

GUIDELINES

GUIDELINE OF THE EUROPEAN CENTRAL BANK

of 20 July 2012

on the Data Exchange for Cash Services

(ECB/2012/16)

(2012/502/EU)

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 128(1) and (2) thereof,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 16 thereof,

Whereas:

(1) The euro banknote production is organised on a decentralised basis with pooling under which the annual production of different banknote denominations is pooled among the national central banks of Member States whose currency is the euro (hereinafter the 'NCBs') according to the NCBs' percentage shares in the subscribed capital of the European Central Bank (the 'ECB') for the relevant financial year calculated using the NCBs' weightings in the key for capital subscription referred to in Article 29.1 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter the 'Statute of the ESCB').

(2) Under the principle of decentralisation as laid down in Articles 9.2 and 12.1 of the Statute of the ESCB, NCBs are entrusted with putting into and withdrawing from circulation all euro banknotes, including those issued by the ECB. In line with this principle, the physical handling of euro banknotes is carried out by the NCBs. Due to the decentralised production scenario with pooling, the efficient cross-border bulk transfers of euro banknotes contribute to the smooth functioning of the cash cycle in the euro area.

(3) In February 2007 the ECB's Governing Council approved the timetable and a roadmap for further convergence of NCBs' cash services in the medium term with a view to increasing harmonisation and integration to allow stakeholders (in particular the banking industry and

cash-in-transit companies) to obtain greater benefits from the single currency, thus, contributing to the Single euro Cash Area.

(4) The Data Exchange for Cash Services (DECS) is aimed at further harmonising cash services in the Eurosystem. It maximises efficiency in the supply and withdrawal of cash and the functioning of the cash cycle in the euro area. As cash services currently offered by NCBs vary to a significant extent, DECS ensures the interchangeability of data for cross-border cash transactions and bulk transfers of euro banknotes between NCBs that use different cash management systems. DECS does not affect the provision of cash services by NCBs at domestic level.

(5) Given that the process of convergence of NCBs' cash services will require some flexibility, it is necessary to establish a simplified procedure to make technical amendments to this Guideline. Therefore, the Executive Board should be delegated the powers to make such amendments,

HAS ADOPTED THIS GUIDELINE:

Article 1

Subject matter and scope

This Guideline sets out the requirements the NCBs shall comply with in relation to the use of DECS. This Guideline only applies to the exchange of data between NCBs.

Article 2

Definitions

For the purposes of this Guideline, the following definitions shall apply:

(a) 'DECS' means the common interface that communicates with an NCB's cash management system enabling the mapping, routing and transformation of electronic data messages between NCBs using different cash management systems or cash management specifications related to cash transactions and bulk transfers;

- (b) 'communication format' means a set of files based on Cash Single Shared Platform (CashSSP), Global Standards One (GS1) or other communication formats;
- (c) 'cash management system' means the logistical cash management IT system used by an NCB based on the CashSSP, GS1 or other communication formats;
- (d) 'cash management specifications' means the technical specifications of a given cash management system;
- (e) 'cash' means euro banknotes and coins, excluding collector coins;
- (f) 'cash lodgement' means a free-of-charge cross-border cash lodgement transaction between a client and a non-domestic NCB;
- (g) 'cash withdrawal' means a free-of-charge cross-border cash withdrawal transaction between a client and a non-domestic NCB;
- (h) 'cash transaction' means a free-of-charge cross-border cash lodgement or cross-border cash withdrawal;
- (i) 'bulk transfer' means any cross-border transfer of euro banknotes between two NCBs or between a printing works and an NCB which is reported in the Currency Information System 2 (CIS 2) ⁽¹⁾;
- (j) 'domestic NCB' means an NCB that provides to clients established in its Member State an interface to its cash management system for cash transactions;
- (k) 'non-domestic NCB' means an NCB that enters into a cash transaction with a client established outside its Member State;
- (l) 'supplying NCB' means for bulk transfers of euro banknotes an NCB that is responsible for supplying euro banknotes to a receiving NCB from: (i) the production allocated to that supplying NCB; (ii) the supplying NCB's logistical stocks; (iii) the Eurosystem Strategic Stock;
- (m) 'receiving NCB' means an NCB which receives euro banknotes from a supplying NCB or a printing works for bulk transfers of euro banknotes;
- (n) 'cash-in-transit company' means an entity providing transport, storage and handling services of banknotes and coins for credit institutions;
- (o) 'client' means a credit institution providing cash services incorporated in a Member State whose currency is the euro or, if applicable, a cash-in-transit company incorporated in a Member State whose currency is the euro that is registered in the database of a domestic NCB for the use of its cash management system and DECS;
- (p) 'transaction order message' means a transaction message transmitted via DECS by a domestic/supplying NCB through its cash management system to a non-domestic/receiving NCB. This message is: (i) for cash withdrawals, an 'order for cash withdrawal' sent by a client; (ii) for cash lodgements, a 'notification of lodgement' sent by a client; (iii) for bulk transfers, a 'bulk transfer message' sent by the supplying NCB;
- (q) 'feedback validation message' means a transaction message sent by a non-domestic/receiving NCB to a domestic/supplying NCB via DECS through the domestic/supplying NCB's cash management system on receipt of a transaction order message;
- (r) 'transaction confirmation message' means a transaction message sent after a transaction takes place: (i) to a client for cash transactions; or (ii) to a supplying NCB for bulk transfers via DECS through the domestic/supplying NCB's cash management system. This message is: (i) for cash withdrawals, a 'withdrawal receipt' sent by a non-domestic NCB; (ii) for cash lodgements, a 'lodgement receipt' sent by a non-domestic NCB; (iii) for bulk transfers, a 'bulk transfer receipt' sent by a receiving NCB;
- (s) 'transaction message' means a transaction order message, a feedback validation message and a transaction confirmation message;
- (t) 'printing works' means printing works that concluded contractual arrangements with an NCB for the production of euro banknotes;
- (u) 'future Eurosystem NCB' means the national central bank of a Member State that has fulfilled the conditions set for the adoption of the euro and in relation to which a decision on the abrogation of the derogation pursuant to Article 140(2) of the Treaty has been taken.

Article 3

NCB's obligations

1. NCBs shall connect their cash management systems to DECS to: (a) enable clients to exchange electronic data messages concerning cash transactions with a non-domestic NCB via the cash management system of their domestic NCB; and (b) facilitate the exchange of electronic data messages concerning bulk transfers between NCBs or, subject to Article 1, between a printing works and a receiving NCB, via the cash management system of the supplying NCB.

2. If an NCB uses a cash management system based on communication formats other than CashSSP or GS1, it shall convert the communication format of that cash management system to CashSSP or GS1 before transmitting an electronic data message concerning cash transactions or bulk transfers to DECS.

⁽¹⁾ Guideline ECB/2008/8 of 11 September 2008 on data collection regarding the euro and the operation of the Currency Information System 2 (OJ L 346, 23.12.2008, p. 89).

3. NCBs shall ensure that electronic data messages concerning cash transactions and bulk transfers exchanged via DECS are based on either CashSSP or GS1 communication formats.

4. NCBs shall ensure that transaction messages are stored for a minimum of 10 years.

5. NCBs shall establish a connection between their cash management system and DECS as soon as they are technically able to do so.

Article 4

Obligations of domestic NCBs in relation to cash transactions

1. Domestic NCBs shall ensure that they meet the technical requirements for communication via DECS.

2. Domestic NCBs shall put in place contractual arrangements with their clients stipulating that cash transactions, as defined in this Guideline, will be processed through DECS.

3. Domestic NCBs shall establish, maintain and regularly update a database of clients that agree to the use, conditions and technical requirements of DECS. They shall ensure that clients inform them without delay about any relevant change.

4. Before transmitting a transaction order message from a client to DECS, domestic NCBs shall take appropriate measures to verify whether the client is registered in the database referred to in paragraph 3, and whether the transaction order message was sent by a technical user entitled to do so by the client.

5. Domestic NCBs shall be held liable only for a failure to comply with their obligations under paragraph 4. Domestic NCBs shall not be held liable for the content of a transaction message.

6. Domestic NCBs shall not be parties to nor be held liable for cash transactions between clients and non-domestic NCBs.

Article 5

Obligations of non-domestic NCBs in relation to cash transactions

Non-domestic NCBs, as soon as operationally feasible, shall enter into contractual arrangements with the clients of domestic NCBs that intend to enter into cash transactions with that non-domestic NCB via DECS. These contractual arrangements shall govern, in particular:

- (a) the conditions and technical requirements for processing transaction messages via DECS, including the potential cancellation of transactions via DECS;
- (b) the physical handling of the cash transactions, e.g. general terms and conditions of packaging and delivery;
- (c) the rules and procedures for financial settlement between the client and the non-domestic NCB, including the verification of whether a cash transaction can legitimately be carried out;
- (d) the conduct of individual plausibility checks on the volumes of the cash transactions.

Article 6

Bulk transfers

NCBs shall ensure that for bulk transfers printing works use the communication format specified in the contractual arrangements between the NCBs and the printing works.

Article 7

Requirements for transaction messages

1. The transaction messages shall be processed via DECS as set out in Annex I.

2. In the transaction order messages and transaction confirmation messages NCBs shall indicate the local date and time values, unless they are automatically added by DECS using the Central European Time (CET) time zone.

3. A transaction order message shall, in particular:

- (a) be sent separately for each individual cash transaction;
- (b) contain items to be delivered to only one branch of a client or NCB;
- (c) contain an order either for euro banknotes or euro coins;
- (d) contain article items for single banknote pieces and for single coin pieces only;
- (e) comply with the packaging requirements in Annex II;
- (f) comply with the minimum quantity requirements in Annex II;
- (g) comply with the requirements on the banknote denominations and series in Annex II;
- (h) comply with the quality requirements in Annex II;
- (i) comply with the labelling requirements in Annex II;
- (j) contain the minimum data items set out in Annex III.

Article 8

Compliance of future Eurosystem NCBs with the requirements of DECS

An NCB shall include in the contractual arrangements that it enters into with a future Eurosystem NCB pursuant to Article 3(3) of Guideline ECB/2006/9 of 14 July 2006 on certain preparations for the euro cash changeover and on front-loading and sub-frontloading of euro banknotes and coins

outside the euro area ⁽¹⁾, and taking into account Article 5 of Guideline ECB/2008/8, specific provisions requiring that the future Eurosystem NCB shall comply with the requirements of this Guideline.

Article 9

NCB cooperation

NCBs shall duly cooperate in exchanging information about the operation of DECS, in particular, where an NCB is faced with potential or actual litigation initiated by a client stemming from a transaction processed through DECS.

Article 10

Role of the Executive Board

1. In accordance with Article 17.3 of the Rules of Procedure of the European Central Bank ⁽²⁾, the Executive Board shall be authorised to make technical amendments to the Annexes to this Guideline, after taking into account the views of the Banknote Committee and the Legal Committee.

2. The Executive Board shall notify the Governing Council of any amendments made pursuant to paragraph 1 without undue delay and shall abide by any Governing Council decision on the matter.

Article 11

Entry into force

This Guideline shall enter into force on 1 October 2012.

Article 12

Addressees

This Guideline is addressed to the NCBs.

Done at Frankfurt am Main, 20 July 2012.

For the Governing Council of the ECB

The President of the ECB

Mario DRAGHI

⁽¹⁾ OJ L 207, 28.7.2006, p. 39.

⁽²⁾ OJ L 80, 18.3.2004, p. 33.

ANNEX I

TYPE AND FLOW OF TRANSACTION MESSAGES PROCESSED VIA DECS

1. A transaction order message is sent by a client, for cash transactions, or by a supplying National Central Bank (NCB), for bulk transfers, which is transmitted by the domestic/supplying NCB via the Data Exchange for Cash Services (DECS) to the relevant non-domestic/receiving NCB.
2. Upon receipt of a transaction order message, a feedback validation message is sent by the non-domestic/receiving NCB to the domestic/supplying NCB via DECS, which the domestic/supplying NCB then transmits to the client, for cash transactions, or the supplying NCB, for bulk transfers.
3. After a transaction takes place, the non-domestic/receiving NCB sends a transaction confirmation message to the domestic/supplying NCB via DECS, which the domestic/supplying NCB then transmits to the client, for cash transactions, or the supplying NCB, for bulk transfers.

Table 1a: Type and flow of messages for cash lodgements

| | Cash Single Shared Platform (CashSSP) | Global Standards One (GS1) |
|--|---------------------------------------|----------------------------|
| 1. Transaction order message: notification of lodgement | Notification For Deposit | Notification of Inpayment |
| 2. Feedback validation message (on receipt of the transaction order message) | Feedback Validation | Service Message |
| 3. Transaction confirmation message (after transaction) (*): lodgement receipt | Feedback Notification For Deposit | Confirmation of Receipt |

Table 1b: Type and flow of messages for cash withdrawals

| | CashSSP | GS1 |
|---|-------------------------------|--------------------------|
| 1. Transaction order message: order for cash withdrawal | Order For Withdrawal | Cash Order |
| 2. Feedback validation message (on receipt of the transaction order message) | Feedback Validation | Service Message |
| 3. Transaction confirmation message (after transaction) (*): withdrawal receipt | Feedback Order For Withdrawal | Confirmation of Delivery |

Table 1c: Type and flow of messages for bulk transfers

| | CashSSP | GS1 |
|--|------------------------------------|-------------------------------|
| 1. Transaction order message: bulk transfer message | Notification For Delivery | Bulk Transfer Message |
| 2. Feedback validation message (on receipt of the transaction order message) | Feedback Validation | Service Message |
| 3. Transaction confirmation message (after transaction) (*): bulk transfer receipt | Feedback Notification For Delivery | Confirmation of Bulk Transfer |

(*) If a non-domestic/receiving NCB receives excess parcels, an additional notification of lodgement/bulk transfer message shall be sent for the excess parcels. If the non-domestic/receiving NCB receives fewer parcels than expected, then either a new notification of lodgement/bulk transfer message shall be sent after closing the relevant transaction order message and sending a feedback validation message (for non-acceptance of the delivery), or only the received parcels will be included in the transaction confirmation (for partial acceptance of the delivery).

ANNEX II

PACKAGING AND QUALITY REQUIREMENTS

1. Packaging and quality requirements for cash transactions

| | Cash withdrawals | Cash lodgements |
|------------------------------|--|---|
| Minimum quantity | <ul style="list-style-type: none"> — For banknotes, only mono-denomination parcels are handled — For banknote denominations EUR 5 to 100, 10 bundles (= 10 000 units) — For banknote denominations EUR 200 and 500, 1 packet (= 100 units); National Central Banks (NCBs) may put several packets (also mixed EUR 200 and 500) into one parcel — For coins, at least one roll, depending on each NCB's business rules — A complete withdrawal is carried out once | <ul style="list-style-type: none"> — For banknote denominations EUR 5 to 100, 10 bundles (= 10 000 units); however, a client may send once per day incomplete parcels which contain a minimum of 1 bundle (= 1 000 banknotes) of one denomination and a maximum 5 bundles (= 5 × 1 000 banknotes) of one or more denominations — For banknote denominations EUR 200 and 500, 1 packet (= 100 units) |
| Banknote series (ES1 or ES2) | Indicated in the transaction order message. | Indicated in the transaction order message. For mixed bundles indications are based on the client's best estimate. NCBs can refuse the use of mixed bundles. |
| Quality | Only fit banknotes and coins. | Only unprocessed banknotes. |
| Reuse of transaction IDs | The non-domestic NCB decides if and after what time the Serial Shipping Container Code (SSCC) and Cash Single Shared Platform (CashSSP) seal number are reused. The non-domestic NCB decides if and after what time the transaction reference numbers (= master SSCC) are reused. | The non-domestic NCB decides if and after what time the SSCC and CashSSP seal number are reused. The non-domestic NCB decides if and after what time the transaction reference numbers (= master SSCC) are reused. |
| Packaging | Approved packaging type for banknotes. | Approved packaging type for banknotes. |

2. Packaging and quality requirements for bulk transfers

| | |
|--------------------------|--|
| Minimum quantity | <p>One cardboard box (= 10 000 banknotes).</p> <p>For other relevant Currency Information System 2 cross-border operations, there is no minimum quantity.</p> |
| Banknote series | Indicated in the transaction order message. Where there are mixed bundles indications are based on the supplying NCB's best estimate. |
| Quality | Fit, new, unprocessed or unfit banknotes. |
| Reuse of transaction IDs | The receiving NCB decides if and after what time the SSCC and CashSSP seal number are reused. The receiving NCB decides if and after what time the transaction reference numbers (= master SSCC) are reused. |
| Labelling | The physical boxes have both Global Standards One (GS1) and CashSSP barcodes, except for banknote stocks which only bear the CashSSP barcode. There is no relabelling when passing on a parcel between NCBs, i.e. the same seal number/SSCC is used several times. |
| Packaging | <ul style="list-style-type: none"> — Approved packaging type — One denomination per pallet and/or box |

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- | | |
|--|--|
| | <ul style="list-style-type: none">— There can be different banknote series per pallet and/or box— All articles in a box shall be of the same quality type— Messages relate to either pallets containing boxes or only boxes (no pallets)— Combining pallets and boxes in the same message is not possible |
|--|--|
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ANNEX III

MINIMUM DATA ITEMS TO BE INCLUDED IN THE ELECTRONIC DATA MESSAGES

1. Minimum requirements relating to cash lodgements ⁽¹⁾

Data item

File sender

Message sender

Message receiver

Article owner

Transport company

Packer

Payer

Lodgement recipient

Details of parcels and articles contained in them:

- identification number
 - banknote series
 - denomination
 - number of items
 - value
 - quality type
-

⁽¹⁾ Additional information may be mandatory depending on the cash management system used by the sender.

2. Minimum requirements relating to cash withdrawals ⁽¹⁾

Data item

File sender

Message sender

Message receiver

Transport company

Payer

Pick up place

Location of delivery

Article owner

Details of the articles ordered:

- banknote series
 - denomination
 - number of items
-

⁽¹⁾ Additional information may be mandatory depending on the cash management system used by the sender.

3. Minimum requirements relating to bulk transfers

European Central Bank reference for the shipment

Supplying NCB (printing works)

Receiving NCB

Transport company (airline or cash-in-transit company)

Date of shipment

Total number of pallets

Total number of boxes

Total number of banknotes

Total value of banknotes (EUR)

Total weight of air freight (kg)

Details of pallets:

- identification number (CashSSP)
- identification number (GS1)
- denomination
- number of items
- value

Details of boxes:

- identification number (CashSSP)
 - identification number (GS1)
 - denomination
 - number of items
 - value
 - quality
 - responsible NCB
-

GLOSSARY

This Glossary defines the technical terms used in this Guideline and its Annexes.

'Approved packaging type' means a safebag, a sealbag, a reusable box, a cardboard box, a euro pallet and half pallet meeting the requirements as decided by the Governing Council of the European Central Bank (ECB);

'Banknote series' means a number of denominations of euro banknotes defined as a series in Decision ECB/2003/4 of 20 March 2003 on the denominations, specifications, reproduction, exchange and withdrawal of euro banknotes ⁽¹⁾ or in a subsequent ECB legal act. The first series of euro banknotes as launched on 1 January 2002 consists of the denominations EUR 5, EUR 10, EUR 20, EUR 50, EUR 100, EUR 200 and EUR 500. Euro banknotes that have revised technical specifications or a revised design (e.g. a different signature for different Presidents of the ECB) only constitute a new banknote series if referred to as such in an amendment to Decision ECB/2003/4 or in subsequent ECB legal act;

'Eurosysteem Strategic Stock' (ESS) means the stock of new and fit euro banknotes stored by certain national central banks (NCBs) to cope with a demand for euro banknotes which cannot be met from the logistical stocks ⁽²⁾;

'Extended custodial inventory programme' (ECI programme) means a programme consisting of contractual arrangements between the ECB, an NCB and individual credit institutions (ECI banks), whereby the NCB: (i) supplies the ECI banks with euro banknotes, which they hold in custody outside Europe for the purpose of putting them into circulation; and (ii) credits the ECI banks for euro banknotes which are deposited by their customers, checked for authenticity and fitness, held in custody and notified to the NCB. The banknotes held in custody by the ECI banks, including those in transit between the NCB and the ECI banks, are fully collateralised until they are put into circulation by the ECI banks or returned to the NCB. Banknotes transferred from the NCB to ECI banks form part of the NCB's created banknotes (data item 1.1). Banknotes held in custody by ECI banks do not form part of the NCB's national net issuance of banknotes;

'Fit banknotes' means: (i) euro banknotes which have been returned to NCBs and which are fit for circulation in accordance with a separate ECB legal act on banknote processing by NCBs; or (ii) euro banknotes which have been returned to credit institutions, including NHTO entities and ECI banks, and which are fit for circulation in accordance with the minimum sorting standards laid down in Decision ECB/2010/14 ⁽³⁾;

'Logistical stocks' (LS) means all stocks of new and fit euro banknotes, other than the ESS, held by NCBs, and for the purposes of Guideline ECB/2008/8 by NHTO entities and ECI banks ⁽⁴⁾;

'New banknotes' means euro banknotes which have not yet been put into circulation by NCBs, NHTO entities or ECI banks, or frontloaded by future Eurosystem NCBs;

'Notes-held-to-order scheme' or 'NHTO scheme' means a scheme consisting of individual contractual arrangements between an NCB and one or more entities (NHTO entities) in the NCB's participating Member State, whereby the NCB: (i) supplies the NHTO entities with euro banknotes which they hold in custody outside the NCB's premises for the purpose of putting them into circulation; and (ii) credits or debits directly the NCB account held by the NHTO entities or by the credit institutions that are customers of the NHTO entities for euro banknotes which are deposited with or withdrawn from the custody premises by NHTO entities or by their customers and notified to the NCB. Banknotes transferred from the NCB to NHTO entities form part of the NCB's created banknotes (data item 1.1). Banknotes held in custody by NHTO entities do not form part of the NCB's national net issuance of banknotes;

'Unfit banknotes' means: (i) euro banknotes which have been returned to NCBs, but which are not fit for circulation in accordance with a separate ECB legal act on banknote processing by NCBs; or (ii) euro banknotes which have been returned to credit institutions, including NHTO entities and ECI banks, but which are not fit for circulation in accordance with the minimum sorting standards laid down in Decision ECB/2010/14 of 16 September 2010 on the authenticity and fitness checking and recirculation of euro banknotes;

'Unprocessed banknotes' means: (i) euro banknotes which have been returned to NCBs but which have not been checked for authenticity and fitness in accordance with a separate ECB legal act on banknote processing by NCBs; or (ii) euro banknotes which have been returned to credit institutions, including NHTO entities and ECI banks, but which have not been checked for authenticity and fitness in accordance with Decision ECB/2010/14.

⁽¹⁾ OJ L 78, 25.3.2003, p. 16.

⁽²⁾ As referred to in a separate ECB legal act on the management of banknote stocks.

⁽³⁾ OJ L 267, 9.10.2010, p. 1.

⁽⁴⁾ As referred to in a separate ECB legal act on the management of banknote stocks.