

# 30 years of cash management in Germany |

From CIT Association to cash manager and cash lobbyist

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# Agenda

- Change of associations work
- Milestones
- Data and figures
- Security and safety
- Collective bargaining and wages
- Deutsche Bundesbank
- War on cash and the reaction: „fight for cash“
- Corona
- Resilienz and BASIC
- Outlook

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## Change in the work of the association |

- Security self regulation, creation of new systems
- Optimize the cash cycle: Deutsche Bundesbank, banks, retailer
- Crisis management: Attacks, HEROS, strikes, Corona, war on cash
- Collective bargaining agreements
- Alliances with other associations: Banking and retailer in former times
- ESTA, CoESS, consumer advocates
- Lobby for cash: PR, politics, media

A graphic of a timeline window with a white area, a grey border, and navigation buttons (back, forward, search, etc.) on the right and bottom.

## Milestones I |

1966 – 1992: Beginning of the industry

1966 First CIT company in Germany: Karlheinz Schies in Mannheim

1972 Founding of the Association of cash transport: Binding safety regulation and help to reduce the insurance conditions. Companies of the guarding industry.

1980 Founding of the Federal association of security transport (Protectas, Schenker)

1989 Fusion of the both associations to BDGW

1990 Introduction of the DM in Eastern Germany (If the DM will not come to us...)

1990 Revision of accident prevention regulations

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## Milestones II |

1996- 2005 „wild years“ but strong growth

1992 Large wage differences between East and West. Not in all federal states  
collective agreements; BDSW not BDGW

1998 Start of preparations for the introduction of the Euro

2000 Change of name: From transporters to cash and valuables service providers

2002 Introduction of the Euro

2004 CIT: Financial services – cash recycling

2005 Trial against the Deutsche Bundesbank: multi-denomination, 0 Euro fee

2005 Business and Employers' Association: Collective bargaining policy for CIT

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## Milestones III

2006- 2023 From one crisis to another ...

- 2006 Nationwide police search against Heros
- 2006 BDGW 10-point catalogue, new standards
- 2010 ff. War on Cash "The Curse of Money" (Kenneth Rogoff)
- The backlash: conferences/events/publications
- Establishment of pro-cash lobbying/organizations
- Discussion about cash restrictions, abolition of the 500 Euro banknote
- 2020 Corona crisis: Dramatic decrease of cash payment, pay cashless etc.
- Consolidation of the German CIT market: Outlook

## The German CIT Market

- BDGW Members: 1992: 57 2000: 67 2013: 36 2023: 21
- Armored cars 2414
- 11.000 employees
  - 2/3 transport
  - 1/3 cash processing
- 700 Mio. Euro turnover (6 to 7 % of the total security market, 11 bn Euro)
- Consolidation
- New competitors: company of the savingbanks (HLS) or the cooperative banks

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## Regulation of CIT |

### Situation in Germany

- No specific legislation for security services or CIT
- CIT and security services are ruled by § 34a Industrial Code
- Accident Prevention&Insurance Association (APIA)
  - Part of the German social insurance
  - Regulations of guard's safety and security
  - Accident Prevention Regulation (APR)
- Insurance condition
- BDGW security regulation (about 90 % market share)



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## APIA Requirements for transport

Special references to CIT: Personnel, transport and cash centre requirements

Weapon not obligatory in APIA. But: BDGW and insurance

3 Persons in CIT:

1 permanent in the car, 2 for the transport  
optional, possible and standard. 1 guard for transport if IBNS or fog system

- Standard armored cars (2.400)
- Smart cars: exception is possible, but only for a handful companies
- BDGW wants to change: resistance from the unions
- Attacks: good police work - clarification rate in the last centuries nearly 100 %
- 2021 Berlin Hotspot: 7 attacks
- 2023 Q 1: Saarland, Berlin, Potsdam, Mecklenburg-Vorpommern, Lübeck, Cham

## BDGW security standard 2006 ff.

Hight requirements on security, transparency and efficiency

✓ Reaction to Heros:

Embezzlement customer funds via “snowball system”

No member of BDGW, market leader in Germany

- ✓ Industry self-regulation process: Transparency and trust
- ✓ New statutes and new security standards (cash processing)
- ✓ BDGW checklist and confirmation transport and cash processing
- ✓ Annual audit by external auditors and experts (insurance)
- ✓ Valid insurance contract: Listing on the homepage: [www.bdgw.de](http://www.bdgw.de)

## Bundesbank

- Central in Frankfurt, 9 headquarters in Germany with 9 Presidents
- 1990 210 branches (ca. 18.000 employees)
- 2023 31 branches (ca. 10.000 employees)
- Tasks: Monetary policy/cash/non-cash payment transactions/banking supervision/financial and monetary system
- Control of cash handling
- Duty of care for the cash
- Federal bank act
- Independence from politics
- (1923 – 2023: 100 years of inflation in Germany)

## Bundesbank standard container for coins

- 2002 Board decision Bundesbank
- Coins 2,625 roll packs in the 8 denominations with a total value of 314,000 Euros
- Deposit of coins since 2015 only in standard containers, coin roll standard (free of charge)
- Professional cash handlers for coin roll finisher, identification number
- Coin rolls with the ID may be passed on in the cash cycle without being checked again:
  - Reporting obligations
  - Coins must be checked before they are inserted into coin rolls using certified coin processing machines.
  - Handing over counterfeit coins and coins no longer in circulation to the competent authorities
  - Enabling on-site inspection

## Collective bargaining (Verdi)

|

Elementary part of the associations work since 2005

- Annex of BDSW Association of Guarding
- The fall of the wall: great wage differences between East and West Germany: "Cross border CIT"
- Low wages in Eastern Germany, some federal countries without wage standards
- 10/2005: Changing the statutes, responsibility for the collective bargaining
- Negotiations of the wages and working conditions
- Dilemma of the unions (and BDGW):
  - (Only) Members in big companies and in the western countries
- Many strikes in the last ten years: increase of the wages
- Transport: 17,00 to 20,00 Euro per hour
- Cash processing 14,48 to 17,00 Euro per hour
- Surcharges for work in the night, Sunday and holidays

## Cash- more than notes and coins |

### Mission:

We make cash available

Qualified staff and modern technique

Care for efficiency, transparency and security

Cash processing

### Vision:

Increasing the competition of cash

Development of new markets and solutions

Attractive employers

### Values

Safety, honesty, sustainability, reliability,

inclusion



### Bargeld – mehr als Scheine und Münzen

Bargeld ist universal: Für jeden verfügbar, überall einsetzbar, zu jeder Zeit. Egal ob im Portemonnaie, an der Ladenkasse oder am Geldausgabeautomaten – wir sorgen dafür, dass jeder schnell und einfach Geldscheine und Münzen nutzen kann.



#### Unsere Mission

- Bargeld ist unverzichtbar und muss für jeden nutzbar bleiben.
- Wir machen Bargeld verfügbar.
- Qualifizierte Mitarbeiter/innen und moderne Technik sorgen nachhaltig für effiziente, transparente und sichere Bargeldprozesse.



#### Unsere Vision

- Wir verstehen uns als Bargeldnetzwerk und Schnittstelle zum Bargeld.
- Wir steigern die Konkurrenzfähigkeit des Bargelds.
- Wir sind attraktive und innovative Arbeitgeber.
- Wir entwickeln neue Märkte und Lösungen rund ums Bargeld.
- Wir fördern klare Regeln für alle.



#### Unsere Werte

- Sicherheit – ist die Basis unseres Handelns.
- Ehrlichkeit – ist die Basis unseres gemeinsamen Miteinanders.
- Nachhaltigkeit – wir stellen uns den umweltpolitischen Herausforderungen.
- Verlässlichkeit – wir sind der verlässliche Partner für Ihre Bargeldversorgung.
- Inklusion – wir sorgen für eine gleichberechtigte Teilhabe am Zahlungsverkehr.

# Cash - and the big network behind |

ordinary members 21

extraordinary members (25)

armored transport cars  
insurance and their agents  
cash handling solutions  
transport systems  
cash processing machines  
money transport safebags  
IT companies  
safe locks



## Bargeld – dahinter steht ein großes Netzwerk

Für die sichere und effiziente Bereitstellung des Bargelds sorgt ein deutschland-weites Dienstleistungsnetzwerk von Geld- und Wertdienstleistern, Herstellern von Spezialgeldtransportfahrzeugen, Sicherheitstechnik, Geldbearbeitungs- und Druckmaschinen, Versicherern und IT-Dienstleistern.

Die BDGW (Bundesvereinigung Deutscher Geld- und Wertdienste e. V.) ist ein Wirtschafts- und Arbeitgeberverband, der seit 1989 die Interessen der Akteure des Bargeldnetzwerks vertritt. Über unsere Bundesgeschäftsstelle in Bad Homburg und unser Büro in Berlin stellen wir den kontinuierlichen Austausch mit den Verbänden der Kreditwirtschaft, der Deutschen Bundesbank und der Politik sicher. Mit den Gewerkschaften gestalten wir die Arbeits- und Entgeltbedingungen der Beschäftigten. Über die ESTA (European Security Transport Association) sind wir auf europapolitischer Ebene vertreten.

Diese Informationen wurden Ihnen überreicht von der  
BDGW (Bundesvereinigung Deutscher Geld- und Wertdienste e. V.).

Der BDGW (Bundesvereinigung Deutscher Geld- und Wertdienste e. V.) gehören zurzeit 30 ordentliche Mitgliedsunternehmen mit insgesamt 84 Niederlassungen und 25 außerordentliche Mitgliedsunternehmen an. Insgesamt verfügt die Branche über rund 2.500 gepanzerte Spezialgeldtransportfahrzeuge und beschäftigt ca. 11.000 Mitarbeiter\*innen. Davon sind zwei Drittel im Geld- und Werttransport und ein Drittel in der Geldbearbeitung tätig.

Die BDGW vertritt die Interessen ihrer Mitgliedsunternehmen gegenüber Bundes- und Länderministerien, Behörden, der Deutschen Bundesbank, sonstigen Verbänden sowie gegenüber Versicherungsgesellschaften. Sie gewährleistet einen umfassenden Erfahrungsaustausch in allen Fach- und Wirtschaftsfragen zum Thema Geld und Wert.

[www.bdgw.de](http://www.bdgw.de)

(Stand: Januar 2021)





## Important tasks for the associations: PR and lobbying |

- Position paper to the election of Parliament (Deutsche Bundesbank) in 2021
- Press release and press conferences
- Common paper with the unions (Verdi) on the basis of the Paper of ESTA/CoESS with UniEuropa
- Common paper with other associations
- Parliamentary evenings with the associations of guarding and aviation security
- Magazine of the associations BDSW, BDGW and BDLS
- General assembly: public part





## Cash payment retailers point of sales

	Turnover bn Euro	Cash share %	cash amount bn Euro
<b>2008</b>	<b>432</b>	<b>57,90</b>	<b>250,0</b>
<b>2011</b>	<b>438</b>	<b>53,10</b>	<b>232,6</b>
<b>2014</b>	<b>458</b>	<b>53,20</b>	<b>243,6</b>
<b>2017</b>	<b>514</b>	<b>47,60</b>	<b>244,7</b>
<b>2021</b>	<b>589</b>	<b>29,90</b>	<b>176,1</b>
<b>2022</b>	<b>632</b>	<b>28,90</b>	<b>182,6</b>

HDE/Bundesbank/EHI Retail institute: Turnover retailer excluding cars, pharmacies, gas stations

Plus estimated 100 bn Euro restaurants, festivals, fairs, pubs, folk festivals, biergarden etc

## Credit institutions and their branches

	Big Banks	Saving Banks	Cooperative Banks
	3	380	844
• <b>2021</b>	<b>21.712</b>	<b>4.039</b>	<b>7.732</b>
• 2020	24.100	5.146	8.318
• 2019	26.667	6.219	8.971
• 2018	27.882	6.850	9.492
• 2017	30.126	6.820	9.818
2017/2021	- 8.414 - 28 %	- 2.781	- 2.086
			- 2.145

## BASIC Resilience of cash supply – Security concepts for emergencies and crisis situations

### Cash supply as part of the critical infrastructure

- Security regulation: Requirements on Business Continuity Management (BCM)
- BIGS Brandenburg institute for society and security [www.bigs-Potsdam.org](http://www.bigs-Potsdam.org)
- Description of security scenarios:
  - Bushfire, wildfires, earthquake, typhoons, floodings, hurricanes, pandemics
- Failure of power, staff, IT and communication
- Recommendations for action: Security framework conceptions
- Preventive measures
- Increasing resilience of communication systems
- Cooperation, collaboration and coordination of private and public actors

## Security concept - strengthen the resilience of the cash supply in emergencies and crisis |

### Best practices

- Mobile ATM for cash distribution
- flexible POS for cash distribution
- Portable communication systems (e.g. satellite trucks)
- Backup generators/batteries
- Installation of underground power lines or power lines off the grid
- Backup IT-systems
- Backup branches with cash stocks
- Household guidelines

## Studies of the Bundesbank

- Cash department vs. cashless payments
- Conferences, speeches, press conferences and releases
  
- Duration of the payment process with alternative payments
- Cost of cash payment and other means in retail trade
- Retailer: Payment behaviour
  
- Plattform cash of the Austrian National Bank
- Working committee of the Deutsche Bundestag: „World without cash-Changes of the classical bank system and payment systems“

## Bundesbank Foresight Study: Cash in the Future

- Advantages and disadvantages of cash compared to other means of payment
- Cash requirements in 15 to 20 years
- Costs and costdriver in the cash cycle
- If cash usage continues to decline, how can the cycle be received?
- Resilience of the cash cycle
- Technical developments and innovation to optimize the cash cycle
- Life cycle assessment and starting for a more sustainable management of the cash cycle
- Need for action to position cash in 15 years and beyond as an attractive, reliable, competitive and generally accepted mean of payment and store of value.

## Conlusio: Future of cash payment

Decision of the consumers, but ..

- Maintaining a sustainable cash infrastructure
- Efficiency-promoting framework conditions
- Creation of information interfaces
- Creation of technological interfaces
- Promotion of economic processes
- New transport technologies: smart cars
- Customer participation in the design of secure and economic processes
- Locations of GAA, locking systems, processes, etc.