



The Riksbank and the Panaxia case

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Main points

- What is the Panaxia case?
 - The Riksbank's role in cash handling
 - What happened?
 - The Riksbank involvement
 - What is upcoming?
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What is the Panaxia case?

- The bankruptcy of a CIT
 - Charges regarding gross fraud
 - Investigation on-going regarding embezzlement
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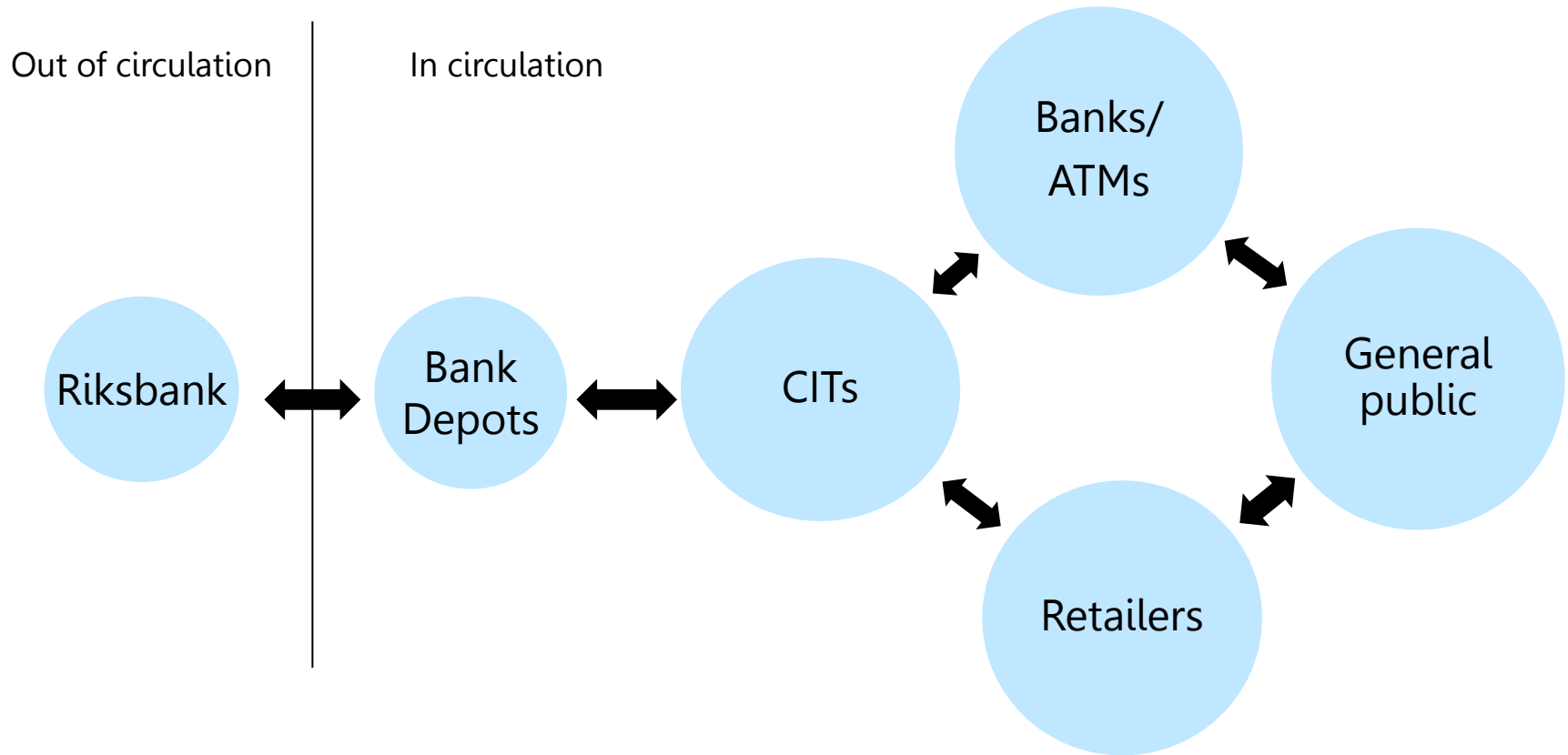
Main tasks of the Riksbank

- Monetary policy
 - Safe and efficient payments system
 - Follow development regarding means/ways of payment
 - Provide the country with banknotes and coins
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The Riksbank and cash provision

- Cash handling where there must be central bank involvement
 - Means limited cash handling
 - Provision of new notes/coins
 - Destruction of unfit notes/coins
 - Interest cost compensation scheme
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The cash cycle in Sweden



Panaxia

- One of three CITs in Sweden
 - Market share around 20 per cent
 - Retailers, pharmaceutical etc.
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The closing down went fast

- Panaxia was declared bankrupt 5 September 2012
 - The official receiver continued business four weeks
 - Special agreement with a few customers another four weeks
 - No service after 31 October
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Broad interest

- Broad media interest
- Concerns from retailers - handling of change
- Shortage in ATMs



The Riksbank's findings

- No risk for a general shortage of cash in Sweden
- Certain risk for local disturbance
 - Some retailers may have problems
 - Some ATMs may be empty



Actions

- The Cash Handling Advisory Board
 - Hearing in Parliament
 - Riksbank recommendation to Parliament
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The Riksbank recommendation (1)

- Review the design and structure of the regulatory framework for the flow of cash
 - Aim to establish a cohesive and effective regulatory framework that helps to ensure an efficient, safe and economic cash management process
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The Riksbank recommendation (2)

- Broader focus on CIT regulation
 - Enlarged control of management
 - Permission for sorting
 - Surveillance of CIT companies' finances
 - Customer protection or financial risks
 - Strong resilience to bankruptcy
 - Ensure companies are wound-up in an ordered way
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What happens now?

- Parliament endorsed the Riksbank recommendation
 - Ministry of Finance prepares terms of referens for inquiry
 - Report from the official receiver June 5
 - Result of the government inquiry ?
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Long term effects

- We see few, if any, long term effects in the confidence in cash
 - Confidence in CIT cash handling in Sweden?
 - Less competition in the CIT market
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