

The Voice of Savings and Retail Banking



Cash in transition: Rome vs Darwin

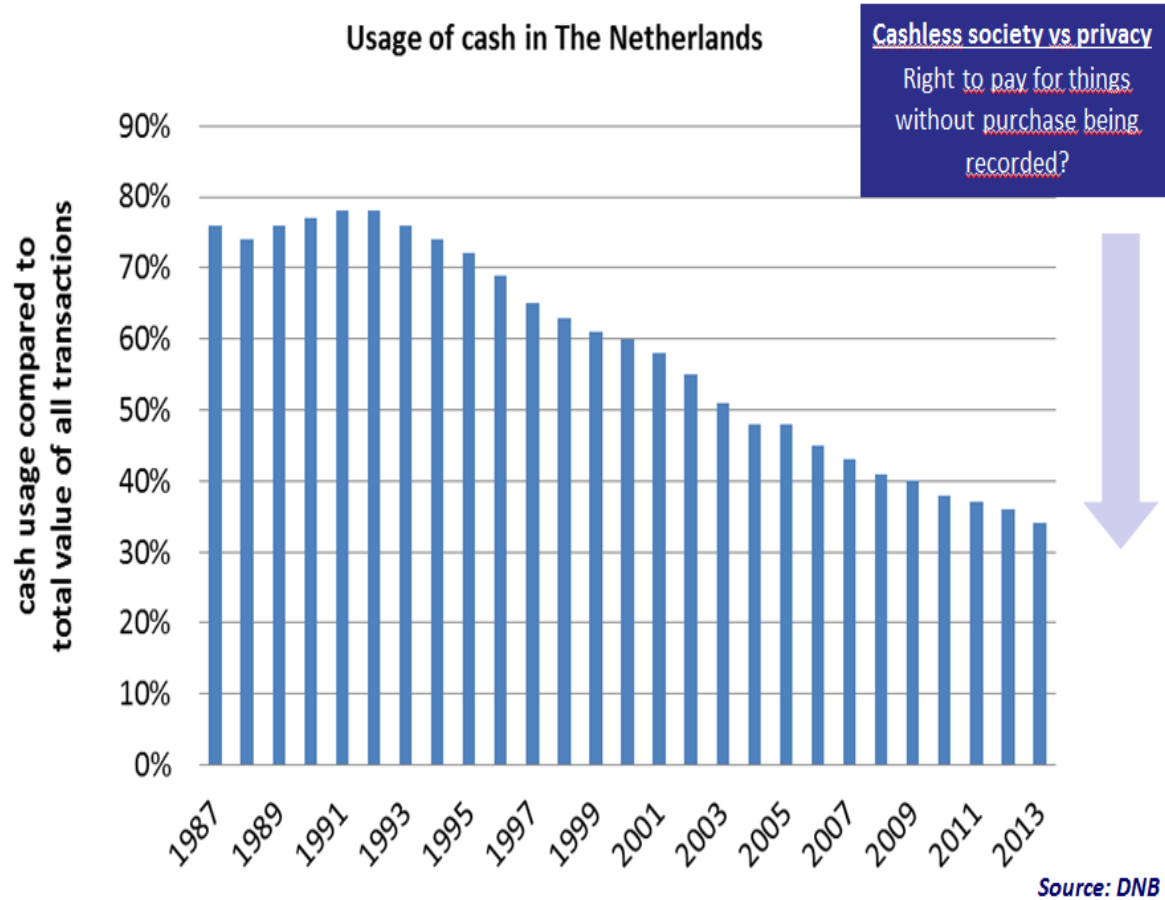
Norbert Bielefeld
ESTA - Berlin – 1 June 2015

“The future is already here – it’s just not very evenly distributed”

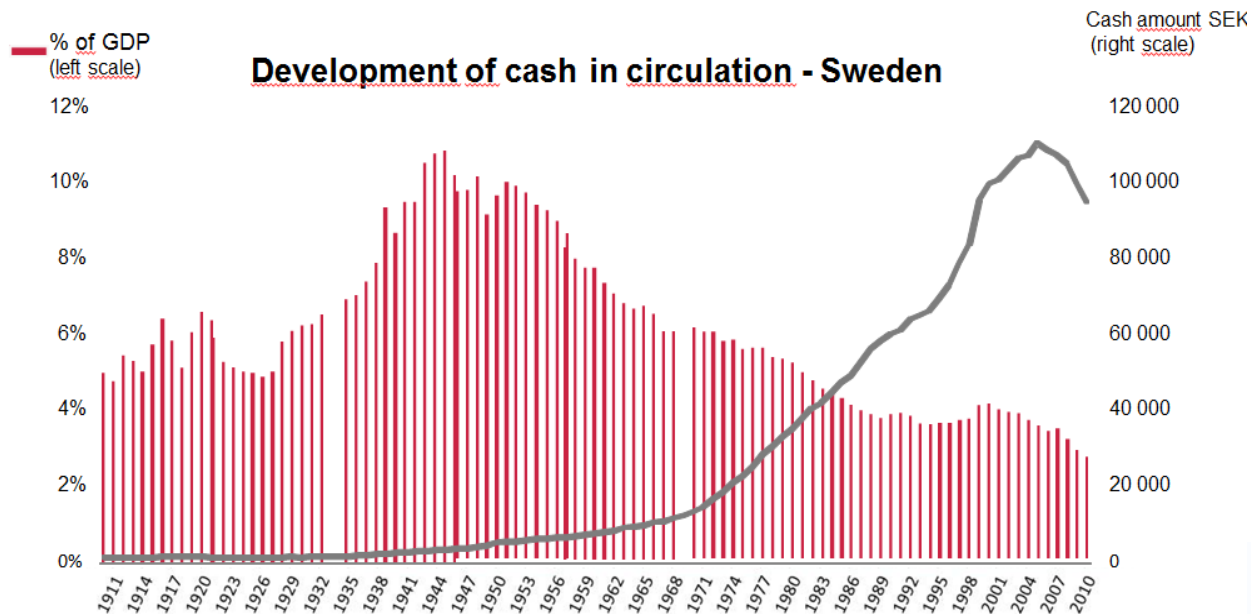
William Gibson



A new landscape emerges (1/6)



A new landscape emerges (2/6)



Remaining cash usage: P2P and small mom/pop stores and tax evaders

Source: SCB – Swedish Statistical Authority
© Sveriges Bank

A new landscape emerges(3/6)

Danish shops to be given right to refuse cash

07 May 2015 8751 views | 14

Denmark's government is planning to help usher in the long-awaited cashless society by giving restaurants and some shops the option to refuse notes and coins.

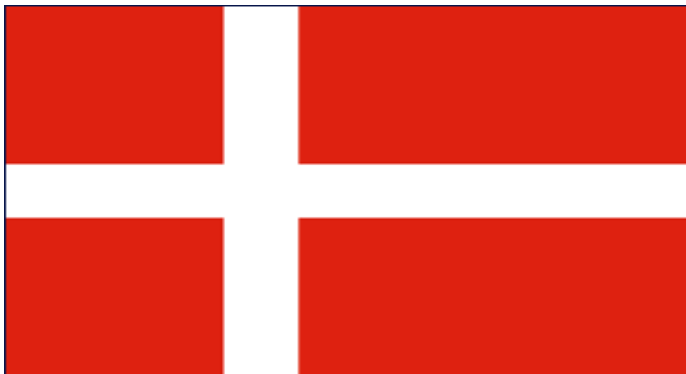
As part of a pre-election package of economic measures put forward by the government, from the beginning of next year selected retailers, including restaurants, clothing stores and gas stations, would no longer have to abide by a rule forcing them to accept cash.

Grocery stores, post offices, places selling prescription drugs, doctors and dentists, would still have to accept physical money under the plan, which needs parliamentary approval.

Explaining its proposal, the government says that accepting cash puts a considerable financial and administrative burden on retailers. At the same time Danes are turning to debit cards and other electronic payment options.

The Danish Chamber of Commerce welcomed the move, saying in a statement: "It will make it cheaper and easier for many companies, if in the future they can choose to receive payment via card or mobile."

MOBILE & ONLINE PAYMENTS



Source: Finextra News

A new landscape emerges(4/6)

- Card Interchange Regulation Art. 3 & 4 (from 9 December 2015)
 - Capping of debit and credit card interchange fees (max. 0,2/0,3% of transaction value, Member States may set lower caps)
- Payment Accounts Directive Chapter IV: access to payment accounts (from 18 September 2016)
 - No discrimination by credit institutions against consumers resident in the Union
 - Credit institutions to offer « payment accounts with basic features »: enabling funds to be placed, cash withdrawals within the EU, direct debits, credit transfers, payments including online via payment card
 - Free of charge or for a reasonable fee
 - Account to be opened within 10 business days of complete application (refusal possible in case of AML/FATF infringement, or where consumer already holds a payment account in a territory)

A new landscape emerges(5/6)

The new holy grail

“Instant payments are hence defined as electronic retail payment solutions available 24/7/365 and resulting in the immediate or close to immediate interbank clearing of the transaction and crediting of the payee’s account (within seconds of payment initiation), irrespective of the underlying payment instrument used (credit transfer, direct debit or payment card) and of the underlying clearing and settlement arrangements that made this possible”

ECB - ERPB note
1st December 2014



A new landscape emerges(6/6)

- By 2020: 7 billion merchants worldwide....
- ...40 billion devices connected to the Internet...
- ...and virtual currencies come of age



A brief history of banking (1/2)

(and a few other industries)

Our rules



Their laws

A brief history of banking (2/2)



Everything that can be digital will be digital

Everything that can be digital will be digital

Everything that can be digital will be digital

Everything that can be digital will be digital

Everything that can be digital will be digital

Everything that can be digital will be digital

Everything that can be digital will be digital

Everything that can be digital will be digital

Everything that can be digital will be digital

Everything that can be digital will be digital

Everything that can be digital will be digital



A challenge held in common?

How we deal with legacy infrastructure, legislation e.g.:

- OTC & ATMs
- Processing centers
- Legal tender
- Cross border cash transport Regulation
- Euro coin authentication Regulation
- ...



An imperative to reconcile:

