

Mairead McGuinness

EU Commissioner for Financial services, financial stability and Capital Markets Union

Brussels, 14 April 2021

Subject : For an EU harmonised cash payment ceiling

Dear Commissioner McGuinness,

I am writing to you as President of the European Federation of Jewellery about a topic high on the European political agenda: **the fight against money laundering**. The Federation applauds the European Commission's willingness to reinforce the current legislative framework and looks forward to the legislative proposal on the EU single rulebook.

In this context, I hereby draw your attention to a crucial measure for efficiently fighting money laundering: **the harmonization of cash payment ceilings in business to consumers transactions**. The current diverging thresholds existing in the European Union contribute to fueling money laundering by leaving the possibility to ill-intentioned people to choose countries with no cash payment limit to carry out cash transactions. It is worth noting that in the European Union, the range is broad with some countries having limits going from 1000 € to 15.000 € and others having none.

This reality was clearly acknowledged by the [report](#) published in 2018 by the European Commission on restrictions on payments in cash. It is written that "*restrictions on payments in cash would not significantly prevent terrorism financing but (...) such restrictions could be useful in combatting money laundering.*"

Achieving harmonisation in cash payment thresholds would also **bring other benefits** since, as highlighted in the above-mentioned report, "*the existence of diverging restrictions at national level has a noticeable **negative impact on the internal market by distorting competition and creating an uneven playing field among some businesses***". This is particularly the case for the European jewellery sector. The jewellery market is indeed structured around 'archetypal purchases' driven by important life occasions such as diplomas, engagements, weddings, births, anniversaries, etc. Being an occasional purchase, consumers are willing to do some "regulatory shopping" and to travel to get better conditions such as discounts, higher cash payment limits, no VAT, etc. As an example, the Belgian Jewellery Federation has estimated that Belgian businesses lose around 20-25% of revenues due to these disparities. This figure can go up to 30% in the areas close to the national borders and the ones which are located in touristic areas such as Brussels, Bruges, and Antwerp.

In light of the above, the European Federation of Jewellery calls you, dear Commissioner, to **integrate the harmonisation of cash payments ceilings in business to consumers transactions in the future legislative proposal on an EU single rulebook**. This is a





measure with a clear European added value and relatively easy to put in place for the Member States.

Yours sincerely,

Bernadette Pinet-Cuoq
President of the European Federation of Jewellery

Attached documents:

- ◆ **Position paper of the European Federation of Jewellery “For a harmonised cash payment ceiling”**
- ◆ **Infographic “For an EU harmonised cash payment ceiling”**

The EFJ was founded in 2013 by recognized national associations from Belgium, France, Italy and Portugal, which together represent over 60% of all jewellery items manufactured and distributed in Europe. The Federation aims notably at exchanging best practices, promoting the unique European know-how of the sector as well as developing a high level of education and research.

EFJ members:

- ◆ **UFBJOP** - Union Française de la Bijouterie, Joaillerie, Orfèvrerie, des Pierres et des Perles (France)
- ◆ **ARS NOBILIS** – Fédération Belge du Bijou et de la Montre (Belgium)
- ◆ **AORP** - Associação de Ourivesaria e Relojoaria de Portugal (Portugal)
- ◆ **FEDERORAFI** - Federazione Nazionale Orafi Argentieri Gioiellieri Fabbricanti (Italy)
- ◆ **AWDC** - Antwerp World Diamond Centre (Belgium)

