

## Interop: end of the fax confirmed for September 2012

Following its successful launch, the roll-out of the Interop portal is taking place in a smooth manner. Most credit institutions were already using Interop at end-June 2012, and cash orders by fax will no longer be accepted as of September.

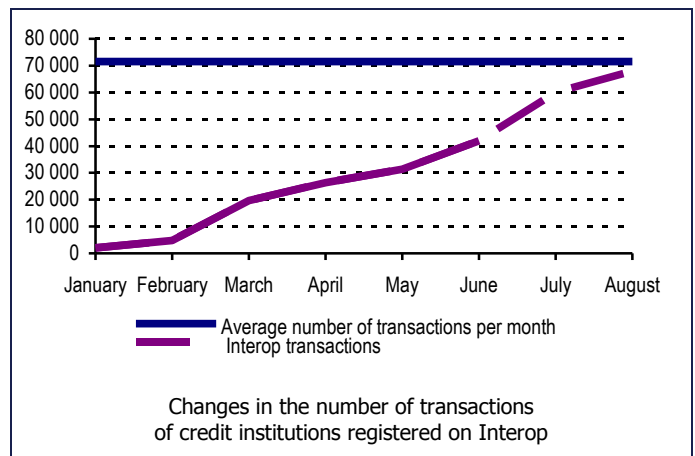
The Interop portal has been in service since November 2011. At end-June it was processing over 2,000 transactions per day for credit institutions, or over 70% of their cash transactions conducted at the Banque de France. And those credit institutions that were not yet using it were preparing to do so in July or August. This constituted the last phase in the roll-out plan established by the steering group meeting under the aegis of the *Centre français d'organisation et de normalisation bancaire* (CFONB), to manage, with the assistance of the *Office de Coordination Bancaire et Financière* (OCBF) and the *Fédération des entreprises de la sécurité fiduciaire*, the implementation of the portal.

The roll-out of Interop is thus proceeding according to schedule. Initially, the pilot phase brought together five bank networks and three cash-in-transit companies for their transactions with seven Banque de France cash centres located throughout the country. In this phase, certain interface functionalities were corrected and a number of development proposals were made. It also provided an opportunity to ensure that participants were adequately prepared, and that their organisational measures and any specific developments were in place. Furthermore, it allowed them to test their procedures, in particular regarding the vaults of cash-in-transit companies and for carrying out transactions at the Banque de France.

### Most vaults have already migrated

On 2 January 2012, Interop was opened to all credit institutions and their service providers over the whole Banque de France cash centre network; it will open to IEDOM branches as of December 2012 (Réunion will be the pilot, before extending it to other cash centres in January 2013).

As of 2 January, the roll-out is taking place at the same time as the vaults migrate and the credit institutions are registered on the portal. At the start of July, the four main cash-in-transit companies had migrated almost all their vaults and used Interop to announce client deposits, by then identified by barcodes read at the Bank's counters. For regional companies, vault migration was planned for July.



### Communication to credit institutions

Around 98% of the banknotes deposited at the Banque de France, and 99% of the banknotes withdrawn, are done so on behalf of the main bank retail networks in France. All of these networks are represented in the steering group set up in 2009 with the CFONB to prepare the changeover to Interop: BNP Paribas, Banques Populaires et Caisses d'Épargne, Crédit Agricole and LCL, Crédit Mutuel, HSBC France, La Banque Postale, Société Générale and Crédit du Nord.

But around 60 credit institutions, which do not belong to any of these bank groups, also conduct cash transactions at the Banque de France and are required to adopt the use of Interop at latest by September 2012. The *Office de coordination bancaire et financière*, which has many members from these groups, participates in the steering group and communicated information to them. For its part, the Banque de France wrote on 25 October 2011 to the CFONB (and the OCBF and Fedesfi, the professional association of cash-in transit companies) to specify the characteristics of Interop and inform the profession of the timetable following which the use of the portal would take over from paper forms.

The Banque de France then directly communicated this information, in January 2012, to each of the 63 credit institutions that were not represented in the steering group. Five months later, half of them were already using Interop or were in a position to do so, and the others were preparing themselves with the support of the Interop Assistance team.

Unsurprisingly, for credit institutions, the roll-out is more heterogeneous, but at end-June over 65% of their “correspondents” (entities identified in Interop as units active in cash transactions) were using Interop. At end-July this proportion is expected to reach 80% and 90% by end-August.

The Banque de France is providing active support to credit institutions in their preparations, both in terms of registering with Interop and technical assistance in the event of connection difficulties. It can also provide them with authentication and signature certificates that comply with the portal’s security requirements.

At end-June, only a few credit institutions, most of which only carry out cash transactions on an occasional basis, had not as yet undertaken the necessary steps to use Interop. The Banque de France contacted all of them individually. Summer will be spent addressing specific issues and finalising connections. Indeed, as of September 2012 it will no longer be possible to use faxes for cash orders, except under exceptional circumstances as a back-up means. Only transactions not yet processed via Interop will continue to use faxes, pending the launch, in April 2013, of Version 2 of the portal.

### **Version 2.0 of Interop scheduled for April 2013**

The version of Interop that went live in November 2011 only covers the most common cash transactions: deposits and withdrawals of banknotes and coins.

Work has started on a more comprehensive version, whose services will cover a much wider range of transactions carried out at Banque de France cash centres. The detailed specifications will be set out by a technical working group attached to the Interop steering group, but the Bank has already decided to integrate the following services in this Version 2.0:

- Submission of banknotes that are mutilated, soiled or suspected of being counterfeits, and follow-up of test results,
- Notice of differences regarding deposits,
- Notice of deposit or cross-border order (with another Eurosystem national central bank),
- Request to cancel a transaction, especially an order that has already been signed,
- Order under stressed conditions (excluding fax).

### **For further details:**

- [the pages about Interop](#) on the Banque de France website
- The contact address: [interop\\_assistance@banque-france.fr](mailto:interop_assistance@banque-france.fr)



## Banknote recycling: reporting of data to the central bank

An overview of the information that cash recyclers now need to submit to the Banque de France on either a six-monthly or, for sites handling large volumes, monthly basis.

Under Article 11 of European Central Bank decision 2010/14 on “the authenticity and fitness checking and recirculation of euro banknotes”, which came into force on 1 January 2011, professional cash handlers are required to submit certain information to their national central bank at least every six months. For sites that recycle euro banknotes in particular, this information comprises master data (civil status, contacts, equipment used, etc.) along with operational data, which are predominantly statistical (volume of banknotes recycled, number of cash dispensers, etc.).

### Implementation of the decision

Decision 2011-02 of the Governor of the Banque de France “on the recycling of euro banknotes”, dated 7 September 2011, sets out the procedures for implementing this ECB decision at national level. The frequency of reporting and type of data to be submitted are specified in the appended agreements:

Type of operator	Type of agreement	Type of declaration
Credit or payment institutions	Distribution agreement (Article 5)	Master data on: 1) individual handling offices 2) service providers handling banknotes on behalf of credit institutions  Operational data consisting solely of the number of machines operated by the credit or payment institution and the number of banknotes they distribute.
	Handling agreement for credit institutions (Art. 7)	Master data Operational data
Service providers to credit institutions	Handling agreement for service providers to credit institutions (Art. 6 and 7)	Master data Operational data

This data gathering allows the Banque de France to check that signatories are complying with the provisions of their recycling agreements, and to

monitor the evolution of banknote recycling in the cash industry and its associated impacts.

The information collected is also aggregated and fed into a six-monthly report which the Banque de France then sends to the European Central Bank.

### Activity statistics

With regard to the submission of master data, already required under the previous guidelines, little has changed, with the exception of the reporting frequency which is now six-monthly.

Reporting of operational data (activity statistics), on the other hand, became mandatory as of January 2012. The table below provides a summary of the activity statistics operators are expected to submit along with the reporting frequency, depending on the site where recycling activities are carried out:

Type of operator	Credit institution		Service providers to credit institutions	
	Handling office	Main cash centre	Retail outlet	Vault (cash-in-transit company)
Banknotes to declare	Only banknotes recirculated via cash dispensers	All banknotes that have been processed automatically	Only banknotes recirculated via cash dispensers	All banknotes that have been processed automatically
Data to declare	1) Total number of banknotes handled by machine 2) of which, number of banknotes classified as unfit 3) of which, number of banknotes recirculated via cash dispensers	1) Total number of banknotes handled by machine 2) of which, number of banknotes classified as unfit and/or suspect 3) of which, number of banknotes recirculated via bank branches or direct customers	1) Total number of banknotes handled by machine 2) of which, number of banknotes classified as unfit and/or suspect 3) of which, number of banknotes recirculated via cash dispensers	1) Total number of banknotes handled by machine 2) of which, number of banknotes classified as unfit and/or suspect 3) of which, number of banknotes recirculated via bank branches or direct customers
Reporting frequency	Six-monthly	Monthly	Six-monthly	Monthly

Further information can be found in the methodological notes on the data to be declared (master and operational), on the Banque de France website:

<http://www.banque-france.fr/en/banque-de-france/banknotes-and-coins.html>

#### **Automated data collection via the Onegate portal**

As the majority of reporting is now carried out on a six-monthly basis, the volume of data to be submitted by institutions that have signed agreements will mechanically double.

As a result, the Banque de France has set up an automated system to enable credit institutions and cash handling professionals to transmit regulatory data directly.

As of 1 July 2012, operators will be able to submit data via the ONEGATE portal, either using online forms or by sending files automatically between applications.

If you have any questions, please email:

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