of the transport of cash mentioned in *Article 38b of Directive 2006/123/EC on Services in the Internal Market.* (*)

() Article 38: The Commission shall assess, by 28 December 2010 the possibility of presenting proposals for harmonisation instruments on the following subjects: (b) private security services and transport of cash and valuables.*



THE INITIATIVE OF THE COMMISSION (ii)

- Setting up of a WORKING GROUP:

Members:

- Commission (chairman)
- European organisations of the major stakeholders

July-December 2008: 3 meetings

Options discussed

- full harmonisation of the regulation of CIT-transport
- mutual recognition
- a set of common rules



THE INITIATIVE OF THE COMMISSION: Envisaging a common set of rules

- Main policy options discussed regarding the scope of application of possible common rules:
 - the geographical scope
 - the type of goods carried
 - definition of cross-border transport



Legal implications of cross-border operations for the CIT companies

- Significant practical problems might arise when establishing which wage and other social conditions apply, especially if a vehicle operates across more than two countries.
- Crucial: to clarify the application of Directive 96/71 for Posted Workers (PWD) to cross-border cash transports



Legal implications- the PWD

- The short-term nature of the posting situation in the case of cross-border cash transport creates difficulties for the practical application and enforcement of the Directive.

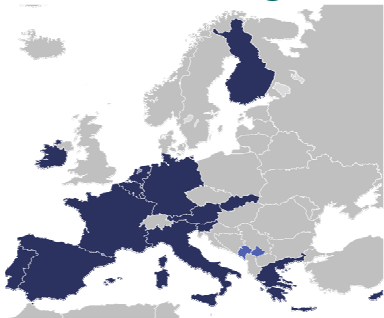


The views of Member States, relevant experts and the social partners are needed to examine its application and clarify these issues.

III. KEY FEATURES OF POSSIBLE COMMON RULES




- I. Common rules for all cross-border transportation of euro cash by road
 - The scope: cross-border transportation of euro cash between participating Member States.
 - Legal basis: Article 123 (4) of the EC Treaty





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- Intraday and daytime transport: the whole transport should take place during daytime (i.e. 6.00-22.00 h), and during the same day.

Exception: if night transport is already allowed under national rules in the Member States where the transport is taking place.



CIT cross-border licence: a specific CIT cross-border licence from the competent authorities in the Member State of origin.

-The licence will be granted for a period of three years if the following conditions are met:

- applicant company must be approved to carry out CIT-transport by the Member State to which the application for a licence is submitted
- applicant company, the staff employed, the vehicles used and security procedures must comply with the common rules.



- If the MS of origin does not have a specific approval procedure for CIT-companies (going beyond a general security or transport licence), the company must provide evidence that it has carried out regular CIT-business for at least [12] months.
- The company, the staff, the vehicles and the security procedures must comply with the common rules.
- MS shall carry out regular controls that rules are respected, including random controls at least once a year.
- Active exchange of information about companies established in other Member States.



CIT security staff

- Requirements:
 - clean criminal record
 - medical certificate
 - ad hoc initial training


-Language skills: at least one member of the vehicle must be able to provide evidence of A2-level language skills in the official language(s) used in the Member States crossed and the Member States where the service is provided.


Exception: unless in constant radio contact via company's control centre, with someone who has B1 language skills.



○ Vehicle equipment

- Vehicles shall be equipped with a global satellite positioning system so the company's control centre can locate them accurately at all times.
- Appropriate communication tools to allow contact to be made at any time with the control centre and the competent national authorities
- IBNS vehicles must comply with the common rules

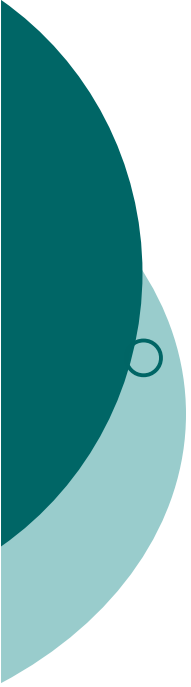
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- The present rules are without prejudice to the application of national rules concerning:
 - Advance notification of national police forces
 - Procedures for handling cash outside the CIT vehicles in the Member State(s) where the service is provided
 - Mutual information between the companies, the Member States and the Commission.



II. Specific rules envisaged for the four authorised types of transport

Based on current practices in MS, four types of transportation are envisaged:

- Transportation of banknotes in a non-armoured or cabin-armoured vehicle equipped with IBNS
- Transportation of banknotes in a fully-armoured vehicle not equipped with IBNS
- Transportation of banknotes in a fully-armoured vehicle equipped with IBNS
- Transportation of coins only (cabin-armoured vehicle)



Transportation of banknotes in an un-armoured or cabin-armoured vehicle equipped with IBNS

- Vehicle must either be of ordinary appearance or have its cabin armoured and very clear markings indicating that it is equipped with IBNS
- The IBNS used must comply with the common rules and have been homologated in at least one participating Member State
- Minimum two CIT security staff per vehicle, unarmed. No uniform if vehicle is of normal appearance
- A Member State may not allow for this transport on its territory only if it doesn't allow for comparable domestic CIT transports.



○ Transportation of banknotes in a fully-armoured vehicle not equipped with IBNS

-CIT staff must comply with the existing rules in the Member States crossed regarding the carrying of firearms and the maximum permitted calibre.


-Armed CIT security staff have two options:

(i) Be in possession of a “European firearms pass for CIT security staff

(ii) Apply for a firearms licence from the national authorities of the Member State(s) crossed and/or the MS where the service is provided

-Minimum three CIT staff per vehicle with bulletproof vests of a certain standard

-Parts of vehicle where CIT are must be armoured to comply with a certain standard



○ Transportation of banknotes in a fully-armoured vehicle equipped with IBNS: Authorized if the already mentioned conditions are respected.

○ Transportation of coins

-Vehicle must be cabin-armoured and bear clear-markings indicating that is only carrying coins.

-At least two CIT staff in the vehicle, unarmed.



III. Miscellaneous

○ Penalties

- Granting authority: warning, suspension, withdrawal of licence.
- Host Member State shall inform MS of origin, but may also suspend the right of the CIT-company to transport cash on its territory for a limited amount of time, i.e. one month (if minimum staff number or rules on firearms are not respected).
- Active information exchange between Member States about infringements and penalties.



Next steps:

- Discussion in an expert group with the representatives and the concerned ministries from the MS.
- Discussion with experts and social partners on the interaction with existing social rules
- Impact assessment
- Adoption of a draft proposal by the Commission