



EUROPEAN CENTRAL BANK

EUROSYSTEM

Standardisation in the Eurosystem

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Agenda

- Roadmap for more convergence
- Electronic data communication
- Common packaging
- Conclusions

Roadmap for more convergence (I)

- National cash cycles are organised differently with varying degrees of the NCBs' involvement in operational cash activities
- A “one-size-fits-all” cash supply system is not suitable
- But: a certain degree of convergence of NCBs' cash services is important for cash stakeholders to:
 - reap the benefits of the common currency
 - act on a level playing field

Roadmap for more convergence (2)

- The “*Roadmap for more convergence of NCB cash services*” (2007)
 - is a Eurosystem medium-term commitment towards convergence in areas where this is useful
 - reacts on the “wish lists” from the European Payments Council
 - complements the future EU regulation on the professional cross-border transportation of euro cash

Roadmap for more convergence (3)

Roadmap elements:

- Distinction between charge-incurring/free NCB services
- Dropping the requirement of facing and orientating banknote lodgements/withdrawals
- Minimum opening time (6 hours) in at least one NCB branch per country
- Acceptance of coin lodgements in at least one NCB branch per country
- Remote access to non-domestic NCBs
- Electronic communication on cash transactions with domestic and non-domestic NCBs (*being implemented*)
- Convergence of banknote packaging (*being implemented*)

Electronic data communication (I)

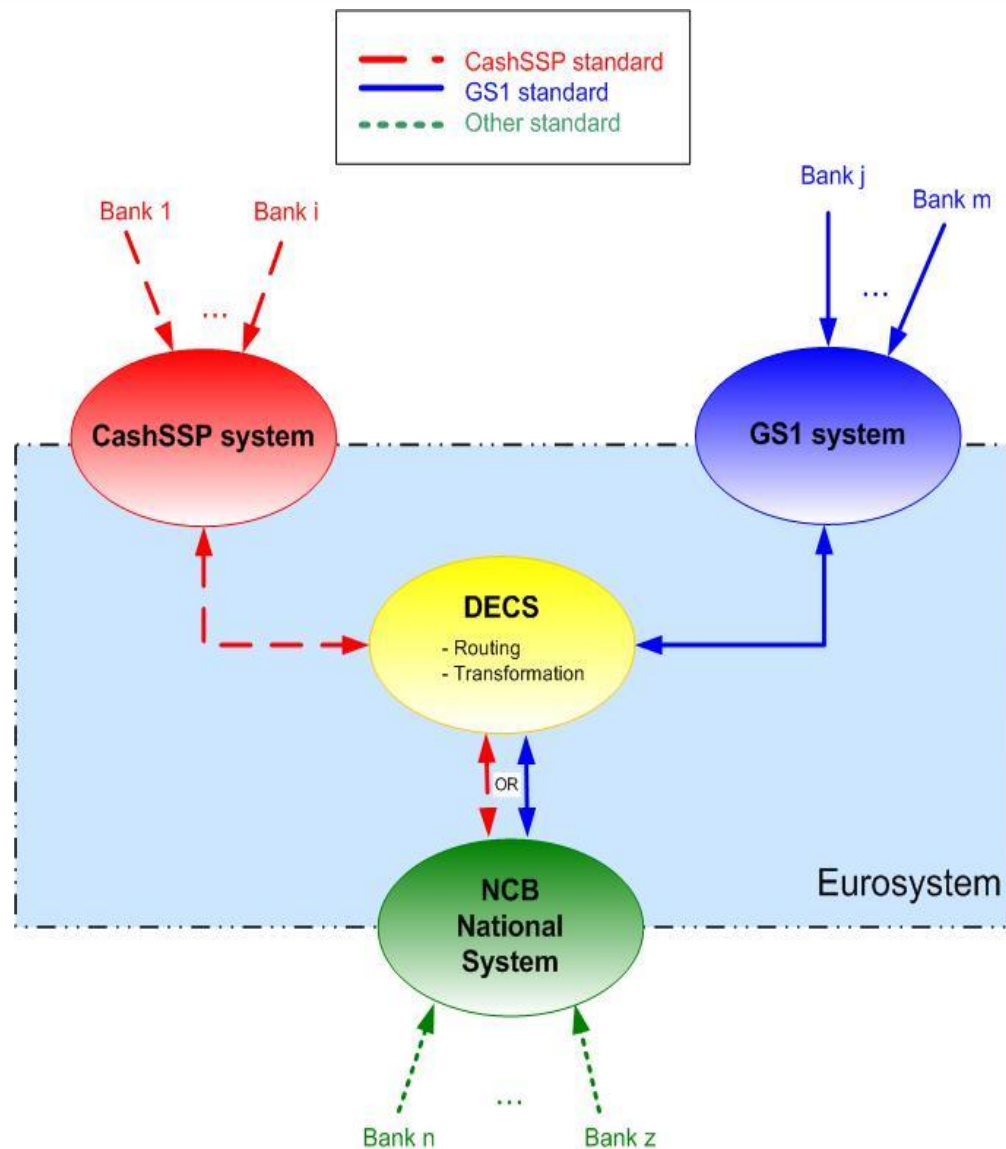
- Electronic notification of lodgements/order for withdrawals improves security and reduces risks of errors (*applications in place are e.g. CashEDI and CashSSP*)
- Communication across NCBs' cash applications is not possible where different formats exist
- Objective of the Eurosystem task “*Data exchange for cash services*” (DECS): to ensure cross-application communication, thus enabling virtual data flows for physical cross-border transactions
- The DECS interface translates and routes messages from GSI standard to CashSSP format and vice versa

Electronic data communication (2)

Banks/CITs keep using the domestic NCB's application (e.g. *German bank always sends message via CashEDI*)

“Front office” verification of the message always by the domestic NCB

The DECS interface only translates between **CashSSP** and **GS1**; **third formats** are possible if NCBs using those, map it to either CashSSP or GS1



Electronic data communication (3)

Business requirements for cross-border transactions with NCBs:

- Only free-of-charge services
- Specified packaging types and volumes:
 - Common packaging (safebag, sealbag, box, re-usable box)
 - €5 - €100: 10 x 1 bundle
 - €200 - €500: 1 packet minimum
 - For incomplete packages*: Min. 1 bundle, max. 5 bundles (mono- or multi-denomination)
 - For coins: no harmonisation
- 1 message = 1 transaction; no mingling of notes/coins
- Each message involves only 1 bank branch/1 NCB branch

* A client may lodge at least once per day bundles of different denominations

Electronic data communication (4)

Going live in several waves*:

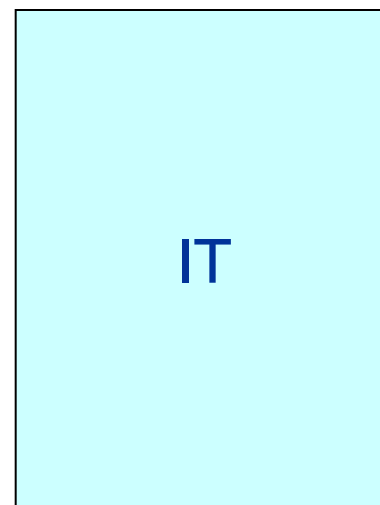
Q1/2012



Q1/2013



Q1/2014

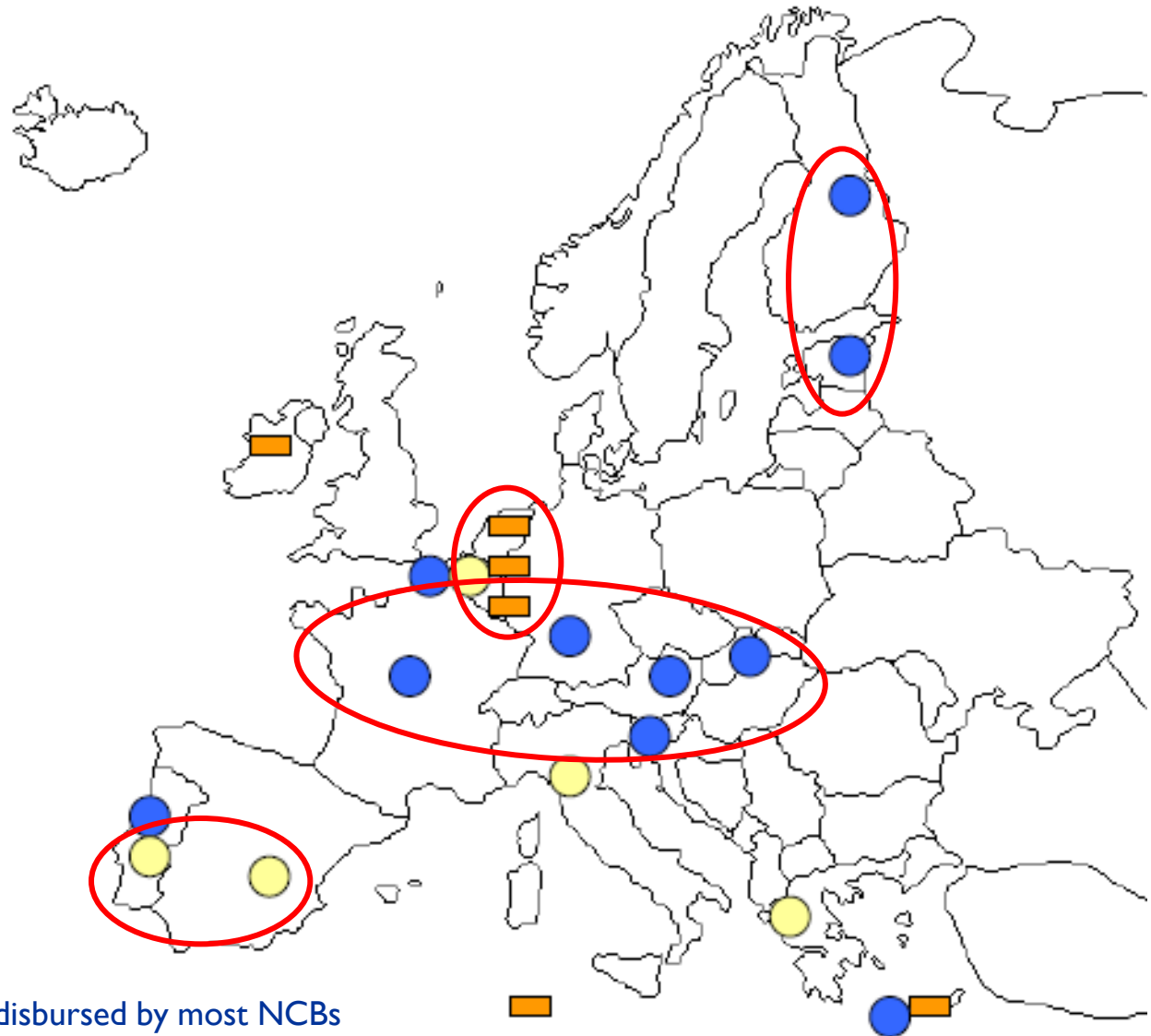
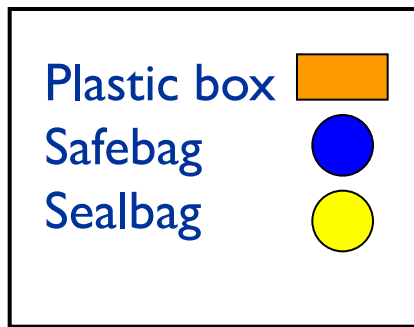


*GR will not offer the service in the absence of a request from the Hellenic Banking Ass.

Common packaging (I)

- Different NCB involvement in the cash cycle made it impossible to create just one type of packaging
- Specifications/requirements set up and communicated to cash stakeholders for four types (safebag, sealbag, box, re-usable box)
- Safebag in IBNS compatible and non-compatible variant
- An NCB must transact in at least one type if so requested by a professional client
- Different timelines for national implementation

Common packaging (2)



Remark: Cardboard box will be disbursed by most NCBs

Conclusions

- The Eurosystem is committed to:
 - increase the efficiency of the use of cash as an alternative means to electronic payments;
 - exploit the euro's potential as international currency which is used across national borders
- Eurosystem-wide standardisation might be incompatible with existing national organisations of the cash cycle
- In case of changes of organisation/processes, transitional periods are required to safeguard NCBs' and their clients' investments
- Continuous dialogue with cash stakeholders is important to react to their needs