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## **EU WHITE PAPER ON PROFESSIONAL CROSS BORDER TRANSPORTATION OF EURO CASH BY ROAD – EBF WISHLIST**

### **BACKGROUND**

Although the physical euro is in effect since 2002, its cross-border cash transportation by road between the Euro Member States has still to take off. Differences between national legislations on multiple issues (e.g. carrying of firearms by Cash-In-Transit (CIT) staff, armouring and equipment of transport vehicles or the number of staff required during the transport) make that the CIT market is still organised along national borders.

The European Commission considers cross-border cash transportation as a natural step for more convergence of the National Central Bank (NCB) cash services and therefore developed a White Paper to achieve harmonization.

EBF supports the establishment of rules leading to leaner and more efficient cash transport routes and defined via a wish list a number of suggestions for a future legislation.

### **WISH LIST**

#### **General**

The lack of cross border cash transport does not stimulate competition, efficiency gains and risk reduction for the providers and recipients of such services. CIT companies cannot choose the shortest or most efficient routes to serve their clients and spend more time on the road, thus increasing the risk for attacks and for the public security in general.

## Scope of proposed legislation

4 main areas of attention for any legislation need to be considered:

### Preferred legal framework option

The European Commission considers 3 legislation framework options:

- Full harmonisation of the regulation of CIT transport in the Member States
- Authorisation in one Member State is valid in all other Member States; i.e. mutual recognition
- A set of common rules applicable on x-border transport **only** in all Member States

EBF prefers the mutual recognition option. This would not lead to any additional set of common rules on top of the existing national rules of transport.

As a further reflection, the EU could stipulate that any upcoming EU legislation change on general CIT transportation subject to national legislation adoption, would always incorporate the cross-border transport element as an integral and fundamental part of such broader legislation change.

### Cross-border cash transport definition

EBF welcomes the European Commission's proposal of cross-border transport covering routes between and among retail points (bank branches, ATM, merchants etc), National Central Bank (NCB) branches and CIT cash centres. In addition, EBF wants to give full support to and desires an equal strong commitment from the European Commission to the establishment of a "virtual" NCB cash centre model. Such "virtual" NCB network will further encourage the design of the most optimal cross-border transport routes.

If cross border corridor boundaries would have to be determined as a transition measure, EBF is in favour of the widest possible kilometre range on each side of a border. The validity period for such corridor range must be limited to the shortest possible timeframe after which the range restriction should be lifted completely.

### Type of value types covered

Unlike the White Paper's proposal to cover Euro coins and notes only, EBF prefers the widest possible value type scope for cross-border cash transport.

Foreign currencies and other precious values should be covered as well by a cross-border CIT transport legal framework. These values should be allowed as transport item of each single cross-border transport trip together with Euro cash when picked up at e.g. retail points. This would lead to a rationalization of daily value transports by CIT companies and less costs for their clients. Organising parallel transport systems/journeys covering non-Euro values would be less efficient.

### **Geographical applicability**

The suggestion of the European Commission applies on the Euro zone only. EBF is in favour of the widest possible scope of a framework covering all EU members, irrespective if they are a Euro zone member or not. This would give equal opportunities for CIT companies from Euro and non-Euro countries to compete for cross-border routes for various value types.

If the European Commission considers the geographical scope to the Euro-zone as 1<sup>st</sup> step of a phased legislation roll-out, the CIT-companies from non-Euro countries should be allowed to compete for cross-border Euro cash transport.

### **CIT cross-border license**

A specific CIT cross-border license from the competent authorities of the Member State of origin is put forward by the European Commission to allow a CIT company to perform cross-border transport. As a workaround, if a Member State does not dispose of a specific approval procedure for CIT companies, the company should provide that it is carrying out regular cash transports since a minimum period of time (suggestion of 12 months).

As stipulated under 2.1., the EBF prefers that mutual recognition of CIT companies between Member States would be the best way forward and therefore does not see the necessity for a newly designed license, or an extra task creation/ task extension for any Member State instance to issue such license.

Furthermore, the proof of being in the cash transport for a minimum period of time already suggested by the European Commission could be better envisaged as main rule rather than a workaround.

Referring to point 2.3., if the geographical scope would be restricted to the Euro-zone as a 1<sup>st</sup> phase, the licensed CIT-companies from non-Euro countries should be allowed to operate in cross-border Euro cash transport.

## CIT security staff

As stipulated under 2.3., the EBF prefers that mutual recognition of CIT companies between Member States would be the best way forward. Resulting from mutual recognition, CIT companies willing to offer cross-border cash transport will have to comply with the standards imposed by the neighbouring Member States. Meeting multiple Member State requirements would thin out the size of suitable CIT cross-border transport staff but at the other hand guarantee staff of high level quality and integrity.

## Vehicle equipment TYPEs and rules

The European Commission proposes following set-up

Allowed transport type	Number of security staff	Carrying of fire-arms	Neutralisation capability of IBNS box (via staining)
Banknotes in <u>fully</u> armoured vehicle <u>with</u> IBNS	at least 2 agents	To comply with rules of the entered Member State Fire-arms locked away in special box when entering the Member State in which such carrying is prohibited. Such box can re-opened only remotely from the CIT control centre.	At least 20% of the surface of transported notes to be stained
Banknotes in unarmoured / cabin armoured vehicle with IBNS	at least 2 agents	Staff to be unarmed	
Banknotes in fully armoured vehicle <u>without</u> IBNS	at least 3 agents	To comply with rules of the entered Member State Fire-arms locked away in special box when entering the Member State in which such carrying is prohibited. Such box can re-opened only remotely from the CIT control centre.	Not applicable
Coin transportation	At least 2 agents	Staff to be unarmed	Not suggested
<b>EBF opinion</b>			
Possibility of a light CIT, i.e. transport of low volume and low value (shops, merchants) could be envisaged	At least 1 agent in every transport type	Mutual recognition described under 2.1. would meet differences between Member States	At least 10% would be sufficient. A higher percentage would lead to additional investments for the CIT company and its clients. Other technologies besides staining methods should be considered as well.

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