



EUROPEAN CENTRAL BANK

# **SECA IMPLICATIONS TO CASH AND CIT**

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# Outline

- **Eurosystem's role in the cash cycle**
- **SEPA and SECA**
- **User requirements of different stakeholders in the cash cycle**
- **Issues to be addressed to attain more convergence**
- **Way forward**

# Outline

- **Eurosystem's role in the cash cycle**



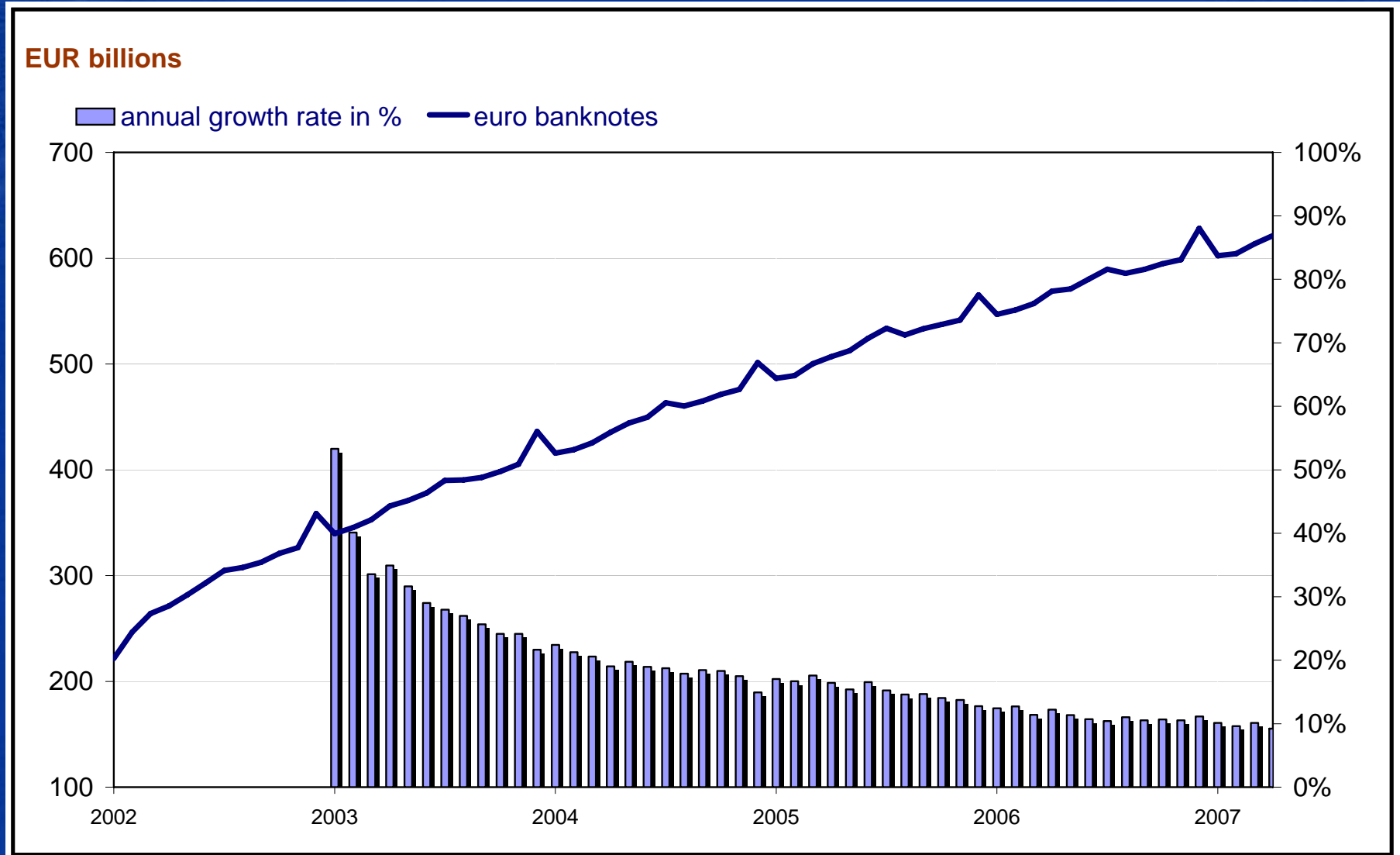
# Economic and Monetary Union



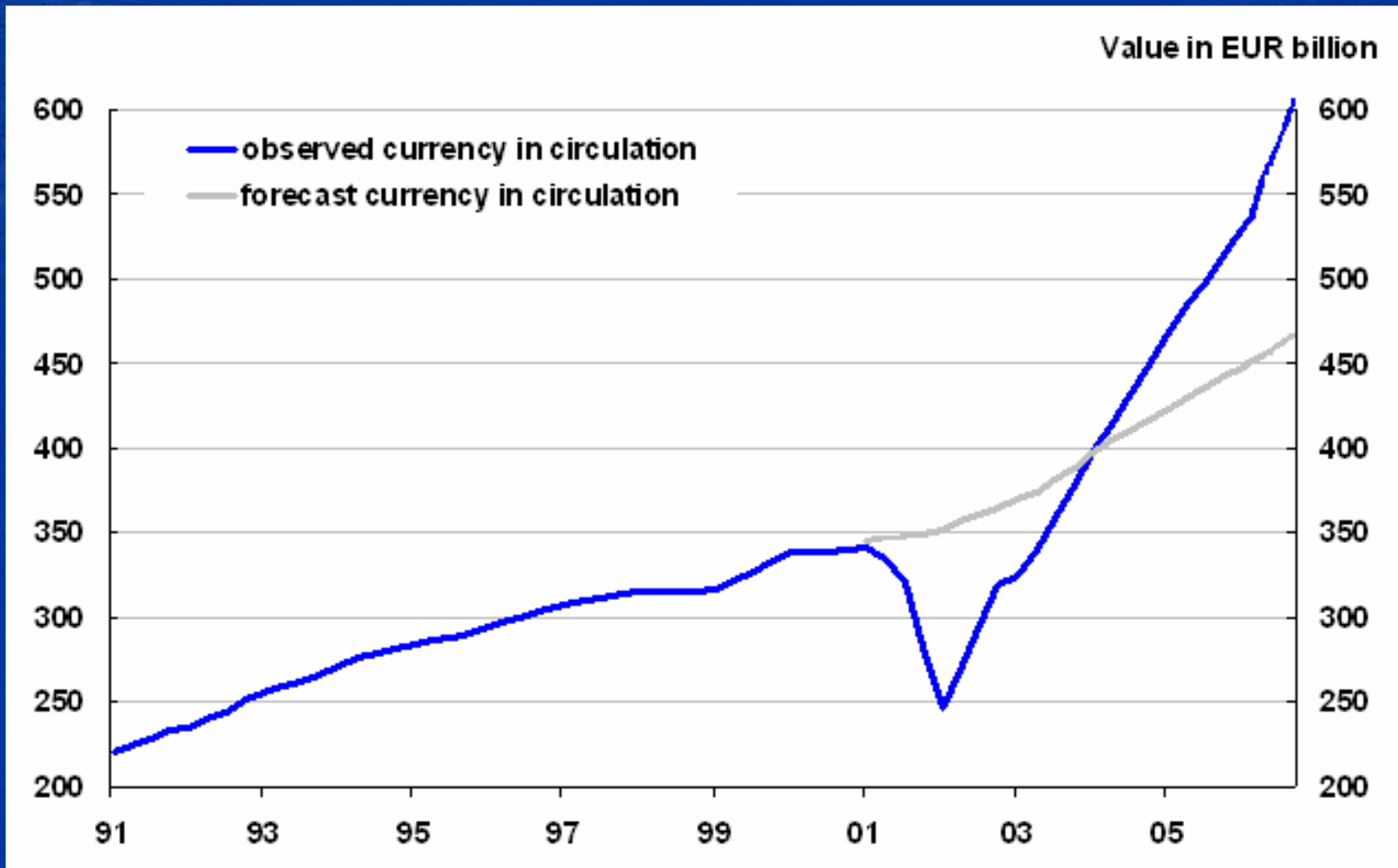
# Eurosystem's mission in the area of cash

- **Ensuring a smooth and efficient supply of euro cash**

# Development and growth rate of euro banknote circulation

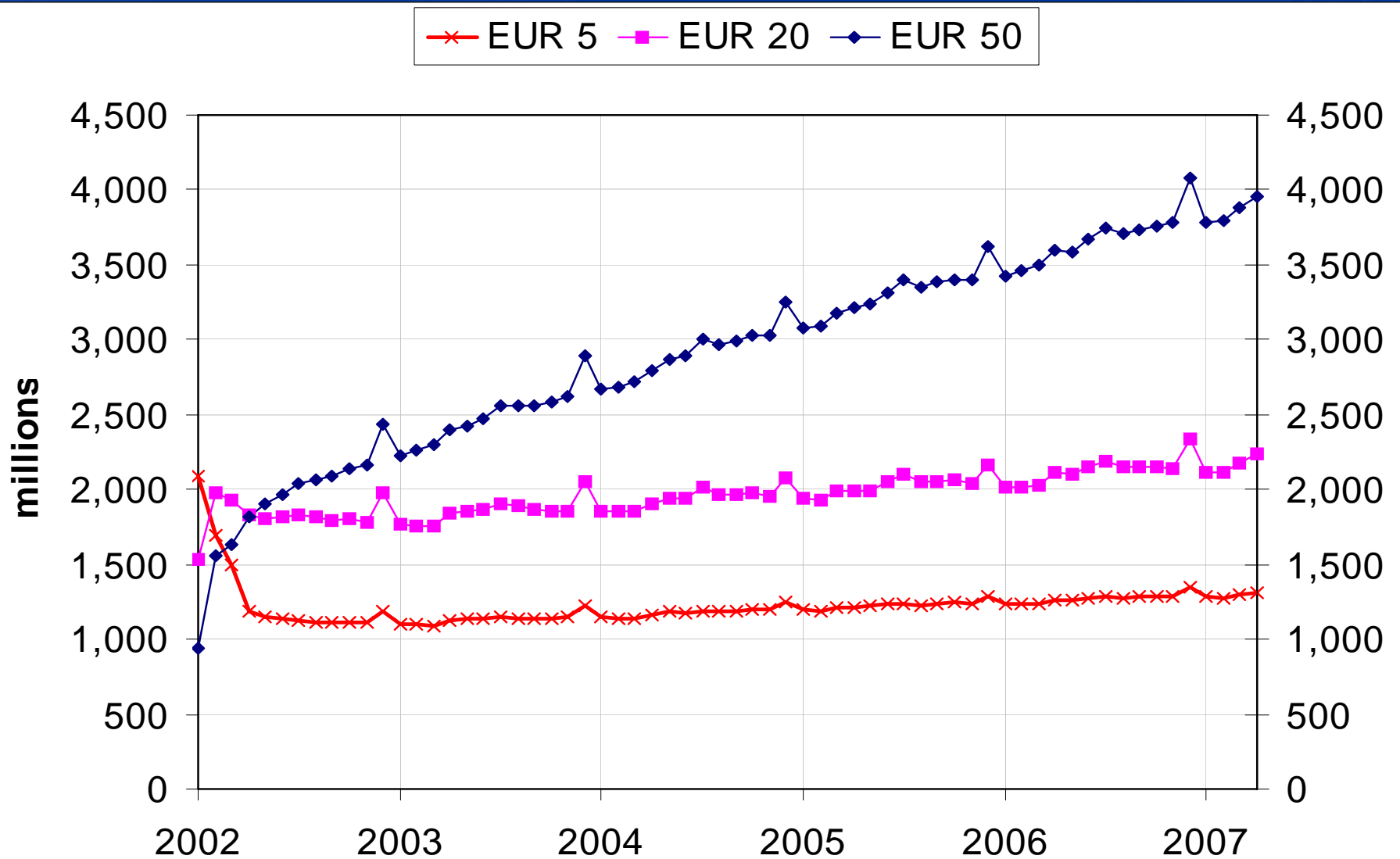


# Observed and forecasted development of euro (and legacy currency) circulation (rough estimate)



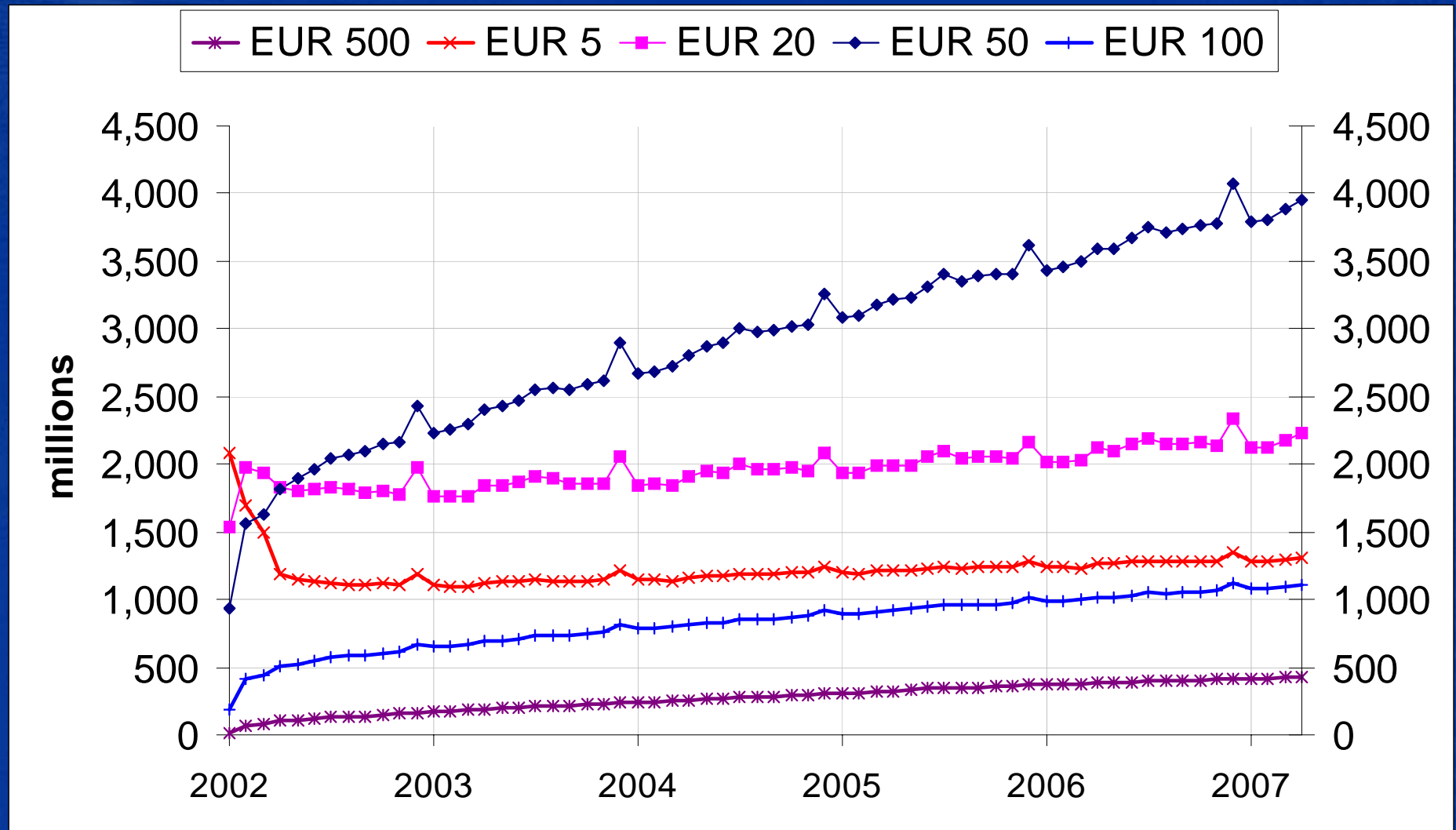


# Development of some euro banknote denominations from 01/2002 to 04/2007





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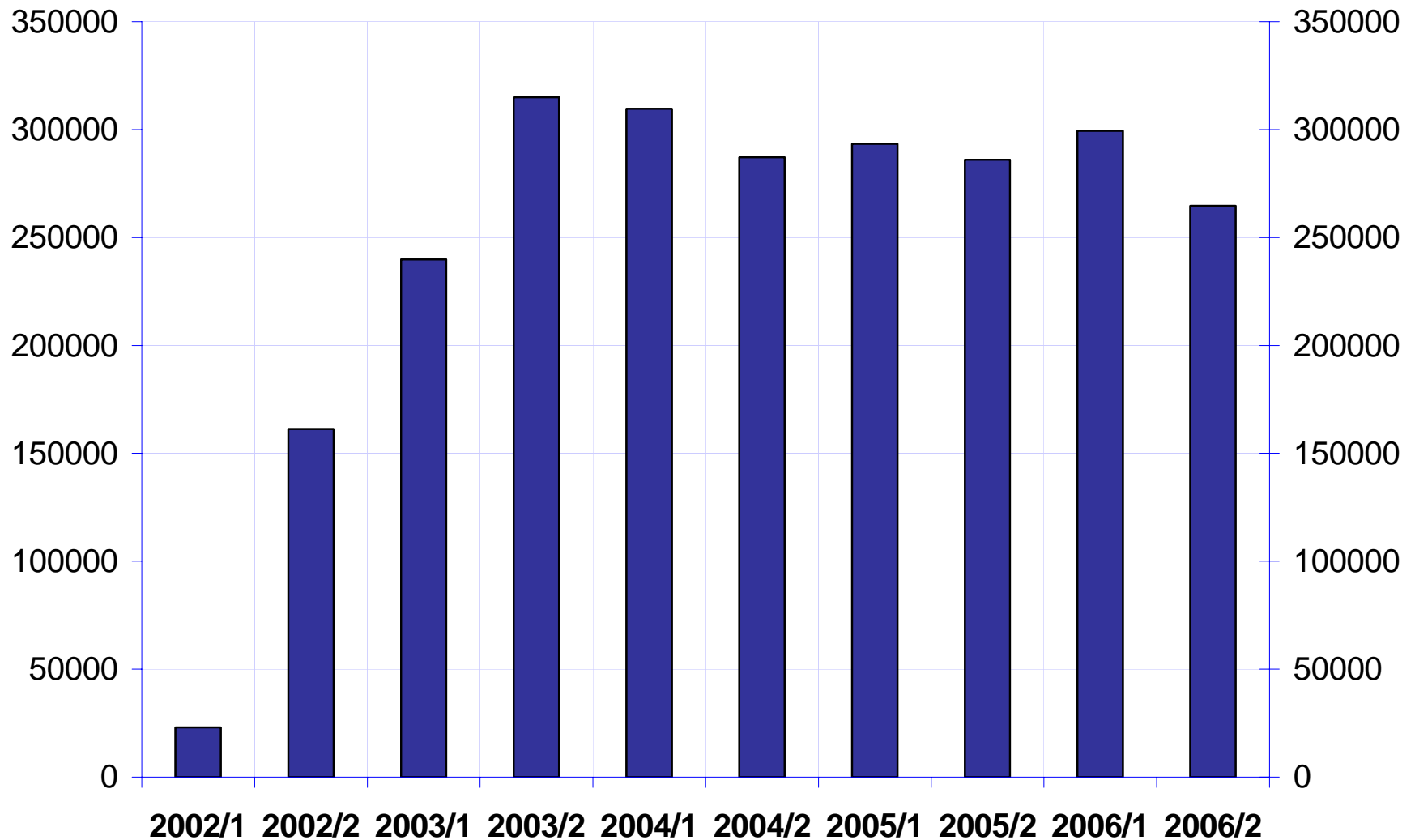
# Cost of cash

- **Based on the Dutch, Belgian and Austrian studies:**
  - **Average cost of cash < cost of electronic payment instruments per transaction**
  - **In small transactions, the cost of cash < cost of debit card payments**
  - **Societal savings by replacing part of cash transactions with electronic payment instruments are modest**

# Eurosystem's mission in the area of cash

- **Ensuring a smooth and efficient supply of euro cash**
- **Maintaining the integrity of the euro banknotes**

# Number of euro banknote counterfeits found from circulation between 2002 and 2006





## **Conclusions drawn from the current developments**

- **The benefits of the common currency for stakeholders should be reaped.**
- **Efficiency gains should be looked for in the production and issuance of euro banknotes.**
- **Cost savings should result from optimising the cash handling process using technology developments.**
- **More advanced and innovative security features should be introduced.**

# Outline

- **Eurosystem's role in the cash cycle**
- **SEPA and SECA**

# SEPA and SECA

- **Single Euro Payments Area (SEPA)**
- **In SEPA economic actors will be able to make and receive payments in euro under the same basic conditions between or within national boundaries**
- **SEPA consists of a single set of euro payment instruments – credit transfers, direct debits and card payments**

# SEPA and SECA

- **Single Euro Cash Area (SECA)**
- **SECA already exist for consumers**
- **In order to create SECA for professional cash handlers, the ECB has agreed on a number of measures to achieve more convergence of national central bank (NCB) cash services.**



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## **User requirements of different stakeholders in the cash cycle**

- **Consumers: Surveys, focus groups**
- **Retailers: Cash handler surveys**
- **Cash machine industry: Meetings and tests with manufacturers**
- **CITs: Communication with ESTA**
- **Banking: SECA Framework**
- **Suppliers: Liaison meetings**

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## **Issues to be addressed to attain more convergence of NCB cash services**

- **Remote access by June 2007**
- **Coin lodgements by end-2007**
- **Electronic data exchange**
- **Facing and orientating the banknotes**
- **Opening hours**
- **Packaging standards**
- **Cash recycling**



# Way forward

- **Discussions within Euro Cash Users Group**
- **Discussions with EPC Cash Working Group and ESTA**
- **Consultations at the national level**
- **Finalisation of the roadmap by end 2007**
- **Implementation**