



# Cash Handling in Sweden

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# Sveriges Riksbank's vision

- Sveriges Riksbank should **only**:
    - keep an accounting system for cash
    - plan, design and purchase banknotes & coins
    - store new banknotes
    - deliver new banknotes at its offices
    - destroy authenticated banknotes at certain larger depots
    - collect invalid banknotes
    - manage the quality of banknotes
    - make arrangements avoiding that coins pass through Sveriges Riksbank
    - work to increase re-circulation of coins
    - perform oversight of the cash handling market
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# Banks should be major players in the Cash Handling Market



- Banks are
  - central participants in the financial system
  - supervised by the Financial Supervisory Authority and
  - major counterparts to Sveriges Riksbank's monetary and exchange rate policy transactions
- Banks' accounts in Sveriges Riksbank are used
  - for monetary and exchange rate policy transactions
  - in connection with the collection of cash from, and the returning of cash to Sveriges Riksbank
- Only banks
  - may have an account with Sveriges Riksbank
  - are allowed to borrow from Sveriges Riksbank
- **Thus, banks have an obvious and a very important role in the cash handling market**

# Sveriges Riksbank's proposal



- Introduction of private cash depots with right to give value
  - Banks/Swedish Cashservice Ltd that store counted and authenticated banknotes in a cash depot
    - receives interest compensation from Sveriges Riksbank corresponding to the financing cost for the value of the cash in a cash depot (overnight rate)
    - pays a fee to Sveriges Riksbank to cover its costs for controlling the value in the cash depot
    - decides who should administer the cash depot
    - guarantees that the daily information of the value in the cash depot is correct
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# Sveriges Riksbank's proposal cont.

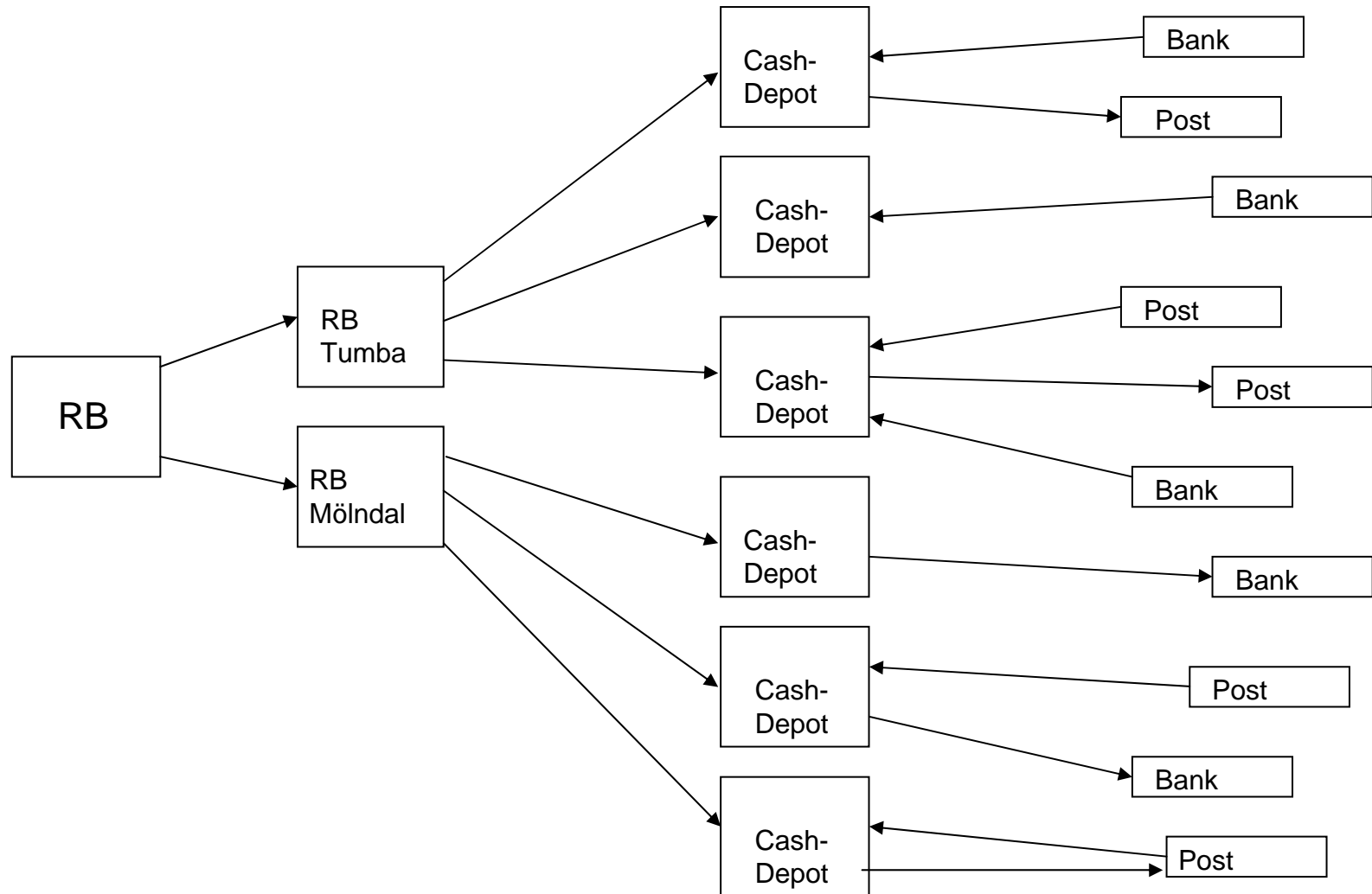


- Cash in a cash depot, for which interest compensation is paid out, should be clearly separated from other cash in the vault
  - The owner of the cash depot decides the value of cash in the depot
  - The market decides the number and location of the cash depots
  
  - Sveriges Riksbank
    - delivers free of charge at its offices new banknotes and accepts banknotes for destruction
    - will have two offices for cash handling as from 1 st October 2005
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# Role of CIT companies

- Transportation of cash to/from retailers, banks and Sveriges Riksbank
  - Cash handling services for retailers and banks
  - Handling of ATMs
  - Possible administration of banks' cash depots
    - authentication, counting, and sorting of cash
    - vault management
  - Owner of coin depots?
    - active in programs for re-circulation of coins?
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# Tomorrow's Cash Handling Structure in Sweden



# Some information

- Article about the Riksbank's study of Cash supply and the cash market in Sweden

<http://www.riksbank.com/templates/Page.aspx?id=14409>

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