

ESTA Update

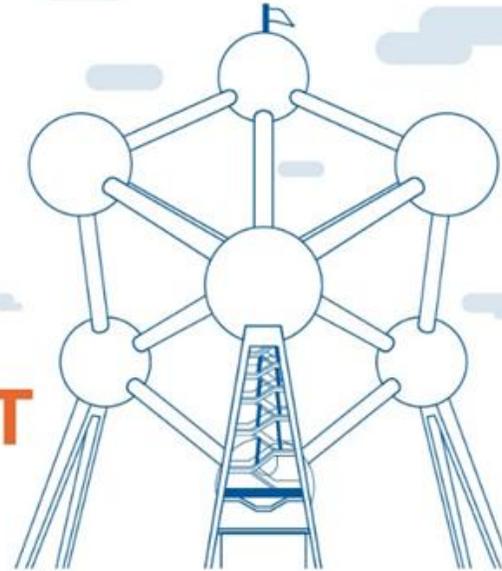
BRUSSELS
BELGIUM

11-13 MAY 2025

WHICH CASH
INDUSTRY
FOR THE NEXT
50 YEARS?

ESTA

The Cash Management Companies Association



ESTA BUSINESS CONFERENCE
EXHIBITION AND GENERAL ASSEMBLY

Thierry Lebeaux

Secretary General
Brussels, 13 May 2025



Cross-border CIT - Recommendations from the 2022 Report



12 licences (2014) - 21 licences (2016) - 28 licences (2018) - 23 licences (2024)

- **Information campaign** targeting the cash demand side (banks, supermarkets, retailers) and CIT companies to make more use of matching transport arrangements
- Member States should seek to **apply a wider range of applicable transport arrangements**
- The Commission will commission an **external study** in order to assess the current economic situation on the cross-border CIT market, review the rules in place in Member States and assess the level of disparities between them

Where do we stand?

1. **External study starting in Q4 2024**: results expected in October 2025
2. **CIT situation in euro area Member State** / meeting with ESTA 2025 / meeting with social partners
3. **Definition of x-border CIT – majority host rule – 20%-rule : economic implications**
4. **Member State of origin principle** to be applied to the transport arrangements without prejudice to the national firearms rules?
5. **Reflection: host country licence & principle of non-discrimination & free movement of services**

- Commission launched a study (Dec 2024)
- Grimaldi studio legale + CashInfraPro
- 12 Months (Dec 2025)
- Review:
 - Reasons for low cross-border CIT
 - Definitions



CALL FOR TENDERS

Study on the cross-border cash-in-transit market

TENDER SPECIFICATIONS

Ref: ECFIN 2024 004/C5

Specific Contract under the Multiple Service Framework Contract N° MOVE/ENER/SRD/2020/OP/0008

Lot 4

3.2.1.3. Tasks

The study shall help the Commission to better understand the legal and economic situation of the cross-land-border CIT activity in the euro area. Supported by the study, the Commission would like to be in a position to take an informed decision on the review of the CIT-Regulation.

Both reports came to the result that there is only little professional cross-border transportation of euro cash, probably because the provisions of the CIT-Regulation are too restrictive.

(ToR, "Background and objectives", page 8)

Contractor is requested to review the potential restrictive impact of definitions,

The contractor is not requested to assess what might trigger cross-border CIT!

Meeting with P. Tod & R. Voss (EC) and G. Nonain and G. Suarez (ESTA)

**The CIT industry input to the
Study on the cross-border cash-in-transit market**
19 February 2025
(ESTA transparency register: 850612124598-41)

The Commission DG ECFIN has commissioned a “study on the cross-border cash in transit market”, and the final report should be concluded by December 2025.¹ The study is intended to fuel the next (3rd) implementation report of the Regulation due in 2027, the last two reports having been published in 2017 and June 2022. These reports show the very limited number of cross-border licences applied for by the CIT industry of the eurozone (23 in 2024), and the absence of licences in specific areas highlighted in section 3.2.1.3 of the terms of reference. It should also be stressed that cross-border CIT licences have been applied for that have not been used for cross-border transport.

ESTA, the European cash management companies’ association (the only EU CIT association in Europe), was not consulted on the terms of reference of the study nor on any other aspect of it. We would therefore like to contribute to this study on CIT.

I. Objectives of the Study

The objectives are provided in the terms of reference (ToR):

“The study shall help the Commission to better understand the legal and economic situation of the cross-land-border CIT activity in the euro area. Supported by the study, the Commission would like to be in a position to take an informed decision on the review of the CIT-Regulation.”²

The objectives of the study are not to propose changes in the Regulation, but to assess what possible changes might impact the current level of cross-border CIT. Its objectives aim at fuelling a discussion on whether a revision of the CIT Regulation might increase cross-border CIT and if legislative improvements could generate more cross-border CIT activities, as can be seen from the ToR:

“Both [implementation] reports came to the result that there is only little professional cross-border transportation of euro cash, probably because the provisions of the CIT-Regulation are too restrictive.”³

¹ Specific contract under the Multiple Services Framework contract MOVE/ENER/SRD/2020/OP/0008

² ToR at section 3.2.1.3, “Tasks” page 9.

³ ToR at section 3.1 “Background and objectives”, page 8 (our emphasis).

- No surge in cross border to be expected from a change of definitions
- No wonder expected in a context of declining cash volumes.
- The key driver for CIT is customer demand
- No such thing as a “single-CIT market”
- ESTA asked to join the CIT committee discussions on the study

Cash management: cash processing and CIT



Cash management & processing

More efficient cash
recirculation
+
More efficient cash
processing
=
Less transport



Transport

The CIT industry only moves funds on behalf of its customers,
when and where they want it

Need for a holistic view on cash:

- NCBs' branch closures
- Banks' disengagement from cash
- Banks' branches closures
- ATM removals
- No adequate substitutes (cash-in shops/ cash back)
- Consumers permanent nudging towards cards / e-payments

Question from ECFIN to ESTA (4,02,2025):

“What efficiency gains for the industry could be achieved by changes in definitions of Reg”?

Response:

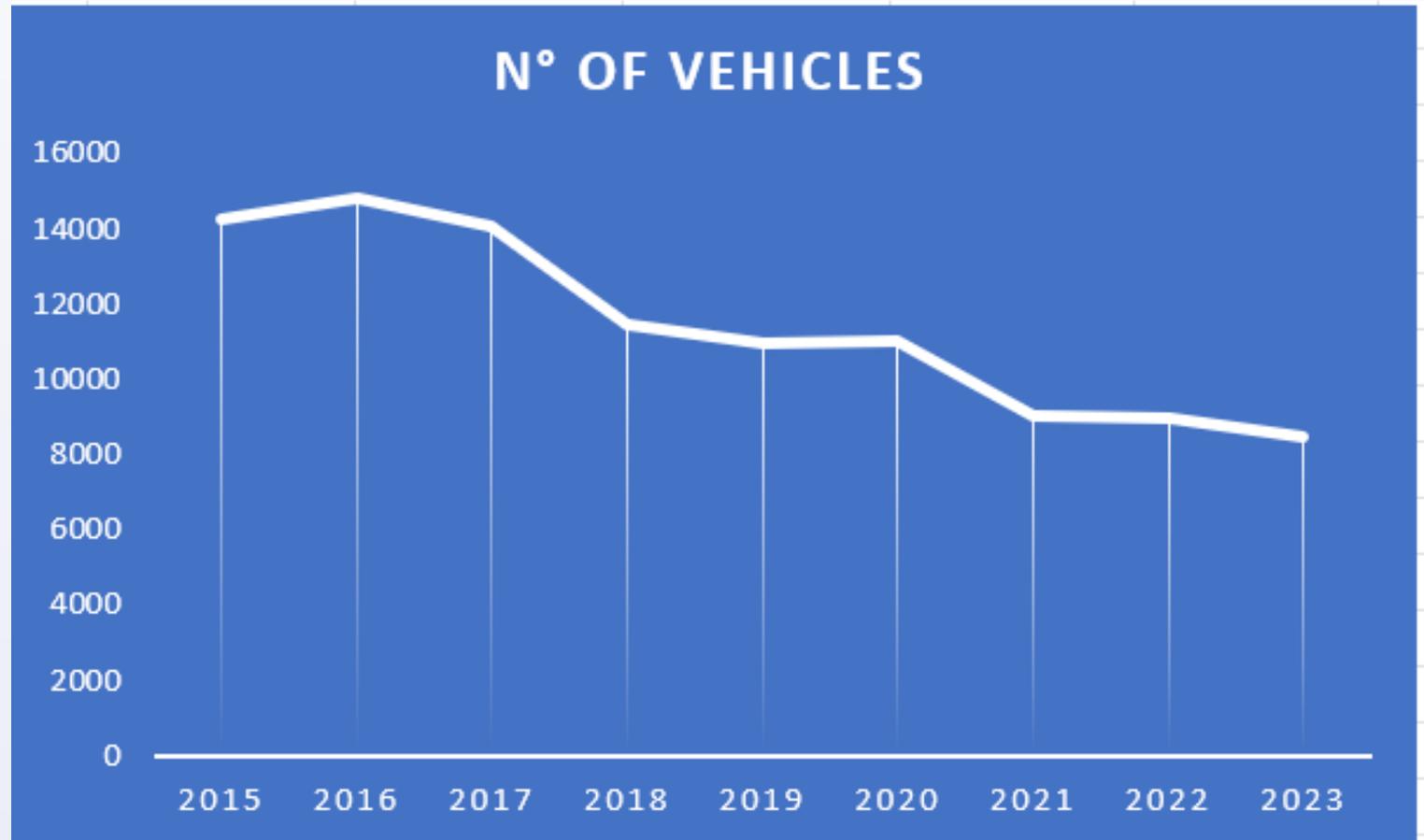
“None”

- Very low demand for cross-border CIT – a marginal part
- Customer contracts
- Customers national subsidiaries: stand alone legal entities
- Prohibition of cash payments above €10K (AML Reg)

The impact of decreasing cash volumes on X-Border CIT must also be taken into account

Fleet shrinks
as cash volumes drop

And so does transport



Armoured and non armoured vehicles - Source: ESTA A&L reports –
not including vehicles in non-ESTA UK CITs and in Poland



LESS than 1%
of revenue

No demand!

Most groups usually have operations on both sides of any border

It if were cheaper to operate cross-border, it would already be done!

Large multinational customers of CIT :
global contracts but **local implementation**

Changes to be proposed in the Reg must be justified by the magnitude of additional X-border CIT they might achieve

What the ToR provide:

Assess possible changes in the Reg

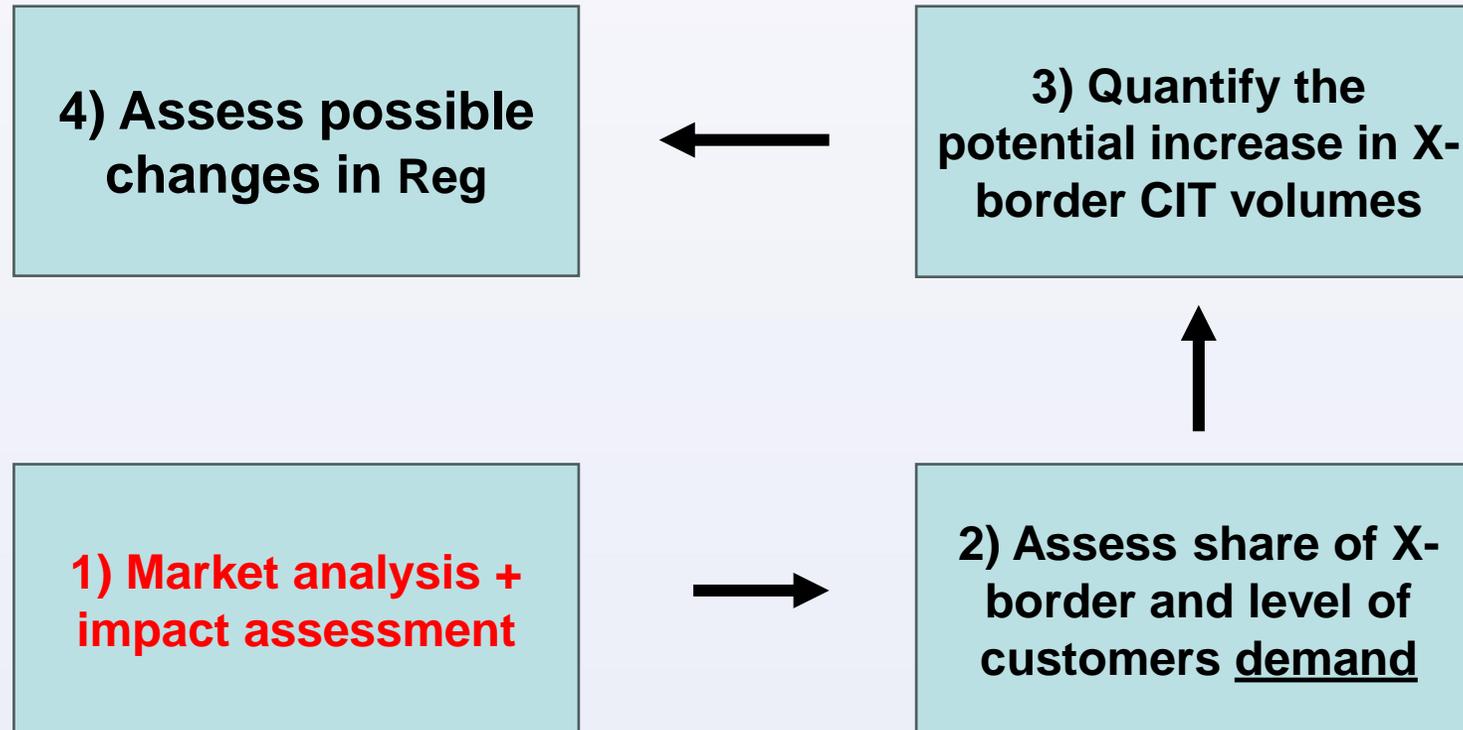
***“Absence of relevant activities”* in some areas**

Review restrictions due to definitions Art. 1(b)

Home country control (Art. 13-20)

Changes in definitions go beyond the changes permitted under Art. 27 of Reg

Start with understanding X-border demand and conclude with regulatory changes instead ?



Only propose changes which will in effect increase X-border CIT

**CIT Reg only covers transport,
not processing**

PSD3/PSR

Removal of
CIT exclusion

Concerns around
processing

**Other EU laws also have
an impact on CIT**
(and they are probably more relevant
than CIT Reg definitions)

AML

Suspicion on
cash activities

non-resident
bank accounts
for CIT
customers

What the CIT Regulation should do:

- Facilitate cross border CIT for the customers that need it (done!)
- Secure a level playing field between market operators

What the CIT Regulation should not do:

- Allow circumvention of national rules (e.g. home country control)
- Increase risks for CIT operators (national regulations reflect domestic risk patterns)

Cash is a volume driven business:
less cash = less business = less transport

Commission + ECB

Most Member States (Eurozone) presents – Home affairs and Central Banks

Consultants (Grimaldi + CashInfraPro)

EURICPA

UNI Europa – aligned with ESTA's position

EUROCOMMERCE:

“CIT monopolies, diverging weapons laws, restrictions on moving cash X-border”

European Payment

- said nothing

- “cash is a ma

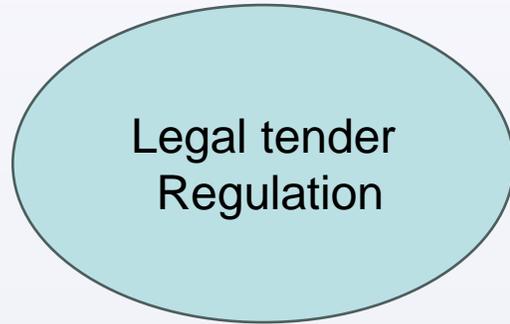
- Banks are willing to play their societal role and continue to invest in cash services.



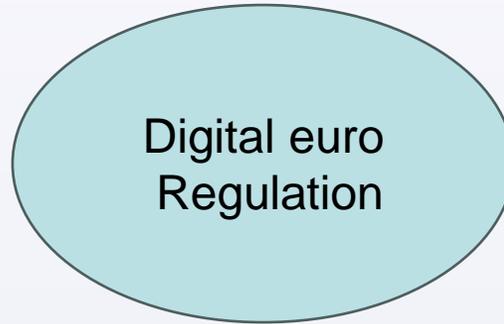
1. Get the Legal Tender proposal adopted soon
1. Start defending cash robustly

The CIT Regulation ?

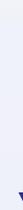
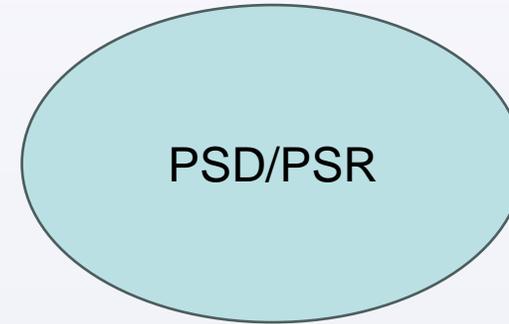
“If it ain't broke, don't fix it!”



Stranded in the EP



Privacy and
disintermediation of banks



CIT exclusion back
in the proposal