



OLAF/ECB/EPC/ESTA conference  
Brussels, 28 October 2010



# Professional cross-border transportation of euro cash by road between euro-area Member States

## Commission Proposal for an EU Regulation

# Content

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# Background

Physical single currency since 2002, but difficult to move it across borders within the euro area due to strong differences between national legislations:



- ∅ Contradiction with the principle of a single currency.
- ∅ Fragmentation of the single market.
- ∅ Obstacle to a Single Euro Cash Area.

# The objective of the Commission's initiative

To facilitate professional cross-border transport of  
euro cash within the euro area

by removing regulatory obstacles to such transport

under conditions that ensure a high level of  
security for the CIT-staff and the general public.

# Advantages

Towards a more efficient cash cycle - in line with the Eurosystem's 'Roadmap for more convergence of NCB cash services'.

More possibilities for CIT-companies:

- ∅ Optimisation of transport routes in border regions and access to larger markets.

Better support for banks and merchants:

- ∅ Commercial banks and retailers can use the cash services of the nearest central bank branch or CIT cash centre. Potential for better service in border regions which may lead to increased demand for cash deliveries/pick-ups.
- ∅ Possibilities of integrated contract management and cash handling across borders.
- ∅ Wider choice of service providers – potentially more competition.

Complementary to the Single Euro Payments Area (SEPA)

# The proposed rules are the outcome of an extensive consultation process

- ∅ During 2008: WORKING GROUP with European organisations of the major stakeholders in the sector (banks, retailers, the ECB, the CIT-companies, IBNS manufacturers, social partners ...)
- ∅ Commission White Paper adopted in May 2009
- ∅ In parallel – impact assessment.
- ∅ During 2009 - Ad-hoc euro-area Member States' EXPERT GROUP (large panel of expertise : Finance Ministries, Central banks, Ministries of interior, of Justice, Home affairs, Police forces, etc.)
- ∅ Proposals for Regulations adopted by Commission on 14.7.2010

# Two proposals

Ø Main Regulation COM(2010)377 final

Ø Second Regulation COM(2010)376 final

extending the rules of 377 to Member States about to introduce the euro (+/- 6 months in advance of euro adoption).

Justification: Increased need of euro cash transport in the run-up to the changeover.

# The Commission proposals: Basic principles (1)

- ∅ No full harmonisation, no full mutual recognition
- ∅ But a set of common rules for cross-border transport only with a licensing scheme
- ∅ National rules remain in place in a few - but particularly sensitive - areas:
  - | Carrying of weapons and maximum permitted calibre
  - | Co-operation with national police forces
  - | Rules on the behaviour of the CIT security staff outside the vehicle
  - | Security of cash delivery/pick-up locations



# Basic principles (2): Scope

- ∅ Cross-border transport of euro cash within the euro area (Art. 133 of the Treaty)
- ∅ Extension to MS about to introduce the euro (Art. 352)
- ∅ Both point-to-point and retail transports but majority of stops of the truck has to be abroad
- ∅ Daytime (06:00-22:00)
- ∅ Intra-day (principle of return to the MS of origin in the same day)

# The proposed rules (1): The CIT cross-border licence

- ∅ A specific CIT cross-border licence to be granted by the Member State of origin provided that:
  - The company is already approved to carry out domestic CIT-transports.
  - Rules of the Regulation are respected.
- ∅ Active exchange of information between Member States about companies that have been granted a cross-border CIT-licence.



## The proposed rules (2): Requirements for managers and staff

- ∅ Managers, members of the Board and CIT-staff may not have relevant offences in their criminal record + good repute and integrity.
- ∅ Medical certificate required for CIT-staff that physical and mental health is adequate for the tasks.
- ∅ CIT-staff: minimum training requirements: at least 200 hours of initial training, national training + “cross-border training module”, + regular training.
- ∅ Language skills (one in vehicle/A1 + in control room/B1).
- ∅ Information between (neighbouring) Member States about their CIT training requirements.

## The proposed rules (3): Control and penalties

- ∅ Random inspections at least once a year.
- ∅ Granting authority: warning, fine, suspension or withdrawal of licence.
- ∅ Host Member State shall inform MS of origin, but may also suspend (if, for instance, minimum staff number or rules on firearms are not respected) and may impose a fine in some cases.
- ∅ Active information exchange between Member States about infringements and penalties.

# The proposed rules (4): Authorised transport types

- ∅ One-size-fits-all not realistic.
- ∅ Five possible secure types of transport for banknotes and two for coins.
- ∅ Opt-out possibility for Member States.



# Based on current practices in MS, five transport types for banknotes (or banknotes and coins)

- ∅ Unarmoured ordinary vehicle with IBNS
- ∅ Unarmoured marked vehicle with IBNS
- ∅ Cabin-armoured vehicle equipped with IBNS
- ∅ Fully-armoured vehicle equipped with IBNS

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- ∅ Fully-armoured vehicle not equipped with IBNS

## And two transport types for (exclusively) coins

- ∅ Unarmoured vehicle of ordinary appearance
- ∅ Cabin-armoured vehicle with clear markings



## The proposed rules (5): Protection and staffing

- ∅ Armouring to withstand Kalashnikov 7.62.
- ∅ If partly or fully armoured, staff must wear bullet-proof vests (VPAM class 5, NIJ IIIA or equivalent).
- ∅ Vehicles to be equipped with global navigation system and appropriate communication tools.
- ∅ If IBNS (or coins only) - at least two CIT staff. Otherwise at least three CIT-staff.

*N.B. National weapons legislation to be respected*



## The proposed rules (6): Carrying of weapons

- ∅ National weapons legislation to be fully respected.
- ∅ Member States shall provide for validation of equivalent training in order to obtain the national weapons licence, or provide for the necessary training themselves in the relevant language.

## The proposed rules (7): IBNS

- ∅ Continuous protection of the banknotes from a secured area to the cash delivery point or from the cash pick-up point to a secured area.
- ∅ Not end-to-end (CIT-staff may access the cash at the cash pick-up/delivery point), but close.
- ∅ IBNS must be homologated in a euro-area Member State according to the Annex of the Regulation (as long as no European standard exists).
- ∅ Pictograms for vehicles with IBNS (if not "ordinary").

# Monitoring the new rules & Review

- ∅ Committee (Commission + Member States + ECB) to be set up to monitor implementation. Stakeholders to be consulted.
- ∅ Formal review by the Commission after two years. Thereafter, once every five years. Committee to be consulted.
- ∅ Delegation procedure, whereby the Commission may amend technical rules (armouring of vehicles, IBNS, bullet-proof vests etc) – subject to veto by EP or Council.

# NEXT STEPS

- ∅ Commission proposal has been transmitted to the European Parliament and the Council.
- ∅ "Ordinary legislative procedure" ("co-decision") for the main proposal (but only euro-area MS vote in Council).
- ∅ Commission proposal to be discussed by the ECON Committee in the European Parliament & by Council working party (in view of ECOFIN Council).
- ∅ Opinion of the ECB.
- ∅ Final adoption in 2011?

THANK YOU FOR YOUR  
ATTENTION!