

## VALENCIA CONFERENCE – 14/16 MAY, 2006

### ESTA INTERNAL AFFAIRS

- The ESTA Working Groups

### ESTA EXTERNAL AFFAIRS

- EFMA Conference on Cards & Payments
- Currency Conference of Montreal

### EUROPEAN INSTITUTIONS

- Services Directive (Draft)

### UPCOMING MEETINGS

### VARIOUS

## VALENCIA CONFERENCE – 14/16 MAY 2006

The 2006 ESTA Conference will take place in Valencia (Spain), from May 14<sup>th</sup> thru 16<sup>th</sup>.

The Hotel Sidi Saler ([www.hotelessidi.es](http://www.hotelessidi.es)) has been selected to host this important venue.



The main theme of our upcoming conference is “business development” with special focus on promotion of cash and retail industry.

The full program will be available as soon as early 2006.

Please mark this important event in your diary, prepare yourself to meeting pre-eminent speakers and participating in passionate debates with our major business partners and the regulators.

# ESTA INTERNAL AFFAIRS

## THE ESTA WORKING GROUPS

### ➤ CIT EU LAWS AND RELATIONSHIP

- ✚ The new CIT questionnaire to the 10 acceding Member States is now completed in an electronic/on-line format; and will be sent out before end of October. An update request will also be circulated to the 15 initial Member States.

Your contribution is of paramount importance to this major piece of information.

- ✚ The Directive Services is now being amended by the MEPs and these amendments will be presented shortly. A first reading in the European Parliament is expected in early 2006.

- ✚ The implication of National Central Banks in the cash cycle is under review, at the light of upcoming ECB Framework on Recycling.

### ➤ CASH GROUP (FORMERLY CENTRAL BANK GROUP)

- ✚ The Euro Cash Users Group (ECUG) has met in early July and ESTA's presentation on cash has been welcomed by all participants. All attendants agree that cash is the most important mean of payment and that consumers must have the choice to select their preferred payment medium. Upcoming meeting (early 2006) will also

review and monitor cash-back and ATMs replenishment by non professional cash handlers with a view of ascertaining that ECB Framework on recycling is duly enforced and our common currency, the Euro, efficiently protected against counterfeit.

- ✚ ESTA paper on Cash has also been presented to the Currency Conference of Montreal with a special focus on real cost of cash (0,5% of EU GDP versus 6% as wrongfully claimed by credit cards operators) and the feasibility to make it less expensive through re-engineering of the whole cycle.

- ✚ The statistical reporting of recycling (ECB Framework) has been completed by the dedicated working group (ECB, Central Banks, EPC, ESTA) and should be ratified shortly by ECB.

### ➤ CIT SECURITY AND RISK MANAGEMENT

- ✚ CEN TC263 Standardization of Cash Degradation Systems: a recent meeting of this group has decided to retain one single standard of degradation, which will be of the highest quality. More CIT companies will be invited to join this standardization process with a special focus on end users experience and crime deterrence performances.

- ✚ Anti-Money Laundering rules and regulations have been recently debated with Europol and the EBF (European Banking Federation). In its new role in the cash cycle, our industry might be concerned by recent regulations (3<sup>rd</sup> Directive)

and we are currently reviewing this situation with the EU authorities.

➤ CENTRAL & EASTERN EUROPE

Our September meeting of Vienna has been attended by all members. Legal and competition issues have been reviewed. Next meeting will focus on legal issues and national rules and regulations.

## ESTA EXTERNAL AFFAIRS

### EFMA CONFERENCE ON CARDS & PAYMENTS

(PARIS 20/22 SEPTEMBER 2005)

We suggest that you visit EFMA web site: [www.efma.com/cards](http://www.efma.com/cards) where most presentations are available.

### CURRENCY CONFERENCE OF MONTREAL

([www.currencyconference.com](http://www.currencyconference.com))

The Conference has been attended by some 400 participants, mostly from NCBs and vendors. Visit their web site and let us know if you are interested in receiving some presentations.

## EUROPEAN INSTITUTIONS

### SERVICES DIRECTIVE (DRAFT)

You will find hereafter the current status of all amendments dealing with our industry and introduced by various MEPs:

#### COMPROMISE AMENDMENTS OF ALL THE POLITICAL GROUPS

- Art. 2 on the scope of the directive: no reference is made to CIT or security services. They remain within the scope of the directive.
- Art. 16 on the country of origin principle: they asked that it is renamed to "principles governing the cross-border provision of services". A distinction is made between the stage of access of a service provider to another Member State's market and the actual provision of the service. For the first stage, it is the country of origin rules that apply to the service provider whilst for the second stage it is the country of destination rules that apply for the actual provision of the service.
- There are no cross-group compromise amendments on Articles 17 and 18.

#### CONSOLIDATED AMENDMENTS OF THE CONSERVATIVES, THE LIBERALS AND THE UEN

- Art. 2 on the scope of the directive: CIT services remain within the scope of the directive.
- Art. 16 on the country of origin principle:

they asked that it is renamed to "administrative cooperation". It foresees that "When providing a service, they are subject only to the provisions of the Member State of establishment relating to access to a service activity and with regard to the exercise of a service activity". No other amendments are relevant.

- Art. 17 on general derogations (as opposed to General derogations from the country of origin principle): no reference is made to CIT or security services. The focus is on Services of General Economic Interest.
- Art. 18: no consolidated amendment is proposed to this article.

## UPCOMING MEETINGS

### ESTA:

- ESTA Cash Group: Brussels, 9 November 2005
- ESTA Board meeting: December 7, 2005

### OTHERS:

- BNW meeting on November 8<sup>th</sup>
- CoESS Social Dialogue on November 14<sup>th</sup>
- CoESS CIT Working Committee on November 24<sup>th</sup>
- CoESS Board meeting on November 30<sup>th</sup>

## VARIOUS

- ESTA has been appointed as Director of BankNoteWatch
- Security DNA has been recently launched as a major breakthrough in crime deterrence; visit their web site [www.securitydna.co.uk](http://www.securitydna.co.uk)
- Several NCBs consider using polymer banknotes to improve quality and longer economic life of low denomination banknotes (UK, Canada, ...)
- Seignorage is estimated to represent a revenue of 20 billion \$ to the US Federal Government
- A new payment medium is now introduced in the USA, based on biometrics, pay by touch of your fingertips!

**REMEMBER TO VISIT OUR WEBSITE AT**

**<http://www.esta.biz>**