

BUDAPEST CONFERENCE – 29/31 MAY, 2005

ESTA INTERNAL AFFAIRS

- Meeting of the Board of Directors of 20/1/2005
- The ESTA Working Groups

ESTA EXTERNAL AFFAIRS

- CoESS
- CEN/DIN Task Force Security Services (CEN/BT/TF167)
- CEN/TC263 (PAS 40) on Cash Degradation Systems

EUROPEAN INSTITUTIONS

- Internal Market – Directive Services
- ECB – Recycling framework
- ECB – Theft Deterrent Systems (TDS)
- New legal framework for payments in the Internal Market
- The ESTA Working Groups

VARIOUS

BUDAPEST CONFERENCE – 29/31 MAY, 2005

We hope that all of you have received the e-mail with the details of our forthcoming Conference.

This is the event you cannot afford to miss if you want to know all about the latest developments affecting our sector of activities.

Please do not forget to send your registration forms before 15th April.

To allow us to issue an up-to-date list of Members at the occasion of the Conference we would appreciate to receive at the soonest the requested updates from those who have not reacted yet.



ESTA INTERNAL AFFAIRS

MEETING OF THE BOARD OF DIRECTORS OF 20/1/2005

The Board accepted the application for Adherent Membership of TICSА S.A. (B).

The Board also co-opted as Directors, Messrs. Ken Niven and Ignacio Dal-Re, to replace the resigning ones, Messrs. Bernard D'Hondt and Alberto Muguero.

THE ESTA WORKING GROUPS

- CIT EU LAWS AND RELATIONSHIP
Chairman: Mr. Bernard Dumoulin
Members: Messrs. P. Fullicks – B. Smith – O. Esteban Sanchez – F. Ravez

To meet jointly with CoESS on March 23rd, 2005 in Brussels (see below).

- CENTRAL BANKS
Chairman: Mr. Ken Niven
Members: Messrs. G. Levinsohn – M. Schnabl – L. Manca – O. Esteban Sanchez – J. van Werkhoven – V. Moser - F. Ravez

Has met on January 20th and March 2nd, 2005. The ESTA Cash Cycle model has been finalized and is currently under the Board's approval.

- CIT SECURITY AND RISK MANAGEMENT
Chairman: Mr. Paul Fullicks
Members: Messrs. P. Spollon – T. Smillie – F. Pfister – A. Boers – M. Durman – K. Dummer – S. Degraaf - F. Ravez

Has met on March 17th and welcomed Europol's participation to our endeavours in crime prevention and data sharing.

- CENTRAL EUROPE
Chairman: Mr. Michal Fabera
Members: Messrs. H-J. Kröger - F. Ravez.

To meet on May 31st, 2005 in Budapest for a kick-off meeting in attendance of most Central and Eastern Europe countries representatives.

ESTA EXTERNAL AFFAIRS

CoESS

The CoESS CIT Working Committee has met in Brussels on March 23rd under the Presidency of Mr. Bernard Dumoulin and reviewed all CIT legal environment and development.

CEN/DIN TASK FORCE SECURITY SERVICES (CEN/BT/TF167)

During their third meeting in London, on March 10th, 2005, decision has been made to undertake a technical debate on consensus oriented work on terminology relevant for security service providers (instead of standardization).

CEN/ TC263 (PAS 40) ON CASH DEGRADATION SYSTEMS

ESTA's application for observer status has been approved and a first meeting (kick-off) has taken place in Paris on January 26th, 2005. Future meetings will tackle the various aspects of this upcoming standardization.

EUROPEAN INSTITUTIONS

INTERNAL MARKET – DIRECTIVE SERVICES

We have come to the conclusion that the Commission is unlikely to oppose a casino-like provision for security services (derogation limited the harmonization instrument) and is open to an extension of Article 18 (1) (a) to the entire security business rather than just CIT.

In the meantime we continue lobbying all stakeholders.

ECB – RECYCLING FRAMEWORK

ECB has positively replied to most of ESTA's remarks regarding recycling by organisations other than credit institutions and professional cash handlers, who should also comply with the same standards. Banknote handling machines' settings will be published on the ECB/NCBs websites and NCBs will be mandated to check whether the banknote handling machines used and the related organisational procedures are in compliance with the rules of the framework.

Finally on theft deterrent systems, ECB shares our view that this issue deserves due consideration – (see below).

ECB – THEFT DETERRENT SYSTEMS (TDS)

ECB has launched an ad-hoc activity team with a mandate to conduct a technical survey on the existing technologies of TDS and the perceived trends including the degree of penetration of these TDS in the CIT operations as well as ATM protection.

Two meetings already took place and conclusions should be finalized shortly.

NEW LEGAL FRAMEWORK FOR PAYMENTS IN THE INTERNAL MARKET

A recent meeting with the Commission has brought several replies to our questions:

- Is the CIT Industry concerned?
Cash is only concerned when converted in scriptural money and CIT services are deemed to be “ancillary service”, on behalf of a bank. Generally speaking our industry is not concerned with one possible exception (under current examination) when services are rendered to a non-bank business (i.e. ATM independent operator).
- Value date:
The Commission is fully aware of the obligations mandated by the ECB framework and is of the opinion that this is not an issue for CIT but for the banks.
- Cash issues:
The Commission is striving towards efficiency of payments and has concluded that cash/paper payments are more expensive than E-payments.
ESTA's position is that cash is a very efficient means of payment, preferred by the consumer, and can be less expensive through re-engineering of the cash cycle. Furthermore seignorage revenue is very likely to offset cash costs and must be factored in any economical analysis (as established by various Central Banks reports). ESTA will shortly formally present and circulate its Position Paper on this issue.

VARIOUS

- EICPA: Axytrans, Gehrler, Spinnaker and Villiger have joined to create the European Intelligent Cash Protection Association
- EFMA Cash Processing Conference will take place in Paris on April 7th & 8th and an ESTA paper on Cash will be presented by G. Levinsohn.
- EPC Seminar on "Fighting Euro Counterfeiting across Europe" will be held in Brussels on April 12th and 13th.
- The next ESTA Board Meeting will be held in Brussels on May 3rd.



**DO NOT FORGET TO REGISTER
YOURSELF FOR THE UPCOMING
BUDAPEST CONFERENCE.**

DEADLINE: 15/4/2005!