

ICS – a New Solution for Note Standards

A new company has been formed to provide an independent note quality and fitness monitoring and benchmarking service for issuing authorities and cash processing companies. The company – Intelligent Currency Solutions – is the brainchild of Richard Haycock, founder of Currency Systems International, and Francisco Lopez, formerly of De La Rue Cash Systems and ex managing director of Currency Software Solutions. The service that it provides has, they say, been developed in response to the growing trend by issuing authorities to outsource note circulation, and the difficulties that they have had as a result in establishing common data and standards for productivity, fitness and quality when notes are being processed by a number of different suppliers using a wide range of different systems. As a consequence, decisions on banknote orders, denominational mixes and substrates are being made on the basis of unreliable or incomplete data on the actual performance of the different notes, substrates and denominations in circulation. Furthermore, while several central banks have defined fitness standards for commercial organisations undertaking note processing, the absence to date of a mechanism for monitoring the adherence to uniform standards has led to contract terminations and penalties arising from misinterpretations as to what constitutes fit or unfit notes.

To bridge this information gap, ICS has developed a patent-pending process comprising a suite of detectors, software and support services. The detectors are vendor-independent and will monitor note throughput and quality by denomination according to predetermined parameters which cannot be altered by the machine suppliers or operators. The data is linked via the internet to a reporting package hosted on secure servers managed by ICS which will consolidate the data from each site, shift, machine, customer etc. This data can be accessed by the processing organisation and, in turn, the issuing authority. The data will typically include

denomination, issue, series, condition and number of notes processed by machine and location. Whilst much of this information is already captured and processed by existing vault management systems, the ICS solution will complement such systems by providing a common information base across all equipment and supplier variants, enabling issuers to compare data between different equipment, sites, operators and even countries. The solution can be fitted to any equipment that has a processing function – not just large, mid and small scale sorters deployed by commercial banks and CIT operations, but also ATMs, self service equipment, and desktop counters. ICS also see an opportunity for the technology to be applied to recycling systems, which are increasingly being used at the retail and customer level and further distance the circulation of currency from the issuers and processors. With lower denominations in particular circulating ‘unseen’ until they are returned for destruction, the application of the ICS solution to these systems provides an added rationale for a benchmarking system that will encompass all forms of note deposit and recirculation in the market. ICS is targeting three sectors. First are the central banks, to enable them to gain a detailed understanding of the mix, condition and flow of their currency and compare performances and trends. Second are commercial processors, including CIT companies, which will benefit from a competitive edge in offering outsourcing solutions and which will also avoid arbitrary penalties arising from subjective interpretations of standards. And third are note suppliers, which will have a detailed knowledge of what is happening in the market on which they can base their commercial offerings.

According to ICS, it is now in discussions with a number of organisations in each of these sectors. Software and hardware demonstrations will be available by the middle of this year and the commercial pilot installation for the first client is planned in late 2008, with full roll-out in early 2009.