

Cashless Systems and Legislation around these systems

Pol-PRIMETT Annual Conference
Thursday 22nd March 2012

New cashless system in France

Chronology

- From January 2011 until July 2011 :
 - **cash payment limit : 500 €**
- Since August 1st 2011:
 - France implemented **a cashless system for metal transactions** between professionals and private individuals.



New cashless system in France

Chronology

- Authorized means of payment :
 - ✓ **Check,**
 - ✓ **Bank transfer,**
 - ✓ **Credit card.**



But :

- **no available technique** to credit a payment card while respecting **traceability requirements** ;
- cash withdrawal on private cashpoints are illegal regarding **traceability requirements.**

For now, the legislative framework is unclear.

Legislation around cashless system

General reinforcement

- Starting in 2012, industrials will have to send a **declaration to fiscal services on an annual basis**, mentioning:
 - the sellers' identity,
 - their addresses,
 - the total amount of purchases in a year, for each seller.These elements should be completed by decree soon.
- On a daily basis, scrap professionals fill in a **police book**, specifying:
 - the seller's identity,
 - the description (nature and characteristics) of the scrap,
 - the origin of the metal scrap,
 - the payment method.

Effects on metal theft

Official statistics

- Official statistics show a **decline of metal thefts since September**.
- But, this decline probably due to both :
 - the **new legislative framework** ;
 - the **drop of scrap metal prices**.



Effects on metal theft

FEDEREC Alert system

- FEDEREC :
Relay between police forces and recyclers for metal theft alerts (agreement signed between FEDEREC and the French Home Office).
- During the last 6 months :
alerts for metal theft have been rising.



RÉGION DE GENDARMERIE
DE FRANCHE-COMTÉ

Le 11 mai 2011
N° 007 / RGFC

MESSAGE D'ATTENTION

OBJET : LUTTE CONTRE LES VOLS DE METAUX
REFERENCE : Notre correspondance en date du 19 juin 2007.

La région de Gendarmerie de Franche-Comté (section police judiciaire), vous informe des faits suivants :

Le 10 mai 2011 entre 19 H et 7 heures 30, un vol de :

> **un touret contenant encore 70 à 80 kg de fil de cuivre d'un diamètre de 7 mm représentant entre 300 et 400 mètres de fil sachant que ce type de fil de cuivre pèse 25 kgs / 100 mètres**

a été commis au sein de la société CLIMENT sise Rue de l'Industrie à SAONE (25).

Ces matériaux, pouvant avoir été découpés, sont susceptibles d'être écoulés auprès de sociétés ou sites de recyclage.

Tout renseignement utile éventuel concernant ce délit est à communiquer dans les meilleurs délais à la Cob de TARRAGNOZ : **03.81.81.32.23**

ou directement par courriel :

- cob.besancon-tarragnoz@gendarmerie.interieur.gouv.fr

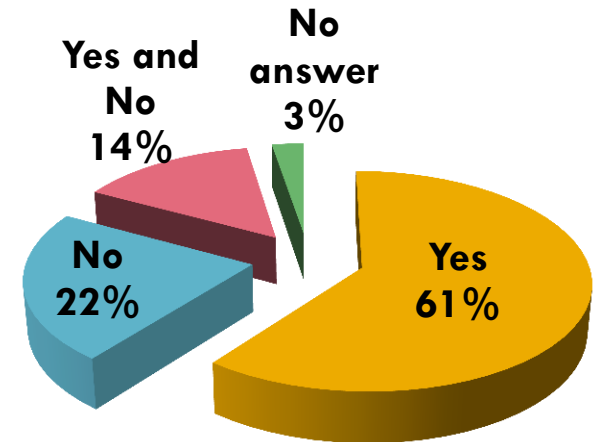


Vous remerciant de votre partenariat.

National survey led by FEDEREC

Results

Do you think that the implementation of a cashless system has been a positive measure for the sector ?

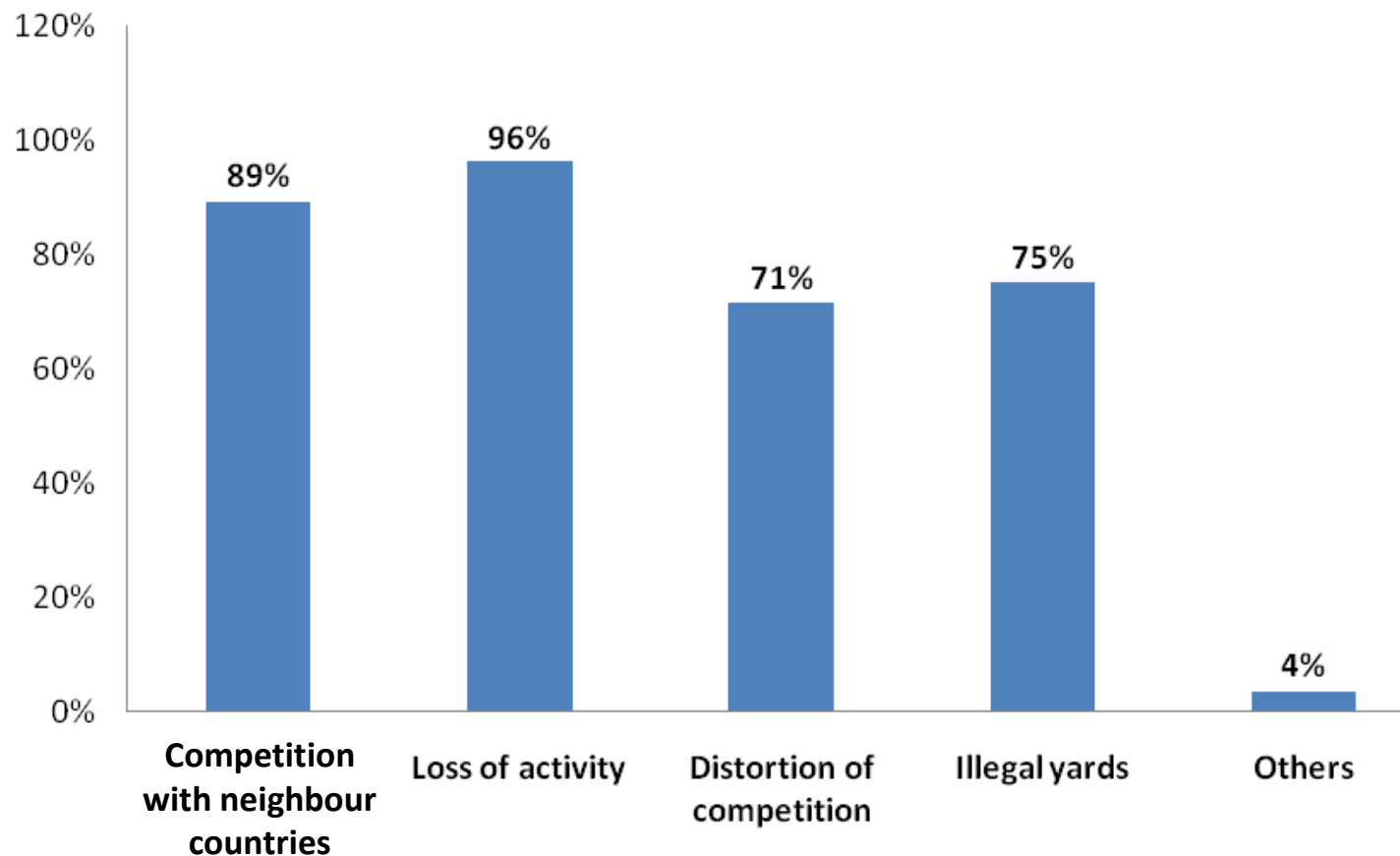


- **Reasons for this positive reaction :**
 - especially for **security reasons** (no more cash) ;
 - accessory for **image reasons** (better image for police forces for instance).

National survey led by FEDEREC

Results

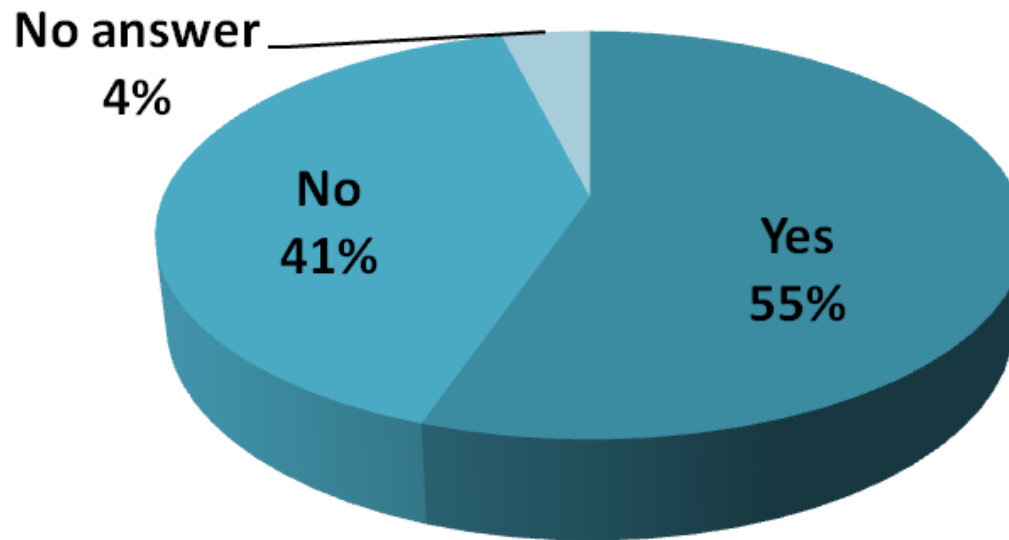
Reasons for the negative consequences



National survey led by FEDEREC

Results

Has business slowed down since the cashless system was implemented ?



Practical consequences

Distortion of competition

- Emerging of self-employed persons not necessarily respecting in force legislation (sometimes paying cash) and creating an **extra commercial step**.
- **Development of illegal networks paying cash** and diverting goods from legal markets.



Practical consequences

Border areas

- Many professionals of the sector already noted a **serious decrease in trading, with material sold by non-professional suppliers across the border in Belgium, Germany or Spain, paid cash.**



Practical consequences

Border areas

- Today, the **first priority is to harmonize European legislations** in order to put an end to :
 - **distorsions of competition** at the the borders ;
 - **international traffics.**

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