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IMPACT ASSESSMENT

accompanying document to the

Proposal for a Regulation (EU) of the European Parliament and of the Council No xx/yy on the professional cross-border transportation of euro cash by road between euro-area Member States

and the

Proposal for a Council Regulation (EU) No zz/yy concerning the extension of the scope of Regulation (EU) of the European Parliament and of the Council No xx/yy concerning the professional cross-border transportation of euro cash by road between euro-area Member States

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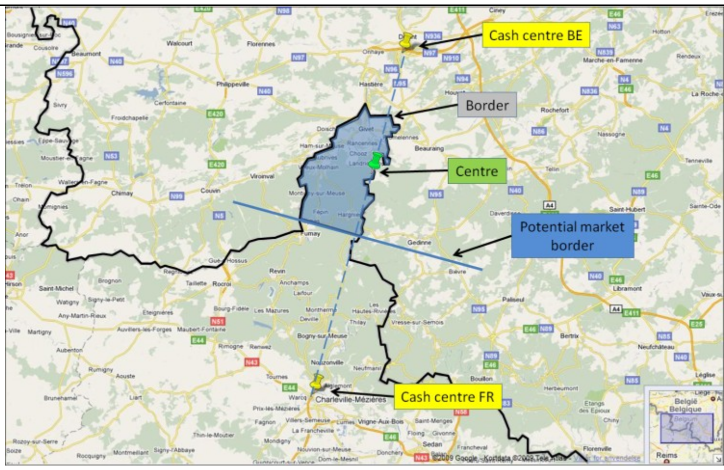
VOLUME II

6.2.2. Potential environmental impact

The removal of a barrier to transport represented by a national border removes a logistical constraint for CIT-transports in border regions and thus makes it possible to plan and carry out CIT-transports in a more optimal way. This will also, ceteris paribus, lead to shorter transports overall and a reduction in fuel consumption and related CO_2 and other emissions. An attempt at quantifying such potential savings was made in the external study on the potential market for cross-border cash transport referred to above.

The estimation of the potential savings in travel distance was based on the reduction in driving distance when using a cash centre on the other side of the border compared to using the domestic cash centre, cf. the blue area labelled "potential market" in the hypothetical example below.



Example A:
In this example it is assumed that there is a cash centre near the Belgium-French border at the town of Dinant (Cash centre BE) and on the French side of the border in the town of Charleville Mezieres (cash centre FR). The blue area indicates the potential market for cross-border transport measured in terms of the part of France, where French CIT customers have a shorter distance to the cash centre located on the Belgium side of the border (Cash centre BE) than the cash centre located on the French side of the border (Cash centre FR) and where the French costumers are located within the action radius of the Belgian cash centre. The blue straight line defining the blue area indicates the place where there is an equivalent distance to the two cash centres in question. The green pushpin in the blue area indicates the centre of the area that is assumed to be the average distance to the potential market.

A general approach was used aimed at assessing the average of the savings in distance that may accrue from cross-border CIT transport within the potential market zone (for further details, see Annex V). This approach was applied to each of the 19 border areas between euro-area countries examined in the report. It should be emphasised that this is a simplified and theoretical exercise, which nevertheless could provide some indication of the magnitude of these savings.

The results show that the typical savings in travel distance is around 19 km pr outgoing or ingoing trip, but also that these distance savings are subject to significant variations across the different border areas. In some areas the savings in distance are only around 2-4 kilometres, while the savings in other border areas are as high as 54 kilometres per trip. The estimated savings pr trip can be aggregated into total savings pr. day and pr. year. This shows that cross-border CIT transports can save around 2.8 million km pr year in the long-term. This corresponds to 0.8 percent, respectively, out of the total kilometres that CIT-vehicles travel per year.

In terms of associated savings in fuel and CO_2 emissions, the reduced travel distance means reductions in fuel consumption estimated to 0.4 million litres of diesel per year in the long-term, while the reductions in CO_2 emissions are some 850 tonnes.

Facilitating cross-border cash transports are thus likely to produce some environmental benefits, but of a limited magnitude relative to the total number of kilometres, fuel consumed and CO_2 and other emissions. As mentioned at the beginning of Section 6, the savings depend also on the extent to which the potential market can be realised.

6.2.3. Potential social impact

If regulatory obstacles to the professional cash transport by road are successfully removed, leading to a significant increase in cross-border transports and a more efficient cash cycle, this would strengthen the competitiveness of the sector as a whole. This is in the long-term interest of the workers in the sector in order to safeguard jobs and salaries.

The extra qualifications needed by staff in order to carry out cross-border transports, such as language skills, knowledge about CIT-legislation and procedures in the host country etc, should also provide incentives for the employer to pay higher salaries to staff possessing such skills. In this context, appropriate training is obviously important. Minimum training requirements should therefore be foreseen as part of common cross-border rules (which is not required in all euro-area countries), which should inter alia cover cross-border CIT-legislation and procedures, applicable national legislation and rules covering CIT.

As explained in the problem definition above, a significant increase in cross-border transports may, however, also have negative social effects in the host countries. This concerns notably a possible effect on wage levels and/or employment in the CIT-sector in a given host country, if there are significant differences in salaries compared to neighbouring countries. It may therefore be justified to mitigate the potential social impact in the host country by ensuring a minimum protection of the workers in line with the principles of existing EU legislation. Directive 96/71/EC of the European Parliament and of the Council is intended to provide for a minimum protection to be observed in the host country in the case of workers who are posted to perform temporary work there. According to the Directive, Member States shall ensure that workers posted to a host country are guaranteed a number of terms and conditions of employment, provided these are laid down by law or by collective agreements that have been declared universally applicable[1]. These include minimum rates of pay, including overtime rates, as well as paid annual holidays, maximum work periods and minimum

[1] For the full text, see Article 3(1) of Directive 96/71/EC.

rest periods, health, safety and hygiene at work, protective measures for pregnant women etc.

In view of the specific character of CIT transport services there is however a need to clarify the application of Directive 96/71 to cross-border cash transport services. This concerns notably the frequent and short-term nature of the potential work periods abroad, for instance once a week but where each period in the host country amount to less than a day. CIT-staff might furthermore work in more than one host country in one day. This situation would require complicated pro-rata calculations and consequently also a need to measure the number of hours that CIT-staff spends in the host country(ies). Moreover, the different contractual situations in the CIT-sector may require a case-by-case assessment of whether the Directive applies. The CIT-company may either provide its service (cash deliveries/pick-ups) under a direct contract with the service recipient (a bank or a retailer) or it may provide its service to the service recipient (in this case a retailer) under a contract with the bank of that retailer. In the latter case, the Directive may not be applicable.

In order to create legal certainty for the concerned operators and in order not to impose an unnecessary administrative burden on the operators, which could in practice have the effect of seriously impeding the possibility of carrying out such cross-border transports, the following specific provisions should therefore apply to cross-border cash transports:

- It should be clarified that the minimum protection of workers foreseen by the Directive should apply to *all* cross-border cash transports carried out under the common rules.
- Furthermore, the minimum protection should be limited to the minimum rates of pay, including overtime rates, according to the universally applicable collective agreement for the relevant sector (or, failing that, according to the statutory minimum wage). In order to avoid complicated pro-rata calculations, these minimum rates of pay should, furthermore, be guaranteed for the duration of the *whole* working day (also in cases where only part of the day would be spent abroad).

These simplifications are justified by the specific character of the CIT-sector. However, if it follows from existing contracts, regulations or administrative provisions as well as practical arrangements that the worker will carry out his work in another Member State for an extended period, i.e. more than 100 days (fully or partially spent) in a calendar year, it is appropriate that the minimum protection should include all the terms and conditions of employment covered by the Directive (i.e. also holidays, maximum work periods and minimum rest periods etc).

Due to the specific characteristics of the CIT-sector, it is also necessary to foresee a derogation from the general rules in the transport sector as regards cabotage (limited to three cabotage operations in the host Member State within seven days according to the recast Regulation on common rules for access to the international road haulage market). While the envisaged common rules foresee that the CIT-transport should return to its Member State of origin in the same day as it left (see Section 6.2.4), no limit to the number of cash pick-ups/deliveries are foreseen since a CIT-vehicle that is carrying out retail transport may do up to 20-25 such stops a day.

Table 3 below attempts to give an indication of the situation for cross-border transports, if the minimum rates of the host country apply (provided it is higher than the actual salary paid to the worker under his labour contract). 'Home' means home country actual salary according to the labour contract and 'Host' means host country minimum rates. It should be pointed out that the minimum rates of pay in the table may be underestimated, since they only include the basic salary in the relevant collective agreements (if universally applicable) but not possible premiums or allowances therein. The extent to which other wage elements may be taken into account for the calculation of minimum rates of pay depends on the situation in each Member State and remains to be clarified. The existence of universally applicable collective agreements is based on an analysis by the lead service of the relevant collective agreements and national legislation and is not based on official communications from Member States.

The envisaged 'minimum protection rule' would ensure that the minimum rates of pay according to the universally applicable relevant collective agreements cannot be undercut in Belgium, the Netherlands, Luxembourg, France, Italy, Austria, Spain and Portugal, which according to the abovementioned analysis all have such agreements.

Table 3. Applicable salary if minimum rates of host country applies (statutory minimum wage or minimum rates according to universally applicable collective agreements)

In grey 'from-fields': actual gross (pre-tax) salary. In grey 'to-fields': minimum rates of pay according to universally applicable relevant collective agreements (UACA) or, failing that, statutory minimum wages (SMW).

To / From	BE (2153-2408 €) (UACA)	DE	NL (1386-2067 €) (UACA)	LU (1879-2560 €) (UACA)	FR (1297-1560 €) (UACA)	IT (1015-1798 €) (UACA)	AT (1460 €) (UACA)	SI (589 €) (SMW)	SK (296 €) (SMW)	ES (917-961 €) (UACA)	PT (943 €) (UACA)
BE (2365 €)		Home (2365 €)	Home (2365 €)	Depends	Home (2365 €)						
DE (*) **(1315-2261 €)**	Depends		Home (2135€ / 2261€)	Host	Home		Home				
NL (1902 €)	Host (2153 to 2408 €)	Home (1902 €)		Normally Host	Home (1902 €)						
LU (2572 €)	Home (2572 €)	Home (2572 €)	Home (2572 €)		Home (2572 €)						
FR (2268 €)	Depends	Home (2268 €)		Depends		Home (2268 €)				Home (2268 €)	
IT (2083 €)					Home (2083 €)		Home (2083 €)	Home (2083 €)			
AT (2077 €)		Home (2077 €)				Home (2077 €)		Home (2077 €)	Home (2077 €)		
SI (1083 €)						Depends	Host (1460 €)				
SK (750 €)							Host (1460 €)				
ES (1754 €)					Home (1754 €)						Home (1754 €)
PT (1189 €)										Home (1189)	

* Collective agreements in Germany are concluded at the level of each Land. For salaries in the relevant German Länder, see table 1.

Sources: Collective labour agreements in the CIT-sector and national legislation (for minimum rates of pay according to universally applicable collective agreements), Eurostat (for statutory minimum wages), ESTA, 2010 (for BE, ES, FR, LU, NL, AT, PT, SI and SK). Replies to questionnaire of 17.7.2008 to Member States' permanent representations (for IT). Bundesvereinigung Deutscher Geld- und Wertdienste e. V. (for DE). The minimum monthly salary according to collective agreements does not include possible 13/14th months or risk premiums. For statutory minimum wages, the data has been adjusted to take extra monthly payments into account. Actual monthly salary is actual annual salary divided by 12 including risk allowances etc.

NB: Euro-area countries with no land borders to other euro-area countries are not included in the table.

Based on the information in the table, such a clarified 'minimum protection rule' would in practice ensure that CIT-workers that carry out cross-border cash transports over the borders from the Netherlands would be entitled to the minimum rates of pay in Belgium according to its universally applicable collective agreements in the CIT-sector. For possible cross-border transports from Germany to Belgium, it would mean that workers under collective agreements from Rheinland-Pfalz/Saarland would be guaranteed the Belgian minimum rates, whereas for workers under collective agreements from Nordrhein-Westfalen it seems to depend on the profile of the worker (seniority etc), but the rates of pay could in any case not undercut the Belgian minimum rates.

Staff carrying out cross-border transports from Germany to Luxembourg would also be guaranteed the minimum rates in force in Luxembourg. The Austrian minimum rates of pay would likewise apply to CIT-staff that carry out cash transport from Slovakia to Austria.

As already mentioned there is a difference between the minimum rates of pay and the actual salary. The latter may include elements such as extra monthly payments, risk allowances and other extra premiums, which may or may not be part of the minimum rates of pay under universally applicable collective agreements. The definition of the concept of minimum rates of pay is in principle a matter for the Member States, i.e. in this context the host Member State.

The table below attempts to provide an indication of the magnitude of other elements of the salary paid to CIT-staff carrying out cash transport compared to the basic salary. It should be underlined that these figures may not be strictly comparable across the Member States, so they should be treated as a rough indication. It presents the actual gross "base" salary as well as the other wage elements in ten of the eleven euro-area countries with land borders to the euro area.

Table 4. Gross (pre-tax) base salary and other wage elements

In euro/year if not otherwise indicated	BE	DE*	ES	FR	LU	NL	AT	PT	SK	SI
Base salary	25 374	21 912	14 421	20 000	27 062	22 830	24 928	12 854	9 000	13 000
Seniority 24 months			-	400	476			0		
Risk premiums			2 016	2 800	1 068			0		
Other payments/incentives	3009		4 612	4 021	2 255			1 418		
TOTAL	28 383	21 912	21 048	27 221	30 861	22 830	24 928	14 272	9 000	13 000
TOTAL/12 (€/month)	2 365	1 826	1 754	2 268	2 572	1 902	2 077	1 189	750	
Other wage elements in % of base salary	12	0	32	36	14	0	0	11	0	0

Source: ESTA, 2010.

* The figure for Germany is an average, since collective agreements are concluded at the level of the Länder.

As can be seen from the table, other wage elements constitute between 0 % and 14 % of the base salary ineightof the ten countries in the table, whereas in Spain and France they represent around a third of the total salary. Other wage elements consequently seem to represent a large share of the salary in at least some euro-area countries.

The social partners in the sector, i.e. UNI-Europa and CoESS have declared that they jointly agree that CIT-staff working abroad should be guaranteed the full host country salary (provided it is higher than the home country salary), including all other wage elements. However, it seems difficult to justify such a derogation from the principles of the Directive on the posting of workers, which intends to ensure a *minimum protection* for workers.

A clarified rule on applicable minimum rates of pay in the host country, as outlined above, could thus, with some possible reservations regarding other wage elements, be considered as an effective 'minimum protection rule' in order to mitigate potential negative social effects in the host countries of an increase in cross-border cash transports.

6.2.4. Specific options: Non-harmonised rules on the carrying of weapons, National derogations from authorised transport types and Restrictions of the scope of the common rules

The potential impact of common rules may be reduced if all relevant rules are not harmonised, such as national rules on the carrying of arms and possibilities of national derogations from authorised transport types. The envisaged common rules annexed to the White Paper and subsequently elaborated in the expert group with representatives from Member States' administrations foresee two main derogations from harmonised cross-border rules in order to take into account real or perceived security concerns:

A. The CIT security staff must comply with the existing legislation in the Member State of origin, in the Member State(s) crossed and in the host Member State(s) as regards the carrying of weapons and the maximum permitted calibre.

B. Cross-border cash transport may be carried out under a number of different authorised types of transport, which are modelled on the existing authorised transport types in euro-area Member States. It is, however, possible for each Member State to decide that one or several transport types do not apply on its territory ("opt-out") as long as they do not opt-out from all of them (for an overview of the main transport options, see section 6.2.5 and Annex 4).

The consultations with Member States' administrations and other stakeholders have shown that these exceptions are seen as necessary in order to ensure a high level of security and that they are a necessary precondition for achieving a sufficient consensus on common cross-border rules for cash transports.

In order to examine the extent of the obstacles to cross-border cash transport that may result from national weapons legislation, data on national weapons legislation under the different transport types foreseen were collected via a questionnaire to Member States[2].

[2] Questionnaire of 17.7.2009, ref Ares(2009)177142.

The national weapons legislation may raise serious obstacles to cross-border transports in two cases: a) if the carrying of weapons is prohibited by national legislation in one country and mandatory in another, and b) if a particular type or calibre of weapon is prohibited in one country and mandatory in another.

The analysis of the replies to the abovementioned questionnaire shows, however, that in almost all cases, the carrying of weapons is either mandatory or allowed, which is mutually compatible, provided that the type and calibre of the weapon is allowed in both countries (for an overview of the replies see Annex 4). Potential problems with the type and calibre are also limited to a few cases.

There are in some cases obstacles for some transport options between some countries, which are not necessarily immediate neighbours, such as the Netherlands, where the carrying of weapons is prohibited under all transport options, and France or Luxembourg where the carrying of weapons is compulsory for some transport types (but not for all). In Belgium, CIT-staff is generally armed, but this is not a requirement by law but a result of collective labour agreements. CIT-transports from a country where the carrying of weapons is mandatory into a Member State where the carrying of weapons in general or the particular calibre is prohibited may furthermore make use of the possibility foreseen by the envisaged common rules of locking the weapons into a strong-box in the vehicle. Once locked, the content of the strong-box is inaccessible to the CIT-staff in the vehicle and can only be opened by remote control by the control room of the CIT-company once the vehicle leaves the country in question.

Although the different national rules in the field of weapons are likely to reduce the potential cross-border market to some degree, it can be concluded that they do not create major problems for cross-border transports. Although some transport options would be excluded, transport would still be possible under other options. Furthermore, the envisaged common rules also foresee concrete measures to reduce the impact of the different national rules through rules on mutual approval of equivalent weapons training, on facilitation of applications for weapons licences etc.

As for the possibility for Member States of opting out from one or several transport options for their own territory (provided they do not authorise comparable transport modalities for domestic transports) it is difficult to exactly forecast the extent to which this possibility might be used. Based on the discussions in the expert group with Member States, it seems that opting out might in some cases concern transports in unarmoured vehicles (equipped with IBNS), whereas it seems likely that transports with fully-armoured vehicles will be possible in practically all cases[3]. It seems clear that cross-border transport will in all cases be possible under at least one transport option. The possibility of national opt-outs therefore does not seem to create major obstacles for cross-border transports either, although it is likely to reduce the potential cross-border market to some degree.

The maintaining of national weapons legislation and opt-out possibilities from the authorised transport types are a result of political compromises on security-related issues that are very sensitive to Member States. However, the proposal foresees in all

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[3] Moreover, an opt-out from the transport type with fully-armoured vehicles is not possible for point-to-point transports according to the envisaged common rules.

cases solutions that enable cross-border transports (strong-box, standardised transport options, recognition of equivalent weapons training, etc.).

The potential impact of common rules may moreover be reduced if there are restrictions foreseen for the scope and definition of cross-border transports. The envisaged common rules annexed to the White Paper and subsequently elaborated in the expert group with representatives from Member States' administrations foresee the following restrictions of the scope in order to take into account real or perceived security threats or avoid undue circumvention of national rules:

C. Cross-border transportation of euro cash shall be carried out during daytime (defined as 06.00–22.00) and the CIT-vehicle shall depart from and return to its Member State of origin in the same day (an exception is, however, foreseen for point-to-point transports that may be carried out within a time-slot of 24 hours, provided that night transport of cash is already allowed under the national rules in the Member State(s) in question).

D. At least the majority of the number of cash deliveries/pick-ups made by a CIT-vehicle during the day must be carried out on the territory of the host Member State(s) in order for the transportation to be considered as cross-border (whereas for point-to-point transports it is enough that the transport takes place between two different participating Member States).

The restriction foreseen under the specific option C is not expected to have any significant impact on the extent of cross-border cash transportation, since it is common practice in the sector that the cash transports are carried out during daytime and that the vehicle returns to its cash centre of origin at the end of the shift. It will, however, provide legal certainty for everybody involved that it will not be possible for CIT-vehicles to spend the night under non-secure conditions in another country.

The restriction foreseen under the specific option D is a result of the consultations with Member States' administrations and is intended to avoid that transports that are predominantly domestic fall under the cross-border rules just because a few stops are made at the other side of the border. It is likely that this rule will imply a reduction of the potential number of cross-border 'retail' transports. The consequences of this restriction on the cross-border business should however not be overestimated in the sense that, in practice, CIT Companies would not invest time and resources to comply with the new cross-border rules for just a few customers on the other side of the border.

6.2.5. Potential impact on the security of the transports

Due to the nature of the goods transported, the CIT-market is characterised by important inherent risks. The number and type of attacks furthermore vary significantly across countries. It is crucial that common rules for cross-border cash transport provide a high level of security for both the staff and the general public.

The envisaged common rules have therefore been the subject of an extensive consultation process as outlined in Section 1 above, involving the different stakeholders in the sector, such as security transporters, banks, retailers, insurers, manufacturers of IBNS, the social partners, Mints, Europol, the ECB and the Eurosystem as well as representatives of Member States' administrations (Finance Ministries, Ministries of Interior and Justice, Central Banks and police authorities).

In order to ensure a high level of security, the envisaged common rules foresee high standards in the relevant fields, such as licensing requirements, the repute and integrity of CIT-staff including managers and members of the board, appropriate training of CIT-staff before carrying out cash transports in another country, due respect of national weapons legislation, appropriate communication with the national police forces, respect of national rules to ensure the security of the cash delivery and pick-up locations, mutual information between Member States, authorised transport modalities, including rules on the number of staff and on the equipment and armouring of the CIT-vehicles, compulsory bullet-proof vests for the staff when using armoured vehicles, appropriate monitoring and penalties in case of infringements of the rules.

An additional safeguard is the envisaged rule that the CIT-vehicle shall depart from and return to its Member State of origin in the same day (except for point-to-point transports that may be carried out within a time-slot of 24 hours, provided that night transport of cash is already allowed under the national rules in the Member State(s) in question). This rule is intended to ensure that it will not be possible for CIT-vehicles to spend the night under non-secure conditions in another country.

The envisaged common rules foresee a number of different transport types[4] modelled on the existing transport types in Member States, with different rules on minimum level of staffing, bullet-proof vests, uniforms etc. However, if a Member State considers that a particular transport type (or types) does not ensure sufficient security on its territory, it may decide that this(ese) transport type(s) will not be authorised on its territory (obviously provided it does not allow comparable transport types for domestic CIT-transports).

Finally, shorter transports overall due to increased possibilities of using a more closely located cash centre at the other side of the border may imply a reduction of the risk of attacks.

It can be concluded that the envisaged common rules provide a high level of security for cross-border transports.

6.3. Sub-options

6.3.1. Extending the geographical scope to EU Member States that have not adopted the euro.

The objective of the Commission initiative is to facilitate the free circulation of the single currency within the euro area. It could, however, be interesting for other EU Member States that the envisaged common rules cover their territory and possibly their currency as well.

Such a possibility could be particularly relevant for countries that are close to adopting the euro in order to adapt in advance to rules that will in any case come into force upon

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[4] For transports of banknotes only or banknotes and coins these are: unarmoured vehicle of ordinary appearance equipped with IBNS, unarmoured vehicle with clear markings that it is equipped with IBNS, cabin-armoured vehicle equipped with IBNS, fully-armoured vehicle not equipped with IBNS, fully-armoured vehicle equipped with IBNS, whereas for coins only the envisaged transport types are: unarmoured vehicle and cabin-armoured vehicle.

joining the euro area. Meanwhile, it could be an advantage if euro cash and possibly also the still existing national cash could be transported as easily as possible across the border. On the other hand, if differences in salaries are very substantial it could also give CIT-companies in the (low-cost) country such an advantage that it could have a substantial negative social impact in the host country(ies).

Table 5 below shows the actual salaries paid to CIT-staff in the most relevant non-euro area Member States bordering the euro area, compared with the actual salaries in the neighbouring euro area countries. Salaries may vary according to, for instance, years of experience, qualifications and age and may in some cases have changed since the information was collected. For these reasons, the information below should be seen as indicative.

Table 5. Actual gross salaries in the CIT-sector in some EU Member States with land borders to euro-area Member States.

Non-euro area Member State	*Actual monthly salary*	*Actual monthly salary in bordering euro-area country, or in the case of Germany, the bordering Bundesland* *(bordering non-euro area country in parenthesis)*
Poland	*472 €*	*Mecklenburg-Vorpommern & Brandenburg 1315 € (PL)* *Sachsen 1289 € (PL, CZ)*
Czech Republic	*605 €*	*Bayern[a] 2121-2195 € (CZ)*
Hungary	*513 €*	*Austria 2077 € (CZ, HU)*
	Exchange rates used (1 € =): 4,2 PLN, 25,5 CZK, 273 HUF.	*[a] Depending on the location ("Ortsklasse").*

Sources: ESTA, 2010 (for PL, CZ, HU and AT). Bundesvereinigung Deutscher Geld- und Wertdienste e. V. (for DE). Actual monthly salary is actual annual salary divided by 12 including possible risk allowances, premiums etc.

N.B. In Germany, collective agreements are concluded at the level of each Land.

Based on the information in the table, salary differences between the listed euro-area countries and neighbouring non-euro area countries are very substantial. Salaries are over 60 % lower in Poland than in the neighbouring German Länder of Mecklenburg-Vorpommern, Brandenburg and Sachsen. Salaries in the Czech Republic are somewhat higher, but still less than half of those than in neighbouring Sachsen and over 70 % lower than in the bordering Land of Bayern. Compared to Austria, salaries in the Czech Republic are around 70 % lower, whereas salaries in Hungary are 75 % lower.

Salary differences of this magnitude may have a significant negative social impact in the host country. Such an impact could however be substantially mitigated by the 'safety net' outlined in section 6.2.3. The foreign company would thus be obliged to pay at least the Austrian minimum rates of pay to CIT-workers that are posted there. As regards the German Länder referred to above, there is however currently not any universally applicable (within the meaning of Directive 96/71/EC) collective agreement in the CIT-sector (neither any statutory minimum wage).

A possibility for other EU Member States to be covered by the common rules, for their territory and possibly their currency, could have a more significant impact in Germany in the absence of universally applicable collective agreements there. The legal possibility to declare collective agreements as universally applicable does, however, exist[5], but it is a matter of German national competence whether to use this possibility.

Since there will in many cases be an increased need for cross-border euro cash transportation in the run-up to the changeover, it would facilitate the preparations of the changeover if the common cross-border rules would at least apply during the run-up to the changeover, e.g. as from the date of the decision to lift the derogation from participating in the euro (which is taken around six months in advance of the actual changeover). Transport of the still existing national cash could also be included, but falls outside the general objective of the present initiative and generally seems to be of lesser importance.

6.3.2. Extending the scope of goods carried to other cash.

Some stakeholders in the banking sector have argued that there is a need also for delivery and repatriation of other EU and EEA currencies, which should not be prevented. This would not contribute to achieving the objective of the initiative, which is to facilitate the circulation of euro cash, but could be desirable from a general point of view. It may also reduce costs if CIT-vehicles are able to transport euro cash and other cash in the same vehicle.

Broadening the scope of the common rules might, however, also complicate the adoption process for comparatively little added value.

It does therefore not seem necessary to generally include other currencies than euro cash in the scope of the envisaged common rules.

6.3.3. Restricting the scope to 'point-to-point' transports

Restricting the scope to point-to-point transports would exclude the large majority of transports in terms of kilometres driven, hours worked and cash points serviced (although not in terms of value of euro transported). The potential economic, and also environmental, impact would thus be much reduced. The strong limitation of the scope would, on the other hand, also reduce possible social consequences and could facilitate the application of the rules on minimum protection of cross-border workers in Directive 96/71 on the posting of workers.

The objective of the present Commission initiative is, however, to facilitate the free circulation of euro cash within the euro area and this sub-option would not remove the

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5 See updated 'Gesetz über zwingende Arbeitsbedingungen für grenzüberschreitend entsandte und für regelmässig im Inland beschäftigte Arbeitnehmer und Arbeitnehmerinnen', Bundesgesetzblatt Nr 20, 23.4.2009.

major part of the current regulatory obstacles. It therefore only partially meets the stated objective.

6.4. Administrative burden

Administrative costs are defined as costs incurred in meeting legal obligations to provide information on their action or production.

As regards the CIT-companies, the information obligations that are foreseen under the envisaged common rules would only concern those companies that are interested in carrying out cross-border cash transport and thus choose to apply for a CIT cross-border licence.

The administrative costs for these CIT-companies will be limited. They will need to:

- Inform the granting authority sufficiently in advance about the names of the Member States in which they intend to carry out CIT-transport.
- Provide the host Member State in advance with the names of the persons that may carry out such transport on its territory.
- Depending on national legislation, cash-transport operations may need to be notified to the police in advance.

The administrative costs of public authorities will in most cases be relatively limited. However, those countries that currently do not issue any specific CIT-licence, will need to designate a national authority that verifies that the conditions for a cross-border licence are fulfilled, grants the licence and communicates with the granting authorities of other Member States. National public authorities will notably need to:

- Examine and grant applications for cross-border licences.
- Keep a register of the companies to which they have delivered a licence.
- Notify those Member States where these companies intend to carry out transport.
- Inform each other about their specific training requirements.
- Establish a central national contact point to which CIT-staff of other Member States my submit an application for a weapons licence and inform each other about the contact details of this contact point.
- Provide for validation of equivalent weapons training for CIT-staff of other Member States.
- Transmit to the Commission national rules on the role of the national police forces, on the security of cash/pick-up locations and on IBNS that have been homologated by them.

7. COMPARISON OF OPTIONS AND SUMMARY OF IMPACTS (SECOND-ROUND ASSESSMENT)

The present impact assessment has analysed the economic, environmental, security-related and social impact of the retained broad option 3: *Common rules for professional cross-border transport of euro cash by road*, together with four specific options in order to take into account security-related or other sensitive issues, in comparison with the baseline no-change option. In addition three general sub-options have been analysed.

The results are summed up in table 6 at the next page on the basis of the same criteria as in the first-round assessment (Section 5):

- **Effectiveness:** The extent to which options achieve the objectives of the proposal;
- **Efficiency:** The extent to which objectives can be achieved for a given level of resources/at least cost, notably administrative costs for all parties involved (cost-effectiveness);
- **Coherence:** The extent to which options are coherent with the overarching objectives of EU policy.
- **Proportionality:** Community action should not go beyond what is necessary to achieve the objectives set.

The table first compares the retained broad option 3 with the base-line option 1, without taking into account possible derogations and restrictions to the scope according to the specific options A-D, i.e. a 'full application' of common cross-border rules. The effect of each of the four specific options compared to a full application of the broad option 3 is then summarised. The broad option 3 including the effect of the four specific options is thereafter compared with the baseline and finally the effects of each of the sub-options are compared with the broad option 3.

Table 6. Comparison of the retained broad option with the baseline and effect of the related specific options and the general sub-options vis-à-vis the retained broad option. (0 no change/baseline, + positive, (+) some improvement, - negative)

Main options:	**Effectiveness** in reaching objectives	**Efficiency** in reaching objectives	**Coherence** with overarching EU objectives	**Proportionality**
1. No change	0	0	0	0
3. Common cross-border rules (full application)	++	++	++	++
A. Derogation for national weapons legislation	Reduction	Reduction	Reduction	Neutral
B. Transport type opt-out possibility	Reduction	Reduction	Reduction	Neutral
C. One-day and day-time transport	Neutral	Neutral	Neutral	Neutral
D. Majority of stops abroad	Reduction	Reduction	Reduction	Neutral
3. Common cross-border rules (with specific options A-D)	+(+)	+(+)	+(+)	++
Sub-options:				
a) Extension of the scope to MS outside the euro area	Some improvement	Some improvement	Improvement	Neutral
b) Extend the scope to other cash	Neutral	Some improvement	Improvement	Neutral
c) Restricting the scope to point-to-point transports	Reduction	Reduction	Reduction	Neutral

The analysis has shown that the introduction of common EU rules applicable to cross-border transports as outlined in the present impact assessment (Option 3) would be effective in reaching the stated objective of facilitating the free circulation of euro cash within the euro area by removing obstacles to the professional transport of euro cash by road between euro-area Member States, while ensuring that the transports take place under conditions that provide a high level of security for the CIT-staff and for the general public. The potential increase in cross-border transports will to some extent be reduced by necessary exceptions and derogations from and restrictions to the scope of such rules (specific options A-D).

The common rules would furthermore be an efficient way of reaching the objective, since they focus exclusively on cross-border transports and do not attempt to harmonise domestic CIT-transports. On the other hand, this implies that two sets of CIT-rules will co-exist in the (border regions of the) national territory of the concerned Member States.

Common cross-border rules would also well meet the criterion of proportionality. The EU rules would remove national regulatory obstacles to cross-border transport of euro cash, while the national regulation of purely domestic transports would remain in force.

The facilitation of cross-border cash transports is also likely to produce some environmental benefits, due to shorter transports overall, although these benefits are expected to be of a relatively limited magnitude.

On the basis of extensive consultations with stakeholders and Member States' administrations, the common rules together with the specific options foresee high standards in the relevant security-related fields, the preservation of national rules in sensitive areas such as weapons legislation and possibilities for Member States of opting out from specific transport types if they do not consider them compatible with the national environment. These common rules are therefore expected to provide a high level of security for cross-border transports.

A significant increase in cross-border cash transports may also produce negative effects on wage levels and/or employment in the CIT-sector in a given host country, if there are significant wage differences compared to neighbouring countries. In view of the specific nature of CIT transport services, notably the frequent and short-term nature of the potential work periods abroad, a clarification of the rules on the minimum protection of workers foreseen by Directive 96/71 on the posting of workers should therefore be foreseen. The analysis shows that such a rule could be an effective safety-net in order to mitigate potential negative social effects of an increase in cross-border cash transports.

As for the different sub-options, the extension of the scope of the common rules to EU Member States outside the euro area that are close to adopting the euro would to some degree contribute to the free circulation of euro cash within the euro area by allowing countries that are close to adopting the euro to adapt in advance to rules that will come into force upon joining the euro. It would above all facilitate the changeover to the euro and furthermore be coherent with overarching EU objectives such as realising the potential of the single market and creating a more competitive and connected economy. Extending the scope to other cash does not contribute to the stated objective of the initiative but fits into the overarching EU objectives and may increase efficiency by reducing costs. It might, however, also complicate the adoption process of common rules for relatively little added value. Restricting the scope to point-to-point transports would significantly reduce the benefit of the common rules and only partially allow meeting the stated objective of the initiative.

The present impact assessment therefore recommends Option 3 – A set of common rules that would be valid in all euro-area Member States but limited to cross-border transports ('common cross-border rules'), together with the specific derogations and restrictions to the scope foreseen under the specific options A-D. This policy option would fulfil the objective of facilitating the free circulation of euro cash within the euro area, and would do so in the most efficient way relative to the other broad policy options, while ensuring that the transports take place under conditions that provide a high level of security for the CIT-staff and for the general public. It is furthermore recommended that Option 3 is completed with sub-option a), i.e. the extension of the common rules to the territory of other EU Member States that are about to introduce the euro.

8. MONITORING AND EVALUATION

In order to monitor the implementation of common cross-border rules and possibly propose measures to improve the functioning of the system it seems appropriate to set up a Committee on the cross-border transport of euro cash, with representatives from the Commission, the Member States covered by the common rules and representatives of the European Central Bank which would help the Commission in assessing the effectiveness of the new rules. The Committee should also consult the relevant stakeholders, including the social partners, and take their views into account as appropriate.

A formal review should be foreseen two years after the entry into force of the common rules and the Commission should prepare a report on the functioning of the new framework. The review should also include consultations of the stakeholders in the sector, including the social partners. Based on the result of the review, the Commission could make a proposal to revise the Regulation. The review should thereafter be repeated every five years.

For this purpose, specific indicators should be identified which match with the operational objectives pursued by the Regulation. These indicators will serve to assess the performance of the new framework.

The following table gives an indication of possible indicators:

Specific objectives	Indicators
Facilitate the free circulation of the euro between euro-area Member States	Number of CIT cross-border licenses granted/withdrawn
	Number of cross-border cash transports
	Number of opt-outs by Member States from the standard transport types
Cross-border transports to take place under conditions that provide a high level of security for the CIT-staff and for the general public	Number of attacks on cross-border CIT transports and related injuries or deaths, in relation to the number of cross-border cash transports and compared to domestic transports
Social minimum protection to be observed in the host country for the staff in the CIT-sector in line with the existing principles in EU legislation	Evolution of salaries and other terms and conditions of employment in Member States where significant numbers of cross-border cash transports take place

As regards enforcement of the common rules, public authorities shall ensure that the cross-border rules are respected, including via random inspections. Detailed rules on penalties are also foreseen, ranging from warning, fine, to suspension and ultimately withdrawal of the cross-border licence. The extent of enforcement work will however depend on the extent of cross-border operations.