

**SEASON'S GREETINGS  
&  
BEST WISHES FOR  
A GREAT 2008!**



## 2008 ESTA CONFERENCE

The countdown has started.... Our 2008 Conference will take place in 5 months, May 18/20 and we only have 120 rooms left at the Conference hotel, the SAS Radisson.

May is one of the busiest months of the year in Nice where major events are taking place, such as Cannes film festival, Grand Prix of Monaco.... And hotels are difficult to book.

You do not want to miss this unique opportunity to meet the key deciders of the cash logistics industry and its regulators.

Hurry up and register.

Our drafted programme is attached, for your information.

## ESTA BOARD – UPDATE

K. Niven (President), B. Dumoulin (Executive Vice President), S. Wikman (Vice President), F. Williams, H-J. Kroeger, V. Moser, L. Oro, P. Spollon, G. Levinsohn, P. Verzendaal, R. Juhos, F. Ravez (Secretary General)

## NEW ESTA MEMBER

Associate: Phoenix Amour of Pakistan

## EU AFFAIRS

### THE SERVICES DIRECTIVE

Is currently being transposed in national laws and the EU Commission might assess the need of a possible vertical harmonisation.

### THE PAYMENT SERVICES DIRECTIVE

Directive has been ratified and is in transposition stage.

### THE CEN STANDARDIZATION PROCESS OF CASH DEGRADATION SYSTEMS

The CEN Standardization process of cash degradation systems has been reactivated and the new working groups are trying to solve the pending issues such as coverage, irreversibility, machine readability, degradation triggering, resilience to unwanted triggering, ATM-end to end interface, traceability.

ESTA member's requirements are now posted on our web site, under section documents ([www.esta.biz](http://www.esta.biz)).

### SOCIAL DIALOGUE

M. Thom from the DG Markt of the European Commission has formally confirmed that the Commission does not intend to penalize the usage of cash as a payment medium and has acknowledged that cash is the most efficient payment medium for low value transaction.

### EUROPEAN CENTRAL BANK (ECB)

The ECB has proposed several convergence measures for NCB free-of-charges cash services. ESTA believes that as a fundamental principle, any new common packaging standard should be evaluated in terms of minimising societal cost, i.e. the overall cost to **all** the stakeholders in the cash cycle and its efficiency. ESTA has therefore opted for a standard that provides for optimal and automated efficiency.

The European Central Bank intends to launch a new series of euro banknotes in a few years time, starting with the highest denomination, in order to be prepared for new developments in counterfeiting and to stay technologically ahead of the counterfeiters. The introduction will be gradual and discussions are now taking place about a possible parallel issuance of "old" and new series (ES2).

ESTA will follow-up these upcoming developments that are still to be outlined in detail.

## EUROPEAN COMMISSION

The European Commission has proposed further protection of Euro by obliging financial institutions and professional cash handlers to check for counterfeits.

## ESTA WORKING GROUPS

(Cash Forum, Cash Group, EU Laws, CIT Security & Risk Management) have all met during the last quarter, to review and discuss all pending items of interest, such as: ECB proposed packaging standards, EPC proposed rules for lodging/withdrawing banknote packages, new Euro series & parallel issuance, CIT developments within 5/10 years, security guidelines on protection against explosives, CIT requirements on cash degradation systems.

## MISCELLANEOUS

### THE BANKING AUTOMATION BULLETIN

The Banking Automation Bulletin is a unique source of news and analysis of key issues in payments and we are quoting some interesting data from their December edition:

- The overall number of payment cards in issue has risen by an average of 4,5% per annum for the past two years, but UK is showing a decrease of 8% compared to two years ago!
- Adults in Western Europe made 70 cards payments per year, but this ranged from more than 150 in all four Scandinavian countries, to fewer than 30 in Greece, Italy and Turkey!

**A special offer bulletin is enclosed for ESTA members only. Do not miss this opportunity.**

## EAST

The ATM security organisation has published its half of this year data, with its press release of November 2007:

- ATM fraud losses down 55% in Europe thanks to EMV chip cards, but attacks on ATMs up 60%.
- The losses associated with ram raids and ATM burglary in 2006 totalled €15 million
- Card skimming is estimated at €305 million last year, a 30% increase!

## BRC

The distinguished British Retail Consortium, has established that a £20 cash transaction cost a retailer less than four pence while a 20£ credit card transaction costs at least 17 pence!

## ECB

ECB has published on November 16<sup>th</sup> its last statistics on payments, showing the increased growth of non cash transactions: cards at a rate of 15% p.a. and e-money 20% p.a.

ECB monthly bulletin of October 2007 is quite interesting and can be retrieved from ECB web site. These are excerpts from its conclusions:

- *The continuous growth of euro banknote circulation indicates that, despite the development of other means of payment, euro cash remains an important payment instrument.*
- *The Eurosystem's endeavours are aimed at obtaining efficient and effective national solutions that acknowledge technical advances, rather than at having identical cash cycles in all euro area Member States.*

## EU COMMISSION

The EU Commission seeks VAT overhaul for banks, proposing, amongst other measures, to give them the option to tax their services and in return allowing them to deduct VAT paid for supply services or goods.

## ESTA

ESTA has released a press document in November 2007, urging the Portuguese Presidency to address the 22.8 million European victimized by card fraud and ID theft.

## UPCOMING EVENTS

- ✚ BANKNOTE 2008 – April 6-9 – Washington – [www.banknote2008.com](http://www.banknote2008.com)
- ✚ EUROPEAN ATMS – April 14-15: – London – [www.atmiaconferences.com](http://www.atmiaconferences.com)
- ✚ CASH PROCESSING – April 17-18 – Barcelona – [www.efma.com](http://www.efma.com)
- ✚ ESTA 2008 – May 18-20 – Nice – [www.esta.biz](http://www.esta.biz)

✚ CURRENCY CONFERENCE – October 2008 – Prague – [www.currencyconference.com](http://www.currencyconference.com)

✚ CARDS 2008 – November 4-5 – Paris – [www.efma.com](http://www.efma.com)

## ENCLOSURES

- ESTA Conference programme (provisional)
- RBR Bulletin offer

