

ESTA ANNUAL CONFERENCE 2009

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ESTA ANNUAL CONFERENCE 2009

Next year conference will be held in Rome (Italy) on 26, 27 & 28 April.

The main topics of the conference are:

- Cross-border CIT transport
- Cash cycle and recycling
- Security issues

This yearly event is considered by many as an ideal occasion for catching up on current initiatives as well as networking with industry leaders, risk managers, suppliers and regulators. Past events have attracted over 300 participants.

We have secured a limited number of rooms with the selected hotels and we strongly invite you to register immediately since Rome is one of the most popular destinations that time a year.

The conference programme is attached together with all relevant documents.

EU AFFAIRS

CROSS BORDER CIT REGULATION (DRAFTED)

The European Commission is currently drafting a regulation on the cross-border transportation of the euro by road between Member States in the euro area, in application of the articles of the Treaty establishing the European Community and in particular, the article 95 which is relevant to the functioning of the internal market.

The drafted document together with its formal communication is likely to be circulated for public consultation in early 2009 and both European Parliament and Member States will be invited to ratify it in late 2009.

The ECB, the banking community (EPC, EBF), the Retailers industry (Eurocommerce) are all in favour of such a regulation which is seen as likely to enhance competition and lower the prices.

ESTA, CoESS and UniEuropa, whilst understanding that the very principle of a single currency implies the freedom to move cash between the Member States, are opposed to this upcoming regulation as currently drafted. Cross-border CIT is already possible with the relevant authorizations.

This drafted regulation is seen as a threat to our industry, as it creates double standards (one for the national CIT operator and a different for the cross-border operator which will not have to apply the rules and regulations of the visited country). This is totally unfair and insecure.

It jeopardizes our current investments, made to cope with national legislation, and that would not be applicable to cross-border entrants.

It will cause risk displacement to the softest CIT target, namely the less protected CIT operator, and put the security of employees and public at risk.

It will allow for social dumping, leading to unfair competition, and might cause social disruption.

Risks can not be harmonized and national rules are tailor-made to cope with a specific risk profile.

Action: ESTA will shortly decide on its strategy to protect the interests of our industry.

COUNCIL REGULATION ON CURRENCY AUTHENTICATION

ESTA had engaged a lobbying action to convince Member States and MEPs that such an obligation, aimed for the protection of the Euro, should be enforceable to all economic agents, such as Retailers, Casinos, and not only to professional cash handlers.

The Council Working Party on Combating Fraud has issued a new proposal which partly endorses our views and associates other economic agents (such as traders and casinos) to this obligation whenever they wish to put Euros back in circulation via automated teller machines (cash dispensers).

CEN STANDARDIZATION ATTEMPT OF CASH DEGRADATION SYSTEMS (CEN TC 263 WG4)

The September Plenary meeting and a subsequent working group meeting have allowed narrowing the differences between the major stakeholders. The upcoming meeting of January 2009 is likely to finalize the drafted documents and engage in the final CEN process as an active work item, which will be up for voting by the National Standardization Bodies.

NEW EURO SERIES (ES2)

ECB has announced that the middle denomination (20, 50 and 100€) will be the first denominations to be produced, probably by the end of 2012. They will have the same dimensions as the current-ones, will carry new security features, and will run parallel for a limited period of time.

The substrate of the low denominations (5 & 10€) is still to be confirmed but is said not to bring any major change!

E-MONEY DIRECTIVE

The upcoming directive has now been launched and is expected to be voted by European Parliament in March 2009. This directive is mainly relevant to consumers' protection and possible money laundering issues.

INTERNAL AFFAIRS

NEW MEMBERS

- Linfox Atmaguard Pty Ltd – Australia (Associate Member)
- Risc Management Ltd – GB – London (Adherent Member)
- Post Wertlogistik GmbH – Austria (Effective Member)

NEW APPLICANTS

- VIP Security Ltd – Bulgaria (Effective Member)
- Vereinigte Papierwarenfabriken GmbH – Germany (Adherent Member)
- Innovative Business Software A/S – Denmark (Adherent Member)

NEW OFFICES

On 1 January 2009, ESTA will move its offices closer to the European quarter in Brussels. New address: 235 rue de la Loi – Box 27 – 1040 Brussels – Belgium

Tel.: +32 2 230 23 63 – Fax: +32 2 230 65 11

WEBSITE

ESTA will shortly launch its new website, which will be hosted in a new domain. The new web address: www.esta-cash.eu will be confirmed within a few weeks.

MISCELLANEOUS

ECB

After 10 years as director of the Banknotes Directorate Antti Heinonen has handed over the reins to Ton Roos, formerly Head of the Cash policy Department of the Nederlandsche Bank. As of 1 November 2008, Antti will serve as Principal advisor and Chair of the Central Bank Counterfeit Deterrence Group.

THE EURO CASH USER GROUP (ECUG)

1. Cash in circulation (end September 2008)

- Banknotes: growth of 5,5% for the volume and 7,3% for the value.
- There is a gradual decrease of the circulation growth but the demand remains strong and the total face value of banknotes in circulation represents EUR 684 bn.
- There has been an extraordinary demand for banknotes in the first weeks of October 2008 resulting in a jump to EUR 720 bn in circulation.

2. Counterfeit banknotes

There has been a small but gradual increase of counterfeit banknotes removed from circulation in 2008 (609.000 compared with 537.000 for the previous periods), keeping in mind that the number of genuine notes in circulation fluctuates around the 12 billion mark.

It can be seen that the €20 and €50

banknotes are the favoured targets of the counterfeiters, followed by the €100.

ATMIA WHITE PAPER ON THE FUTURE OF CASH

The ATMIA survey predicts changes in consumer's habits and all indicators show that cash appears to have a bright and unlimited future.

CONTACTLESS PAYMENTS

Mobile phone payments pose huge fraud risk (Reuters May 19, 2008).

Greg Day, an analyst at security specialist McAfee, believes the technology will yield immense opportunity for data fraudsters! The majority of mobiles have no security software and 86 percent of users are worried about security risks posed to their mobile handset, such as fraudulent bills, or information loss or theft.

EUROPEAN ATM SECURITY TEAM (EAST)

Has prepared its European ATM crime report for the period January to June 2008. Excerpts:

- ATM related fraud attacks: 6.153 (18,80 attacks per 1000 ATMs), 263.23 million Euros lost, equating to losses of 804,090 Euros per 1000 ATMs.
- ATM related physical attacks: 1,459 attacks (4,46 attacks per 1000 ATMs), 16.44 million Euros lost, equating to 48,794 Euros per 1000 ATMs. The average cash loss for a robbery is now estimated at 31,600 Euros per incident.

CARDS FRAUD UK

Daily Mail 01 October 2008. Excerpts:
The total amount lost to the fraudsters reached a record of £301.7 million in the first half of the year (£535 million in 2007).

RETAIL BANKING RESEARCH (RBR)

Bulletin of November 2008 reports, amongst other topics, on ATM security and cashless transactions grow. Excerpts:

"Cashless transactions grow at a compound rate of 8,6% per year, since 2001 whilst the use of payment cards and direct debits increase annually by 16% and 13% respectively."

THE EUROPEAN CARD

The European Card Review of September / October 2008 publishes an interesting report titled "Cash – The familiar stranger" and concludes it by saying:

"The cashless economy will remain a fairy tale. It seems much more likely that we will end up with the less-cash society".

Not bad for cards people and this was before the October crisis!

WE WISH YOU ALL A MERRY
CHRISTMAS AND A HAPPY NEW
YEAR 2009!



Make sure to register for the Conference in time and see you in Rome!