

Cash in Sweden

Usage, access and legal developments

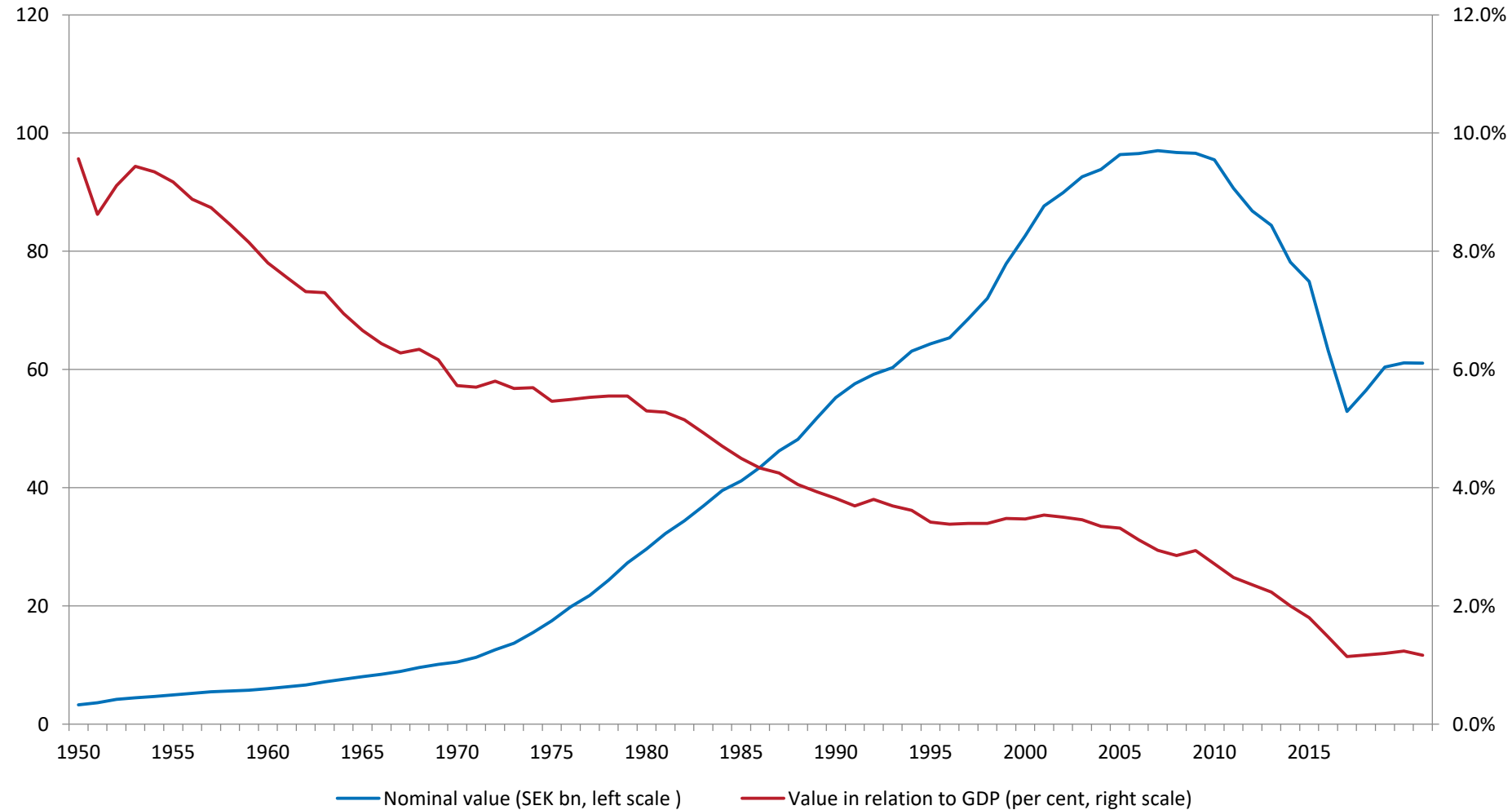
ESTA, Seville (2021-10-25)

S V E R I G E S R I K S B A N K

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Cash appears to disappear in Sweden

Cash held by the general public. Nominal value and as share of GDP



Payment habits

Swedish consumers payment habits	Cash 2010	Cash 2020
What payment methods have you used the last 30 days?	94%	50%
How did you pay for your last time at the POS?	39%	9%
How do you usually pay for amounts less than 100 kr (EURO 10)?	59%	12%



**87
%**

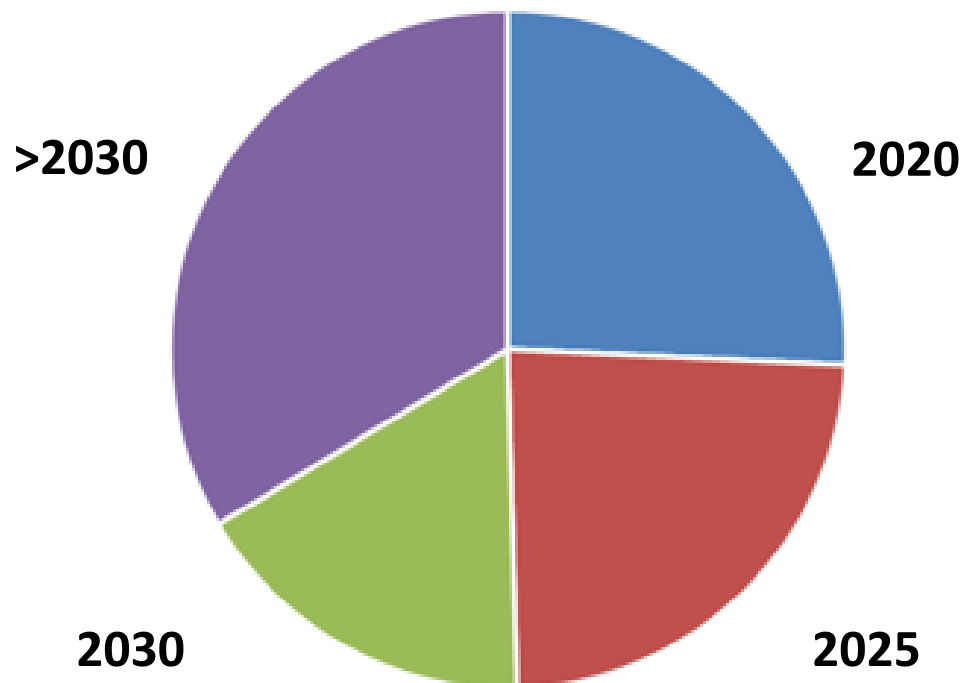


9 %

Could you cope without cash? Yes: 71% , No: 26% (2020)

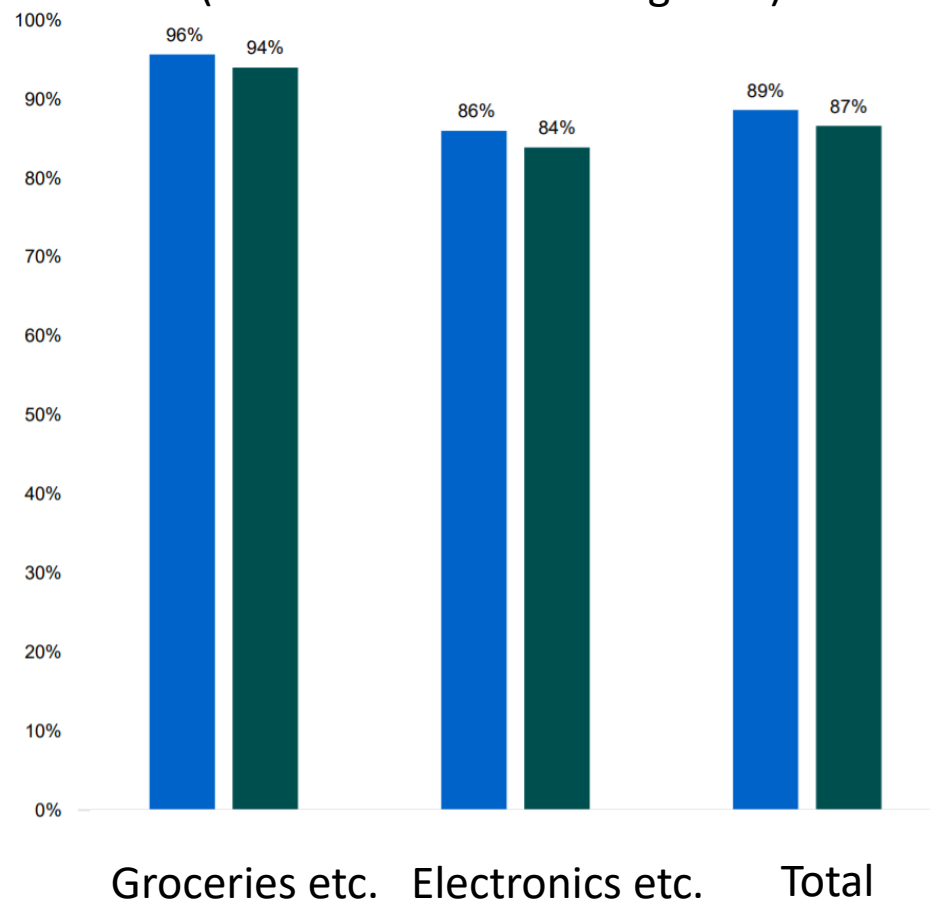
Cash at the point of sale (POS)?

In 2017, 50 % of Swedish retailers thought they will not accept cash after 2025



Source: The Swedish Retail and Wholesale Council

In 2021, still high acceptance: 87% (share of retailers taking cash)



Blue: 2020
Green: 2021

Access to OTC cash services

- Almost all bank branches are cashless
- OTC cash services at the major five banks:
 - Nordea: 0
 - SEB: 0
 - Swedbank: 0
 - Handelsbanken: 6
 - Danske Bank: 0
- Withdrawals and deposits are done through a ATMs (Bankomat AB, jointly owned)

Legislation

- Legal tender is in practice voluntary
- New law in force from 2021 on bank's provision of cash services (Law 2010:751)
 - Joint responsibility for banks with deposits above SEK 70 bn (EUR 7 bn)
 - Geographical cover: more than 25 km to service pointy
 - Withdrawals: less than 0.3 per cent of population
 - Daily takings: less than 1.22 per cent of population
 - No requirement on:
 - Deposit services for consumers
 - Coins
 - OTC services

Upcoming legislation & inquiry

- New central-bank act from 2023?
 - Increased requirements for Riksbank to ensure cash depot services
- Inquiry on the state's role on the future retail payment market
 - Launched December 2020 after Riksbank petition to parliament (2019)
 - Report in November 2022
 - The role of public money
 - Cash
 - E-krona (central bank digital currency, CBDC)
 - The role of the private- and public sectors
 - http://www.sou.gov.se/wp-content/uploads/2020/12/Terms-of-Reference-Fi-2020_12-Betalningsutredningen.pdf
 - <https://betalningsutredningen.se/>

The e-krona project

- Started in 2017
- CBDC complement to cash
- Public-private cooperation
- Intense international cooperation
 - Group of central banks
 - BIS/CPMI/G20
 - G7
- An emerging consensus?
- Technical development
- <https://www.riksbank.se/en-gb/payments--cash/e-krona/>



Thank you!

Extra

Changing environment for CBDC

ZLB
Crime
Bitcoin
Cash

E-kr project
starts
- a lot of
criticism

Stablecoins
Libra
China
Cross-border
Covid

New interest
- ECB, FED, ...

”I believe we should consider the possibility to issue digital currency. **There may be a role for the state to supply money to the digital economy**”

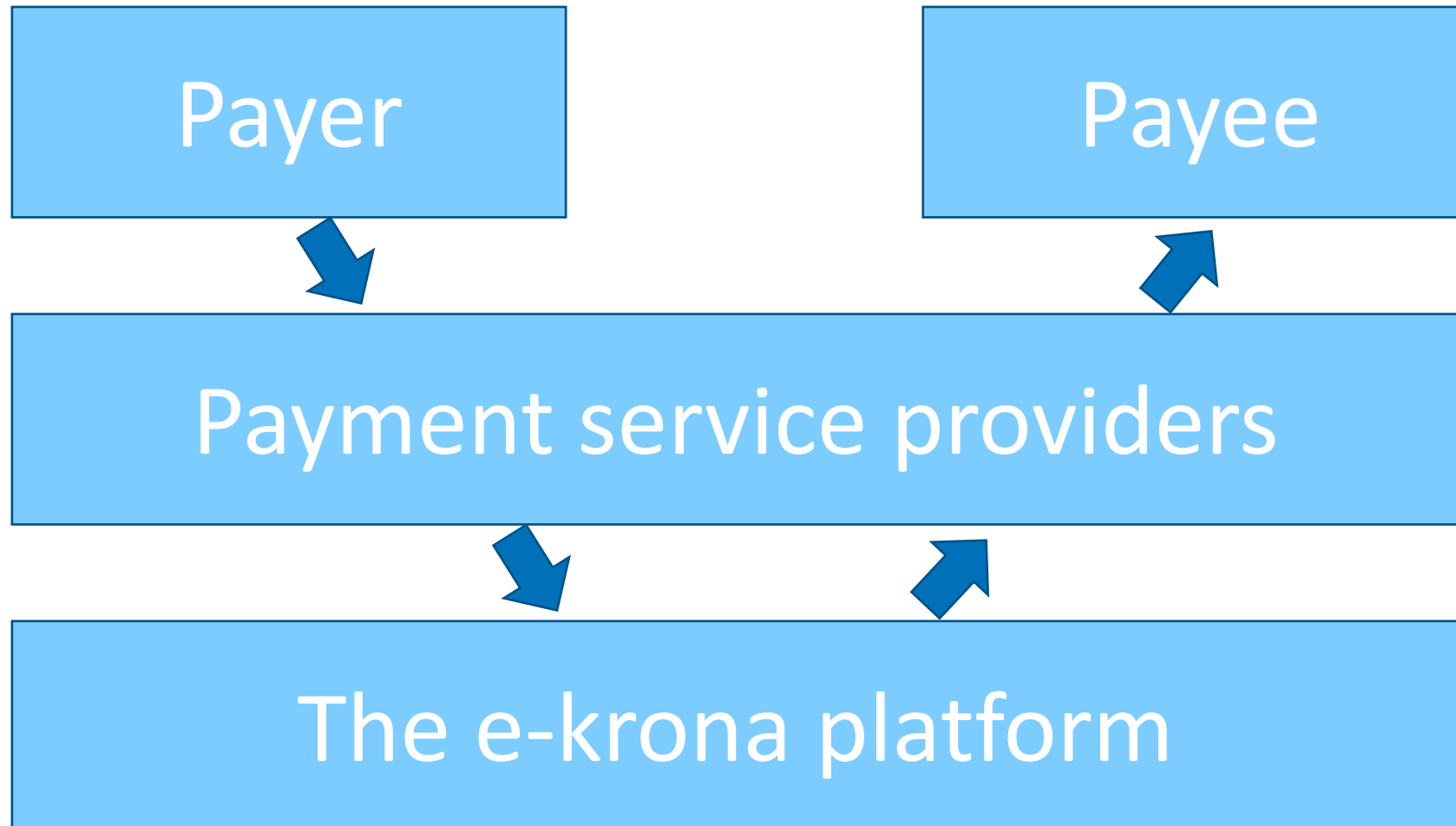
Christine Lagarde, 2018

Overall concept – Which basic functions *could* an e-krona have?

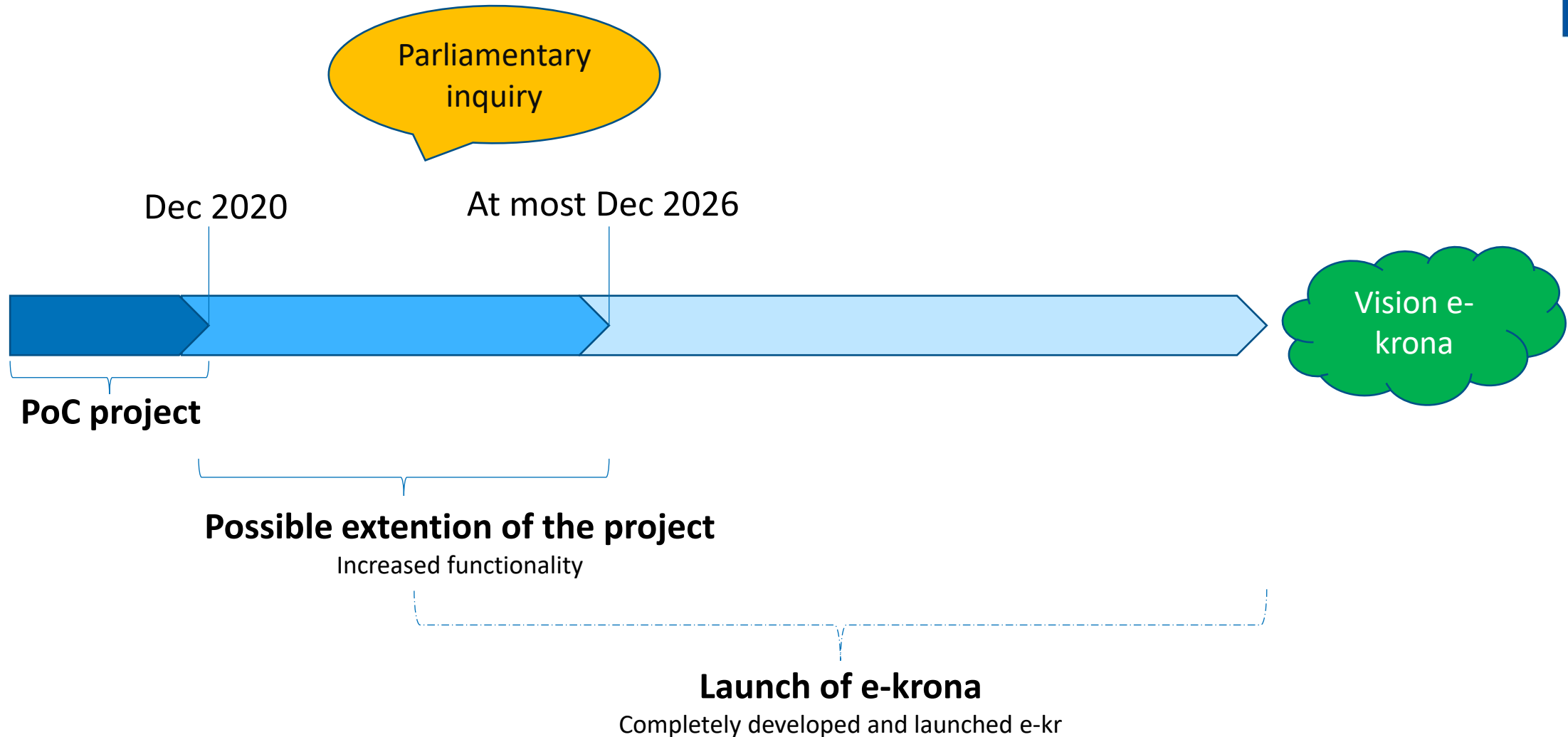
- Means of payment – primarily between households and companies
- Accessible 24/7, real time
- Denominated in SEK
 - Value based (~e-money)
 - Account based (~deposits)
- No legal support for interest rate – initially not interest bearing
- Anonymity (partial)?
- Off-line functionality?



With the market, not against it



Timeline proof of concept project (tentative)



Conceptual architecture for the e-krona pilot

