



European Commission Update

ESTA Conference
Cash is clean
Dublin 16-17 May 2022

Regulation (EU) No 1214/2011

- The Regulation on **the professional cross-border transport of euro cash** by road between euro-area Member States entered into force on 30 November 2012.
- The Commission shall **report to the EP and to the Council** on its implementation **every five years** (*Article 26*); a first review was done in 2017.
- In September 2021 the Commission consulted the relevant stakeholders on the implementation of the Regulation and sent tailor made questionnaires; based on their replies a **second review** of the Regulation has been prepared and **will be soon adopted**.
- **No significant changes** in the implementation of the Regulation since the last review; the results and the recommendations of the second review are very similar to the ones of the first in 2017.

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- In September 2020 the Commission adopted a [Retail Payments Strategy](#) for the EU. The strategy acknowledges the importance of maintaining the **accessibility and acceptance of cash** and refers to the **role ELTEG** should play.

- ELTEG III resumed in 2021 in order to support the Commission to take stock of **latest developments regarding the acceptance and availability of cash** within the euro area with the ECB, national central banks and treasuries
 - ✓ Objectives of ELTEG III:
 - make an up to date **legal and practical assessment of cash's status as legal tender** in the euro area;
 - consider whether there are **new issues concerning the availability and acceptance** of cash which Member States wish to discuss in this forum;
 - consider in particular whether the **2010 Recommendation is still fit for purpose** and whether any emerging issues raised by Member States may warrant possible action at EU level on the legal tender of euro banknotes and coins.

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- The Commission sent **questionnaires in order to gather evidence** with a main focus to take stock of the status of **cash acceptance and cash availability** in the Member States, and to identify associated problems:
 - ✓ **Cash acceptance**: At this stage the Member States' replies do not point to structural problems regarding the acceptance of cash (in general, including by retailers). Despite some Member States **point to some anecdotal cases of cash non-acceptance (for example in urban areas)**, the replies suggest that **cash acceptance is generally still widespread** in their respective Member States.
 - ✓ **Cash availability**: The situation regarding cash availability amongst the Member States is rather heterogeneous. **Cash availability seems to remain strongest** in those Member States which are already **cash intensive**, whilst others point to a **gradual but structural deterioration of availability**, reflected in various issues such as the **reduction of the ATM infrastructure** and the **imposition of withdrawal fees**. Several Member States emphasised that while action might not be acutely needed now, this could change as the situation could evolve relatively rapidly in the future.

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- The Commission's [digital finance and retail payment strategies](#) adopted in September 2020 supported the emergence of competitive pan-European payment solutions and **the exploration of a digital euro**, while continuing to **safeguard the legal tender status of euro cash**.
- The planned creation of a **digital euro**, which may be granted legal tender status, **will complement euro cash** and may have implications for the legal tender of euro cash.
- In the interest of **coherence and better law-making** the Commission considers to provide legal clarification of the **legal tender status of euro cash**, thereby safeguarding the role of euro cash.
- The core of a possible legislative proposal would be, at a minimum, the codification of the CJEU ruling on the **key principles of legal tender: mandatory acceptance, at full face value, with the power to discharge payment obligations**.
- The Commission is seeking the views of ELTEG III on the **possibility to propose legislation regulating legal tender for cash** in the context of the legislative proposal on digital euro.

EU initiative on 1- and 2-cent euro coins

- Article 2(2) of [Regulation \(EU\) No 651/2012](#) states that *‘The Commission shall conduct an impact assessment on the continued issuance of 1- and 2-cent coins. That impact assessment shall include a cost-benefit analysis which takes into account the real production costs of those coins set against their value and benefits’*.
- The Commission carried out a **public consultation** and **targeted consultations** with a broad range of stakeholders, including the ECB, relevant national authorities, professional associations and civil society on a possible introduction of rounding rules for cash payments and the discontinuation of 1- and 2-cent euro coins.
- The Commission is **considering its proposal on a possible introduction of rounding rules for cash payments and a possible discontinuation of the 1- and 2-cent euro coins**, in light of the outcome of the consultations and the impact assessment.

Croatia - Euro changeover

- The Commission has been **closely monitoring Croatia's progress** on the preparations for the changeover to the euro, including through regular meetings with the Croatian counterparts.
- The most **recent meetings were held on 26 and 27 April** with representatives of the Croatian National Bank (CNB), ministries and various stakeholders such as the Consumer Rights Protection Authorities, the business sector, the banking associations, the supermarkets and the retailers. The discussions focused on various aspects of the practical preparations.
- The Croatian government adopted the **national changeover plan in December 2020** and the competent authorities have been applying it since, to guide their practical preparations. The core principle of the national changeover plan is the consumer protection.
- A **MoU** is signed between Croatia, the euro area Member States and the Commission on the **start of euro coin production** and on the preparatory tasks prior to the start of production.
- The Commission concludes **that Croatia's practical preparations are well on track**, according to the action plan and its timeline. It is worth noting the outstanding cooperation between the State institutions and all stakeholders, who have been involved both in the preparation and the implementation of the action plans.



Thank you for your attention

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