

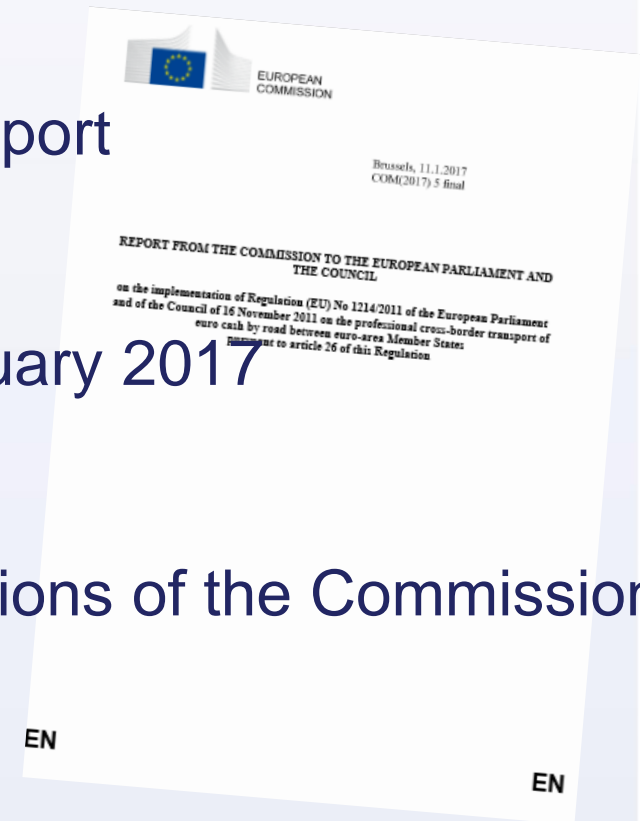
Cross Border CIT Regulation

1st implementation report: the views of ESTA

ESTA Conference
Cascais, May 15th, 2017

Paul Van der Knaap,
Chair of ESTA cash working group

- 1) Legal basis for the Commission report
- 2) The Commission report of 11 January 2017
- 3) ESTA's view on the recommendations of the Commission



Article 26, Reg. 1214/2011:

“By 1st December 2016, and every 5 years thereafter, the Commission shall report on the implementation of the regulation [...]

“It shall consult the social partners in the sector”.

The report shall examine the possibility for :

- Establishing common training requirements for fire arms
- Amending Article 24 in the light of Directive 96/71
- Take due account for technological progress for IBNS
- Consider the potential added value for Union CIT licenses on a group basis”

Commission report of 11 January 2017

- 1) Recalls the general context and provisions of the regulation
(covers 50% of the report)
- 2) Review of its implementation to date
- 3) Recommendations for the future

Quotes from the report:

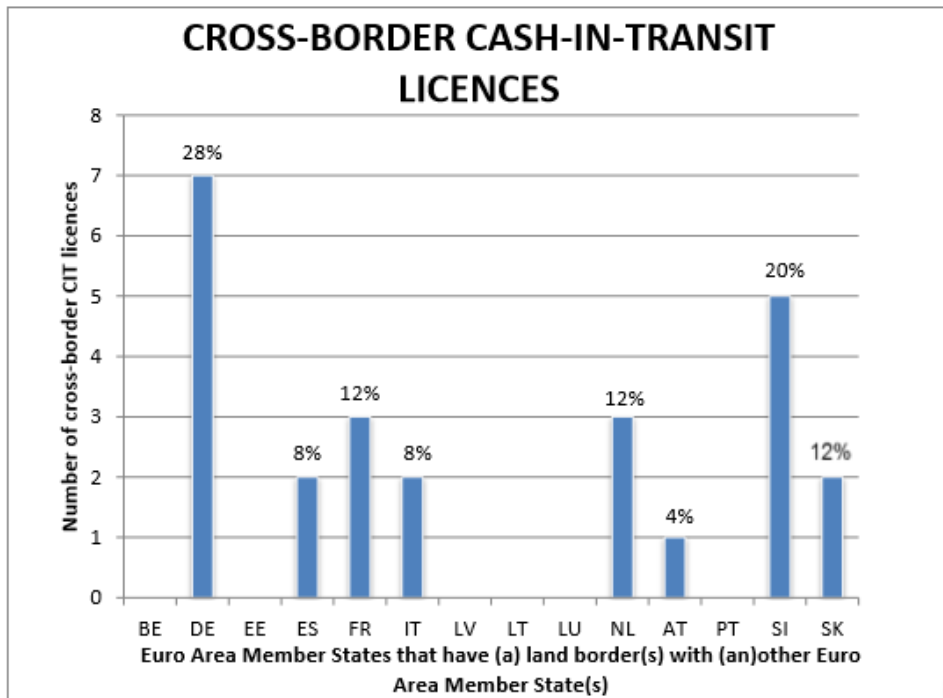
"Works smoothly"

"No need for extension of the validity of the license"

"No noteworthy incidents in granting licenses or registration of licences"

*"No problems encountered with remuneration rules"**

ANNEX II



Source: EU Commission

- 25 licenses in 8 countries;
- None in 6 relevant MS, including BE and PT;
- Some licenses are not used

"A very heterogeneous cross border playing field has emerged"

"Applicable transport arrangements between host and home countries match poorly"

ESTA's view:

- Limited demand for cross border notably due to exclusion from the scope of point-to-point transport and transport between NCB
- CIT/customers contracts:
Cross-border mostly not relevant.



Recommendation to the Commission:



The impact assessment should assess why there are so few licenses

ESTA welcomes that no revision of the CIT regulation is proposed

The low number of licenses does not mean that the regulation is flawed... only that there is a very limited need for cross border CIT

This is acknowledged in the Commission report:

"Several CIT license holders report that they have not used their license because the business opportunities they expected did not materialize"

“Assess the feasibility of the ‘Member State of origin’ principle to the transport arrangements provided for in Regulation (EU) No 1214/2011 “

ESTA supports the application of the MS of origin principle provided that:

1. Level playing field is secured – no unfair competition from operators in countries with lower social costs
2. No circumvention of domestic regulation

Mutual Recognition cannot apply without a change in the Regulation

By the next report (2021), carry out an impact assessment on:

1. Considering application of country of origin principle to transport arrangements of Reg 2014/2011
2. Reviewing definitions, e.g.:
 - 20% non-euro cash limit
 - majority pick ups in host country

- **ESTA agrees** with the Commission's assessment of the implementation of the CIT regulation, and notably that no revision is required at this stage!
- **ESTA supports** the recommendations of the Commission with the following **suggestions**:
 - Assess the effective need for cross border CIT service – notably in the light of customers / CIT contracts
 - Ensure a level playing field when looking at the country of origin principle
 - Keep a clear and obvious cross-border element when looking at definitions