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**WHITE PAPER**

**on**

**PROFESSIONAL CROSS-BORDER TRANSPORTATION OF EURO CASH BY  
ROAD BETWEEN MEMBER STATES IN THE EURO AREA**

## 1. INTRODUCTION

The physical euro was introduced in 2002, but due to strong differences between national legislations it is in practice very difficult to transport euro cash by road between Member States that have adopted the euro (hereinafter 'participating Member States') on a professional basis and very little cross-border land transportation therefore currently takes place. The differences between national legislations concern a wide range of issues such as the possession and carrying of firearms by the security staff, training requirements, authorised transport modalities, armouring and equipment of the security vehicles, the use of intelligent banknote neutralisation systems (IBNS), number of staff in the security vehicles, information towards the police, licence rules and related penalties. Cross-border transports may be arranged on the basis of ad-hoc authorisations from the Member States of destination, but even disregarding the administrative proceedings involved, this still involves the need to comply with two or more different complex sets of national rules.

The cash-in-transit (CIT) market is therefore currently organised along national lines. It is, however, inherent in the logic of the single currency that euro banknotes and coins should be able to circulate and be transported as freely as possible within the euro area. Facilitating cross-border cash transportation is also a natural complement to the European Central Bank's Roadmap for more convergence of National Central Bank (NCB) cash services and the creation of a Single Euro Cash Area for professional cash handlers. One important element of that Roadmap is the so-called Remote access to NCB cash services, whereby a credit institution in one participating Member State may use the cash services of a Central Bank in another participating Member State. That measure was implemented in June 2007 but its potential cannot be fully exploited until it is actually possible to easily transport the cash across the borders. The banks, the large retail sector and other professional cash handlers need to source and deliver their cash in the most efficient manner, unconstrained by national borders.

Due to the nature of the goods transported, the CIT-sector is at the same time exposed to serious security threats and the nature and level of the risks may be very different between Member States. It is therefore of paramount importance that cross-border cash transports take place under conditions that ensure a high level of protection for the CIT-staff and for the general public.

The establishment of common rules that generally allow cross-border cash transports by road between participating Member States, while providing a high level of safety for the CIT-staff, would open up the possibility for more efficient cash transport routes in border regions. Commercial banks would thus be able to use the cash services of the nearest Central Bank branch or CIT cash center, whether in their own Member State or not. Retailers, vending machine operators and other professional cash handlers would likewise be able to receive or deliver cash from/to the nearest cash center, independently of national borders. Finally, CIT-companies carrying out transportation in border regions would be able to plan their transport routes and other cash logistics in a more efficient manner. In general, more efficient cash transportation will produce a benefit for the economy as a whole.

The European Central Bank, the banking sector and the large retail sector have repeatedly called for the launch of an initiative aimed at lifting the obstacles to the professional cross-border transportation by road of euro cash in Europe.

Against this background, the Commission therefore initiated consultations in May 2008 with a view to preparing draft common rules to facilitate the cross-border transportation of euro cash by road.

This initiative reflects the position of the Commission as regards a possible harmonisation of the transport of cash mentioned in Article 38 b of the Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market.

## **2. COMMISSION INITIATIVE TO FACILITATE CROSS-BORDER TRANSPORTATION OF EURO CASH AND INITIAL CONSULTATION OF STAKEHOLDERS**

As a first step and in order to build on the expertise and input of all interested parties in the sector, a Working Group chaired by the Commission and consisting of the European organisations of all the major stake holders<sup>1</sup> was set up in the first half of 2008. The Working Group held three full-day meetings between July and December 2008 and discussed all relevant issues, such as the scope of the possible future common rules, differences between national legislations and possibilities of harmonised cross-border rules in the different areas mentioned at the beginning of Section 1.

As regards the legal possibilities of facilitating cross-border cash transport, three main options were considered:

- A full harmonisation of the regulation of CIT-transport in the concerned Member States.
- A system where authorisation in one Member State would be valid in all Member States ('mutual recognition').
- A set of common rules that would be valid in all Member States, without prejudice to national rules for certain aspects explicitly indicated in the text. Contrary to a full harmonisation, the common rules would only apply to cross-border transportation.

Since there are large existing differences between national rules and in risk levels between Member States, it was considered to be extremely difficult to reach agreement on the content of a full harmonisation of the rules governing CIT-transport or on an across-the-board mutual recognition of national rules. The latter option could furthermore lead to cash transports taking place under rules that provide or are perceived to provide inadequate protection of the staff and/or the general public. There was therefore a clear preference in the Working Group for a set of common rules applying to cross-border transports, which would exist in parallel to the existing national rules for domestic cash transports.

Within the framework of a set of common rules applying to cross-border cash transports by road, the Working Group discussed the following main policy options regarding the scope of application of possible common rules:

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<sup>1</sup> The following organisations were represented: CEA (European insurance and reinsurance federation), CoESS (Confederation of European Security Services), EBF (European Banking Federation), the Eurosystem, EPC (European Payments Council), ESTA (European Security Transport Association), EURICPA (European Intelligent Cash Protection Association), EuroCommerce, Europol (European Police Office), MDWG (Mint Directors Working Group) and UNI-Europa (Union Network International – Europa).

- The geographical scope. This could include the whole EU-27 or be limited to the euro area.
- The type of goods carried. The goods could include not only euro cash, but also other currencies and other kinds of valuables.
- The definition of cross-border transportation. Cross-border transportation could be limited to only point-to-point transports or include also operations in the home country prior to and/or operations in the host country consecutive to the international operation (the latter operations are generally referred to as 'cabotage').

There were different views in the Working Group on all these issues.

The main purpose of possible common rules is to facilitate the free circulation of the single currency within the euro area. This does not exclude, however, that the territory of other Member States is included as well. Independently of the geographical scope, it could furthermore be envisaged to include the currencies of other Member States, of non-EU countries as well as other kinds of valuables (such as jewellery, gold, pieces of art and valuable documents). Extending the scope to non-participating Member States and other goods could, however, risk severely delaying or even preventing the adoption of common rules by deflecting the discussion from the main concerns.

Cross-border transportation can be interpreted in a narrow sense to mean the transport of cash from a secured point in country A to a secured point in country B, without any intermediate stops ('point-to-point'). Point-to-point would mean that individual cash centres and other secured points can be serviced across the border under the common rules, but would exclude bank branches, ATMs and retailers (unless they are equipped with a secured area for the unloading/loading of the vehicle). Only one operation at a time from one secured point to another secured point would be possible.

However, point-to-point transports correspond to only one part of the cash transports regularly carried out by CIT-companies. A wider scope would include also some transport operations prior to and consecutive to the cross-border leg of the journey. This would make it possible to organise cross-border transport routes in the same logistically optimal way as domestic transport routes, by servicing several points along the way, including bank branches, ATMs as well as retailers. With a view to facilitating the free circulation of euro cash across national borders it is therefore suggested that it should be possible, beyond the main cross-border operation, to carry out multi-stop transport operations in the home country as well as in the host country/countries. As explained in section 3.2 below, the combined duration of the operations in the home as well as the host country/countries should be limited to one day.

Under common cross-border rules, the cash transport services would fall under different legal systems, concerning in particular the compliance with labour law principles, applicable collective agreements or other law which refers to social and/or safety aspects. This could lead to significant practical problems in establishing which wage and other social conditions apply, especially if a security vehicle operates across more than two countries.

In this context it will be crucial to provide clarity on the application of *Directive 96/71 concerning the posting of workers in the framework of the provision of services*<sup>2</sup> to cross-border cash transports.

This Directive aims to reconcile the exercise of companies' fundamental freedom to provide cross-border services under Article 49 of the EC Treaty, on the one hand, with the appropriate protection of the rights of workers temporarily posted abroad to provide them, on the other. It thus endeavours to strike a balance between the economic freedoms established by the EC Treaty and employees' rights during their period of posting. It identifies therefore the mandatory rules of general interest at Community level that must be applied to posted workers in the host country, and establishes a hard core of clearly defined terms and conditions of work and employment for minimum protection of workers that must be complied with by the service provider in the host country. Depending on the particular circumstances under which the cross-border transport operations are carried out, in line with the definitions included in its Article 1(3), the Directive may be applicable to the cross-border transport operations that are the subject of the present White Paper.

However, it must be recognized that the particular short-term nature of the posting situation in the case of cross-border cash transport creates difficulties for the practical application and enforcement of the Directive. For instance, the application of the Directive could potentially require that employers in the CIT-sector measure the time which their staffs spend in each country in order to calculate the applicable minimum rates pro rata.

Hence, the practical application of Directive 96/71 in this field will need to be carefully examined with the Member States, other relevant experts<sup>3</sup> and the social partners before any common rules on cross-border cash transport can be formally adopted. In particular, it would be important to ensure that the application of the Community acquis or national legislation does not impose a disproportionate and unnecessary administrative burden on the operators, which could in practice have the effect of seriously impeding the possibility of carrying out cross-border operations. The clarification of these issues will be an integral part of the assessment of the social impact of the policy options.

On this basis, the Commission is hereby launching a broad-based consultation process on some envisaged common rules, which are annexed to this White Paper. The Commission stresses the tentative nature of these envisaged rules. The intention is to facilitate the formulation of focused comments from all interested parties by presenting already at this stage the main elements of possible common rules. These envisaged rules are without prejudice to the proposal which might be made by the Commission at a later stage.

All interested parties are invited to submit their comments by 30 June 2009 to the address indicated at the bottom of section 4.

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<sup>2</sup> OJ L 18, 21.1.1997, p. 1–6.

<sup>3</sup> Commission Decision 2009/17/EC established a Committee of experts on posting of workers (OJ L 8, 13.1.2009, p. 26-28).

### **3. KEY FEATURES OF POSSIBLE COMMON RULES**

The envisaged common rules would apply to the *cross-border* transportation of *euro cash* between *participating Member States*. Cash transports that take place exclusively within a Member State would therefore not be affected.

In order to focus on the essential issue, namely the free circulation of euro cash within the euro area, Member States that have not adopted the euro and their currencies would not be included in the scope of the common rules. However, the possibility of including non-participating Member States and currencies via an opt-in clause should be further investigated.

Finally, due to their specific character, it is suggested that high-value transports of euro banknotes and coins between euro-area Central Banks should not be covered by the text, provided that they are escorted by the military and/or the police.

#### **3.1. Legal basis**

It is envisaged to base the possible common rules on Article 123(4) of the Treaty establishing the European Community, since they appear necessary in order to facilitate the use of the euro as the single currency. This implies adoption by a qualified majority of the participating Member States, after consultation of the European Central Bank. It is also envisaged to use the instrument of a Regulation.

#### **3.2. Intraday and daytime transport**

Because of the specific characteristics of the CIT-activity and with a view to taking into account the difficulties in organising safely multi-day cash deliveries, the security vehicle crossing the border should start from and return to its Member State of origin in the same day and the whole transport should take place during daytime (daytime is suggested as 6.00–22.00). However, night transport of cash could take place, if it is already allowed under national rules in the Member States where the transport is taking place. The pick-up and/or delivery of cash within the home Member State prior to the cross-border leg of the journey or within a host Member State consecutive to the cross-border leg would be possible, but the security vehicle should return to its Member State of origin in the same day (or within 24 hours, if night transport is allowed).

#### **3.3. CIT cross-border licence**

The national inspection authorities should be able to verify that a security vehicle fulfils the conditions to carry out cash transport on its territory. A company wishing to carry out cross-border transportation of euro cash by road should therefore be required to apply for a specific CIT cross-border licence from the competent authorities in its Member State of origin. The original or a certified copy of the licence should always accompany the vehicle.

The exact characteristics of the licence document should be defined and it should be valid for a limited period (three years is suggested). In order to qualify for the licence, the applicant company should comply with the envisaged common rules, with other applicable Community legislation or, where explicitly provided for, with the national CIT-legislation in force. Such reference to (possible) national legislation would be provided in two cases: i) advance notification of national police forces, and ii) procedures for handling cash outside the CIT-vehicle. The first case concerns the competence and organisation of the national police forces

where there does not seem to be any compelling reason to harmonise practices. The second case concerns occasions when the CIT security staff may come into more direct contact with the general public and thus expose them to the inherent dangers of the trade. It therefore seems appropriate that any national rules are respected.

The company should, however, first of all be approved to carry out CIT-transport by its Member State of origin. If the Member State does not have any specific approval procedure in place for CIT-companies, the company should be able to provide evidence that it has been carrying out regular cash transports for a certain specified time (12 months are suggested) with no infringements of the existing national legislation. This rule is intended to ensure that CIT-companies engaging in cross-border transport have sufficient prior experience to be able to safely carry out cash transport also on another Member State's territory.

In order to make sure that Member States are sufficiently informed about companies established in other Member States wishing to carry out cash transport on their territory, it is furthermore foreseen that Member States should exchange information on cross-border licences issued and on any decisions to suspend or withdraw a licence and should inform each other in advance about the names of the companies that intend to carry out transport on another Member State's territory.

### **3.4. Permitted types of cash transportation**

The authorised CIT transport types and related conditions (rules on armouring of vehicles, use of intelligent banknote neutralisation systems, carrying of weapons, number of crew members etc.) vary considerably between Member States. This is notably the case as regards the possession and carrying of weapons. In some Member States it is prohibited for CIT security staff to carry weapons, whereas in other Member States it is mandatory and in others, it is neither prohibited nor mandatory but allowed. In view of the existing differences, it does not seem realistic to propose one type of transport that would fit everyone. In particular, the national rules on whether CIT security staff shall not/may/must carry weapons should not be questioned.

Based on current practices in Member States, it is envisaged that there should be four authorised types of transportation, which should each provide a high level of security for the staff and the general public. There are three different options for banknotes (or banknotes in combination with coins), whilst the last transport type concerns the exclusive transport of coins. Operators should be free to choose the type of transport they prefer among the three options available for banknotes. However, it is suggested that, after notification to the European Commission, a Member State should be able to decide that the option of unarmoured or cabin-armoured vehicle equipped with IBNS (option *a*) below) does not apply to its territory, provided that it does not allow comparable transport modalities for domestic CIT-transports. It is envisaged that there should be at least three CIT security staff accompanying the vehicle unless the cash is protected by end-to-end IBNS or if only coins are transported. Since in the first case, the cash is protected by the IBNS-technology, and in the second case, coins are less attractive to steal, it is envisaged that under those options (options *a*), *c*) and *d*) below), the minimum required number of CIT security staff should be reduced to two.

*a) Transportation of banknotes in an unarmoured or cabin-armoured vehicle equipped with an end-to-end intelligent banknote neutralisation system (IBNS)*

Under this option, the vehicle should either be of ordinary appearance (that is to say not bear any signs that it belongs to a CIT-company or that it is used for cash transport purposes) *or* have its cabin armoured and bear very clear markings which indicate that it is equipped with end-to-end IBNS. The IBNS should comply with criteria to be established (which should include, *inter alia*, the requirement to be homologated in at least one participating Member State).

*b) Transportation of banknotes in a fully-armoured vehicle not equipped with IBNS*

Under this option, the vehicle should be whole-body armoured to withstand gunfire from firearms. The CIT security staff should wear bulletproof vests and comply with the existing rules in the Member States where the transport is taking place as regards whether they shall not/may/must carry weapons and the maximum permitted calibre.

As regards the possession and carrying of weapons, two mutually exclusive alternatives are put forward for further discussion; i) The creation of a special “European firearms pass for CIT security staff”, to be specified. The pass would be issued by the Member State that granted the cross-border CIT-licence and could only be issued to CIT-staff who already holds a national firearms licence and are employed by a company holding a cross-border CIT-licence, or ii) CIT-staff should be required to apply for a firearms licence from the national authorities in the Member States concerned (provided they allow CIT security staff to be armed).

Furthermore, and in order to respect the existing national legislation, a procedure needs to be foreseen for cases where the security vehicle passes from a Member State where firearms are compulsory into a Member State where firearms are prohibited. In this case, the arms should be locked up in a strong-box inside the vehicle before entering the territory of the latter and remain inaccessible to the CIT security staff until the vehicle enters the territory of a Member State that allows CIT security staff to be armed. Once locked, it should only be possible to open the firearms strong-box by remote intervention by the vehicle’s control centre.

*c) Transportation of banknotes in a fully-armoured vehicle equipped with IBNS*

This option combines the protective measures under options a) and b), that is to say both end-to-end IBNS as well as whole-body armoured of the vehicle. The same rules as under option b) should apply, but in addition the vehicle should also be equipped with IBNS in accordance with option a) and bear very clear markings indicating this.

*d) Transportation of coins only*

This is the only type of transportation that should apply to cross-border transportation of coins only. Coins are heavy relative to their value and therefore more cumbersome and less attractive to steal. This can also be seen from the fact that there have been almost no attacks on vehicles transporting exclusively coins in the Community in the past. It is therefore envisaged that the vehicle should bear very clear markings indicating that it is carrying only coins. In order to protect the CIT security staff, the cabin of the vehicle should be armoured. It should be further discussed whether the CIT security staff should be unarmed or not.

### **3.5. Penalties**

It is crucial to ensure that the provisions are enforced and it is therefore essential to foresee adequate penalties in case the provisions are not respected. At the same time it is important that the penalty is proportionate to the seriousness of the infringement.

It is therefore envisaged that where there has been an infringement of the terms or conditions of the CIT cross-border licence, the granting authority should be able to decide to send a warning, to suspend the licence during a limited time or to withdraw the licence completely. In order to provide a safety net for the host Member State, it is furthermore suggested that the Member State crossed or where the service is rendered should have the right to temporarily suspend the licence if there is a serious breach of the rules, that is to say relating to the respect of the minimum number of CIT security staff or the rules related to firearms, pending a decision by the granting authority of the Member State of origin. It is finally foreseen that Member States should inform each other about any infringements and related penalties.

### **3.6. Other provisions**

In order to deal with serious security threats a special clause on emergency security measures would also be foreseen. This could for example concern a number of violent attacks that may call for temporary police escorts of all CIT-transports in the territory of a Member State. In order to avoid a differentiated treatment of foreign versus domestic operators, such emergency measures should concern all CIT-transports in the Member State concerned. They should furthermore be limited in time and should be notified to the Commission. A formal prior consent of the Commission should be required for any extension of emergency measures.

A number of minimum requirements for CIT security staff are furthermore envisaged, as regards clean criminal record, physical and mental health, training and language skills.

The common rules should be without prejudice to the application of existing EU legislation, notably in the social and transport fields.

Finally, it is suggested to carry out a review of the implementation of the common rules two years after their entry into force, and subsequently on a regular basis.

## **4. NEXT STEPS**

The annexed set of envisaged rules will be discussed with Member States' administrations in an ad-hoc Expert Group set up for this purpose. The results of these discussions and the input received from stakeholders and other interested parties will feed into the impact assessment of possible common rules, including the assessment of the different options discussed in Section 2 above, that the Commission will carry out prior to the adoption of any formal proposal.

The Commission invites comments on this White Paper. They may be sent, by 30 June 2009, either by e-mail to:

ECFIN-E3@ec.europa.eu

or by post to:

European Commission

Directorate-General for Economic and Financial Affairs, Unit E.3

Economic aspects of regulatory policy, Sector euro cash and legal issues  
B-1049 Brussels.

Annex: Envisaged common rules for the cross-border transportation of euro cash by road between Member States in the euro area.

## ANNEX

### **Envisaged common rules for the cross-border transportation of euro cash by road between Member States in the euro area**

The term [Regulation] is used for internal references in the text below, since it is envisaged to use the instrument of a Regulation for possible future common rules.

#### **SECTION 1. COMMON RULES THAT WOULD GOVERN ALL CROSS-BORDER TRANSPORTATION OF EURO CASH BY ROAD**

##### **A. Scope**

Cross-border transportation of euro cash under the provisions of this [Regulation] shall be carried out during daytime and the security vehicle shall depart from and return to its country of origin in the same day.

Point-to-point transports may however be carried out within a time-slot of 24 hours, provided that night transport of cash is already allowed under national rules in the Member State of origin, in the Member States crossed and in the Member(s) State(s) where the service is being provided.

Transports of euro banknotes and coins with a face value exceeding EUR 15 million that are (i) carried out between Central Banks of participating Member States and (ii) escorted by the military and/or the police shall be excluded from the scope of this [Regulation].

##### **B. CIT cross-border licence**

(a) A company wishing to undertake the cross-border transportation of euro cash by road shall apply for a CIT cross-border licence from the competent authorities in its Member State of origin.

(b) The CIT cross-border licence shall be granted for a period of [three] years by the competent national authorities to companies located in their territory, provided that the following conditions are met:

- The applicant company must be approved to carry out CIT-transport by the Member State to which the application for a CIT cross-border licence is submitted. If the Member State does not have a specific approval procedure for CIT-companies going beyond the general rules for the security or transport sector, the company must be able to provide evidence that it has had regular business transporting cash for at least [twelve] months prior to the application with no infringements of the existing national legislation governing such activities. Its managers and members of the board shall, moreover, not have relevant offences in their criminal record.

- The applicant company, the staff employed, the vehicles used and the security procedures implemented for the cross-border transportation of euro cash must comply with the rules laid down by this [Regulation] and by other applicable EU legislation or, where explicitly referred to by this [Regulation], with the national legislation in force specifically relating to the transport of cash.

(c) The CIT cross-border licence shall be drawn up in accordance with the model [to be defined]. Vehicles engaged in professional cross-border transportation of euro cash by road must, at all times, be able to show the inspection authorities the original or a certified copy of a valid licence.

(d) Member States shall control regularly that the rules laid down in the [Regulation] are respected, including via random controls without prior notification to the company. These controls shall take place at least once a year.

### **C. CIT security staff**

(a) CIT security staff shall satisfy the following requirements:

(i) they must not have relevant offenses in their criminal record,

(ii) they shall have a medical certificate certifying that their physical and mental health is adequate for the task to perform,

(iii) they shall have successfully followed at least [200 hours] of ad hoc initial training, not including any training on the use of firearms.

The ad hoc initial training referred to in point (iii) shall cover at least [the cross border CIT-procedures, the relevant CIT-legislations, the rules of behaviour in case of attack, the use of the CIT-equipments and the team working rules]. Regular training in these fields shall also be required.

(b) At least one member of the CIT security staff in the vehicle shall be able to provide evidence of at least A2-level language skills in the official language(s) used in the Member State(s) crossed and the Member State(s) in which the service is being provided.

(c) If none of the members of the CIT security staff are proficient in the official language(s) used in of the Member State(s) crossed or in the Member State(s) in which the service is being provided, the vehicle shall be in constant radio contact, via the company's control centre, with someone who can provide evidence of at least B1-level language skills in the language concerned, so as to ensure that effective communication with the national authorities is possible at all times.

### **D. Vehicle equipment**

(a) The vehicles used shall all be equipped with a global satellite positioning system. The cash-in-transit company's control centre shall be able to locate its vehicles accurately at all times.

(b) Vehicles shall be equipped with appropriate communication tools to allow contact to be made at any time with the control centre of the company operating the vehicles and with the competent national authorities. The emergency numbers to contact the police authorities in the Member States crossed or in the Member State(s) in which the service is being provided shall be available on board the vehicle.

(c) When vehicles are equipped with intelligent banknote neutralisation systems (IBNS), these shall comply with the requirements laid down in Annex [...].

### **E. Advance notification of national police forces**

The present rules are without prejudice to the application of national rules that require the police to be notified of all cash-transport operations in advance.

### **F. Procedures for handling cash outside the CIT-vehicle in the Member State(s) in which the service is being provided**

The present rules are without prejudice to the application of national rules governing the handling of cash outside the CIT-vehicle in the Member State concerned.

### **G. Mutual information**

(a) Member States shall transmit to the Commission the rules mentioned under E and F and shall immediately inform it of any change affecting them. The Commission shall ensure that those rules are published in all the official languages of the participating Member States through the appropriate channels, with a view to informing swiftly all the actors involved in a CIT cross-border activity.

(b) Member States shall keep a register of all the companies to which they have delivered a CIT cross-border licence and shall inform each other about its content. They shall update the register with any change affecting it, including any decision to suspend or withdraw a licence pursuant to Article [...] and shall immediately inform each other of the update.

(c) A company holding a CIT cross-border licence shall inform the granting authority sufficiently in advance about the names of the Member State(s) in which it will carry out CIT-transport. The Member State of origin shall subsequently immediately notify the Member State(s) concerned that the cross-border activity is to start.

## **SECTION 2. SPECIFIC RULES ENVISAGED FOR THE FOUR AUTHORISED TYPES OF TRANSPORT**

### **A. Transportation of banknotes in an unarmoured or cabin-armoured vehicle equipped with IBNS**

Companies holding a CIT cross-border licence may carry out daytime cross-border transportation of euro banknotes by road using a vehicle equipped with IBNS, provided that the following conditions are met:

(a) the vehicle must either be of ordinary appearance or have its cabin armoured and bear very clear markings indicating, in the official language(s) of the Member State(s) crossed and of the Member State(s) in which the service is being provided, that it is equipped with an IBNS.

(b) the intelligent banknote neutralisation system used must comply with the principles laid down in [Annex ...] and have been homologated in at least one participating Member State.

(c) there must be at least two CIT security staff per vehicle and these must be unarmed; they must not wear a uniform if the vehicle in which they are is of ordinary appearance.

(d) a Member State may decide that the present [Article] does not apply for cross-border transportation of euro cash by road carried out on its territory, provided that it does not allow comparable transport modalities for domestic CIT-transports. The Member State concerned

shall notify its decision not to apply this [Article] to the Commission, which will ensure that a corresponding information notice is published in the *Official Journal of the European Union*. It will take effect one month after its publication.

## **B. Transportation of banknotes in a fully-armoured vehicle not equipped with IBNS**

Companies holding a CIT cross-border licence may carry out daytime cross-border transportation of euro banknotes by road using a fully-armoured vehicle not equipped with IBNS, provided that the following conditions are met:

(a) The CIT security staff must comply with the existing rules in the Member State(s) crossed and in the Member State(s) in which the service is being provided as regards the carrying of firearms and the maximum permitted calibre. When entering the territory of a Member State that does not allow CIT security staff to be armed, any firearms in the possession of the CIT security staff must be placed in an on-board strong-box which meets the European standard [EN 1143-1]. Such firearms must remain inaccessible to the CIT security staff throughout the journey across that Member State's territory. They may be removed from the strong-box when entering the territory of a Member State that allows CIT security staff to be armed. Opening the firearms strong-box must require remote intervention by the vehicle's control centre and must be conditional upon verification, by the control centre, of the vehicle's exact geographical location.

(b) Armed CIT security staff must:

**[Option 1:** be in possession of a "European firearms pass for CIT security staff". The pass shall be granted by issuing the company with documents that conform to the model provided in Annex [...]. This pass shall be granted, upon request, to CIT security staff who hold a firearms licence issued in accordance with the applicable national legislation and are employed by a company holding a CIT cross-border licence, and must be issued by the Member State that granted that CIT cross-border licence.

CIT security staff must be able to show the European firearms pass to the police authorities if a check is carried out in connection with the cross-border transportation of euro cash by road. Armed CIT security staff must have received a minimum of [30] hours' training in the use of firearms and must subsequently receive training in their use at least [once a year].]

**[Option 2:** apply for a firearms licence from the national authorities of the Member State(s) crossed and/or the Member State in which the service is being provided, where those Member States allow CIT security staff to be armed.]

(c) There must be at least three CIT security staff per vehicle. They must wear bulletproof vests capable, at the very least, of withstanding projectiles of type 44 Magnum and respect the norm [NIJIIIA] or equivalent.

(d) The parts of the vehicle in which the CIT security staff are must, at the very least, be armoured to withstand gunfire from firearms of type kalachnikov/AK47 and respect the standard [EN 1522, class FB4+] or equivalent.

### **C. Transportation of banknotes in a fully-armoured vehicle equipped with IBNS**

Companies holding a CIT cross-border licence may carry out daytime cross-border transportation of euro banknotes by road using a fully-armoured vehicle equipped with IBNS, subject to the conditions set out in Section 2, points B and A b. The vehicle shall, furthermore, bear very clear markings indicating, in the official language(s) of the Member State(s) crossed and of the Member State(s) in which the service is being provided, that it is equipped with IBNS.

There must be at least two CIT security staff per vehicle.

### **D. Transportation of coins**

Companies holding a CIT cross-border licence may carry out daytime cross-border transportation of euro coins by road using a vehicle carrying only coins, provided that the following conditions are met:

(a) The cabin of the vehicle must be armoured and the vehicle must bear very clear markings indicating, in the official languages of the Member State(s) crossed and of the Member State(s) in which the service is being provided, that it is carrying only coins.

(b) There must be at least two CIT security staff per vehicle [and these must be unarmed].

Consignments which include both coins and banknotes shall be covered by Article 8, 9 or 10 depending on the type of vehicle used.

## **SECTION 3. MISCELLANEOUS**

### **A. Definitions**

(a) “Cross-border transportation of euro cash by road” means professional transportation by vehicle of banknotes and/or coins from a participating Member State which has granted a cash-in-transit (CIT) cross-border licence, as defined in this [Regulation], for supplying euro banknotes and/or coins to, or collecting them from, one or more customers located in one or more other participating Member State(s), as well as in the Member State of origin.

(b) “Intelligent banknote neutralisation system (IBNS)” means banknote containers for end-to-end use (i.e. continuous protection of the banknotes by a cash degradation system from secured area to secured area) equipped with a mechanism for permanently neutralising the banknotes if any unauthorised attempt is made to open the container.

(c) “Member State of origin” means the Member State in whose territory the CIT-company is established and which forms the starting and the return point of the journey made by the vehicle transporting the cash. The CIT-company is considered to be established if it is actually pursuing an economic activity, as referred to in Article 43 of the Treaty, for an indefinite period through a stable infrastructure from where the business of providing services is actually carried out;

(d) “CIT cross-border licence” means a licence which has the physical characteristics set out in Annex [...] to this [Regulation] and which authorises the holder to carry out cross-border transportation of euro cash by road between participating Member States in accordance with the conditions laid down by this [Regulation].

(e) “Ordinary vehicle” means a vehicle which has a normal appearance and does not bear any distinctive signs indicating that it belongs to a cash-in-transit company or that it is used for the purposes of transporting cash.

(f) “CIT security staff” means the employees instructed to drive the vehicle in which the cash is being carried or to protect its contents.

(g) “Member State crossed” means one or several Member State(s) other than the company’s Member State of origin which must be crossed by the cash-in-transit vehicle in order to reach the Member State(s) in which the service is being provided.

(h) Language levels “A2” and “B1” mean the levels established by the Council of Europe’s Common European Framework of Reference for Languages.

(i) “Daytime” transport means transport carried out between [6:00] and [22:00].

(j) 'Point-to-point transport' means a transport from one secure location to another secure location, without any intermediate stops.

(k) 'Official language' means the official Community language(s) used by the local authorities and the population in the areas where the CIT-transport is taking place.

## **B. Penalties**

Where the competent national authorities find that there has been an infringement of one of the terms under which the CIT cross-border licence was granted, the granting authority shall decide whether to send a warning to the company concerned, to suspend the licence for a period ranging from [two weeks to two months] or to withdraw the licence completely, depending on the nature or seriousness of the infringement. The granting authority may also prohibit the company concerned from applying for a new licence for a period of up to [5 years].

The Member State crossed or where the service is provided shall communicate any infringement of this [Regulation] to the competent national authorities of the Member State of origin. The Member State crossed or where the service is provided may suspend the right of the company to carry out transportation of euro cash by road on its territory for a maximum period of [one month] if the provisions of this [Regulation] relating to the minimum number of CIT security staff per vehicle or relating to firearms have not been respected, pending a decision by the granting authority of the Member State of origin.

## **C. Review**

The Commission shall report to the Council on the implementation of this [Regulation] by [two years after its entry into force] at the latest and, thereafter, once every five years.

## **D. Emergency security measures**

(a) By way of derogation from the standard rule, a Member State may decide to introduce temporary security measures going beyond those foreseen by the present rules in the event of an urgent problem affecting significantly the security of CIT operations. Those temporary measures shall affect all CIT transports, shall apply for a maximum period of four weeks and

shall be notified immediately to the Commission. The Commission shall ensure their swift publication.

(b) The prolongation of the temporary measures provided for in paragraph (a) beyond a period of four weeks shall be subject to prior authorisation by the Commission.

### **E. Other Community legislation**

This [Regulation] shall be without prejudice to the application of existing Community legislation, notably in the fields of working conditions, health and safety at work and transport.

### **F. Intelligent banknote neutralisation system (IBNS)**

As long as there is no European specific standard, the IBNS must be homologated in one participating Member State. It must, furthermore, fulfil the following minimum conditions:

- The IBNS must be equipped with a device that is able to constantly monitor that pre-programmed instructions are respected and that abnormal events are detected. The CIT security staff must not be able to open the IBNS outside the pre-programmed time periods and/or locations.
- The IBNS must be capable, if any unauthorised attempt is made to open the container, of permanently neutralising (i.e. making unsuitable for cash transaction purposes) at least 20 % of the surface area of both sides of 100 % of the banknotes with an indelible, opaque ink or by other means. If ink is used, it must not appreciably degrade over time or with exposure to heat or light.

### **G. Council of Europe's common Reference Levels**

User B1: Can understand the main points of clear standard input on familiar matters regularly encountered in work, school, leisure, etc. Can deal with most situations likely to arise whilst travelling in an area where the language is spoken. Can produce simple connected text on topics which are familiar or of personal interest. Can describe experiences and events, dreams, hopes and ambitions and briefly give reasons and explanations for opinions and plans.

User A2: Can understand sentences and frequently used expressions related to areas of most immediate relevance (e.g. very basic personal and family information, shopping, local geography, employment). Can communicate in simple and routine tasks requiring a simple and direct exchange of information on familiar and routine matters. Can describe in simple terms aspects of his/her background, immediate environment and matters in areas of immediate need.