

LATHAM & WATKINS

# DRAFT CHANGES ON THE FRENCH CIT REGULATION

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# Introduction

## ➤ CIT in France: a highly regulated activity

- French regulations



- Ministry of Interior

- Ministry of Ecology, Energy, Sustainable Development and Maritime issues

- Ministry of Economy, Industry and Employment

- Ministry of Labor and Employment

- French Central Bank

- EU Regulations

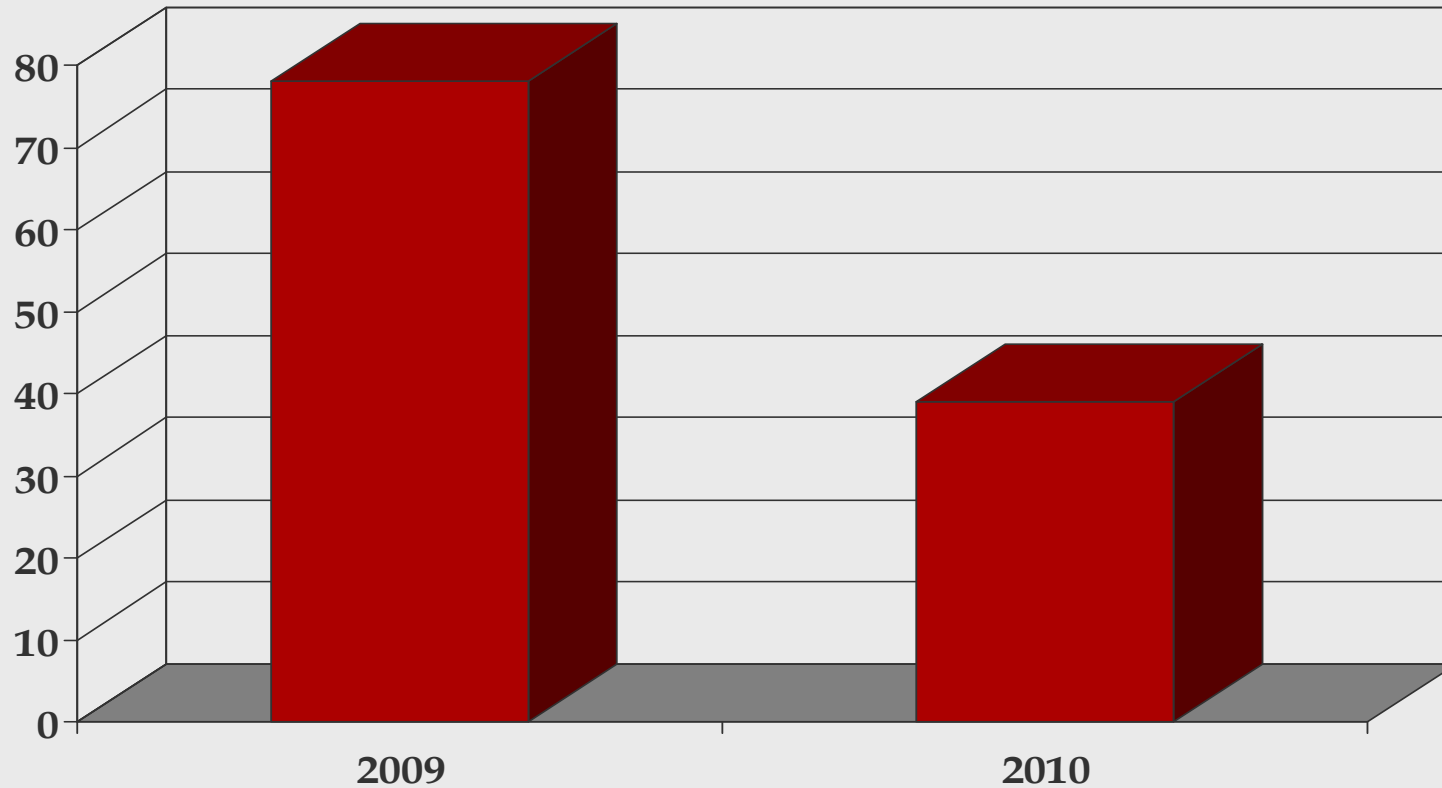


# Introduction

- **The main goals of the regulations are to:**
  - Increase professional training
  - Ensure the security of the agents
  - Ensure the security of the funds
  - Increase efficiency

# Introduction

Attacks in 2009: 78  
Attacks in 2010: 39  
(mid-May)



# I. Timeliness/Modernizing of the definition of CIT

- **The definition of the regulated activity of CIT:**
  - 1. Definition with respect to the scope of the missions (Art. 1, 2° of the law of 12 July 1983)**
    - ↳ Transportation : funds, jewels, precious metals
    - ↳ Cash management

# I. Timeliness/Modernizing of the definition of CIT

## 2. Definition with respect to the scope of the functions (Law of 12 July 1983 and the French Professional Agreement)

- ↪ Agents in charge of transportation
- ↪ Agents in charge of money processing
- ↪ Agents in charge of ATMs

# I. Timeliness/Modernizing of CIT

## 3. Definition with respect to the value of the funds

### 3.1 Transportation > 30 000 euros

- The operator must have various authorisations:
  - ↳ Authorisation to exercise (prefectorial authorisation, appropriate business purpose, legal transportation registry...)
  - ↳ Service providers (license for CIT (“*capacité professionnelle*”), license for transportation)
  - ↳ Agents (training attestation (“*CQP*”) and license to carry arms)
- ⚠ Scope of implementing the French Professional Agreement « *Transport de Fonds et de Valeurs* »
- Transportation : regulated
  - ↳ Armoured vehicle
  - ↳ Half-armoured vehicle
  - ↳ Non-armoured vehicle
- Special security fittings at the client’s office/shop.

# I. Timeliness/Modernizing of CIT

## 3.2 The transportation < 30.000 euros (Law of 12 July 1983)

- **The activity is regulated from the first euro** (except: ex. jewel < 100.000 € ; funds < 5.335 € for financial institutions and « La Poste » on its own account)
  - Operator:
    - ↳ Authorisation to exercise (prefectorial authorisation, appropriate business purpose, legal transportation registry...)
    - ↳ Service providers (license for CIT (“*capacité professionnelle*”), license for transportation (“*capacité de transporteur*”))
    - ↳ Agents (training attestation (“*CQP*”) and license to carry arms)
  - Transportation: not regulated
  - Special security fittings at the client’s office/shop.



# I. Timeliness/Modernizing : stepping up of criminal sanctions

## ➤ The regulation is severely penalised



### Stepping up of criminal sanctions

- For the service provider
- For the client
- For the agents

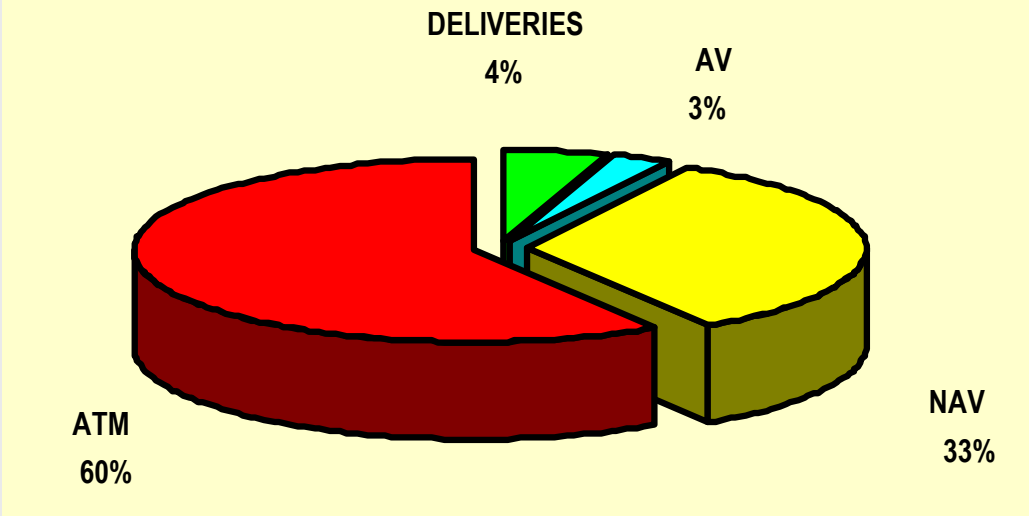
## II. Prospects French Regulation

### ➤ Regulation of the ATM activities

- Increase of attacks
- Various thoughts in process

### ➤ CIT cross border regulation

**ATTACKS 2010 (mid-May)**



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