

## ESTA Update

# An EU vision for cash ?

*(and if so, what is it ?)*



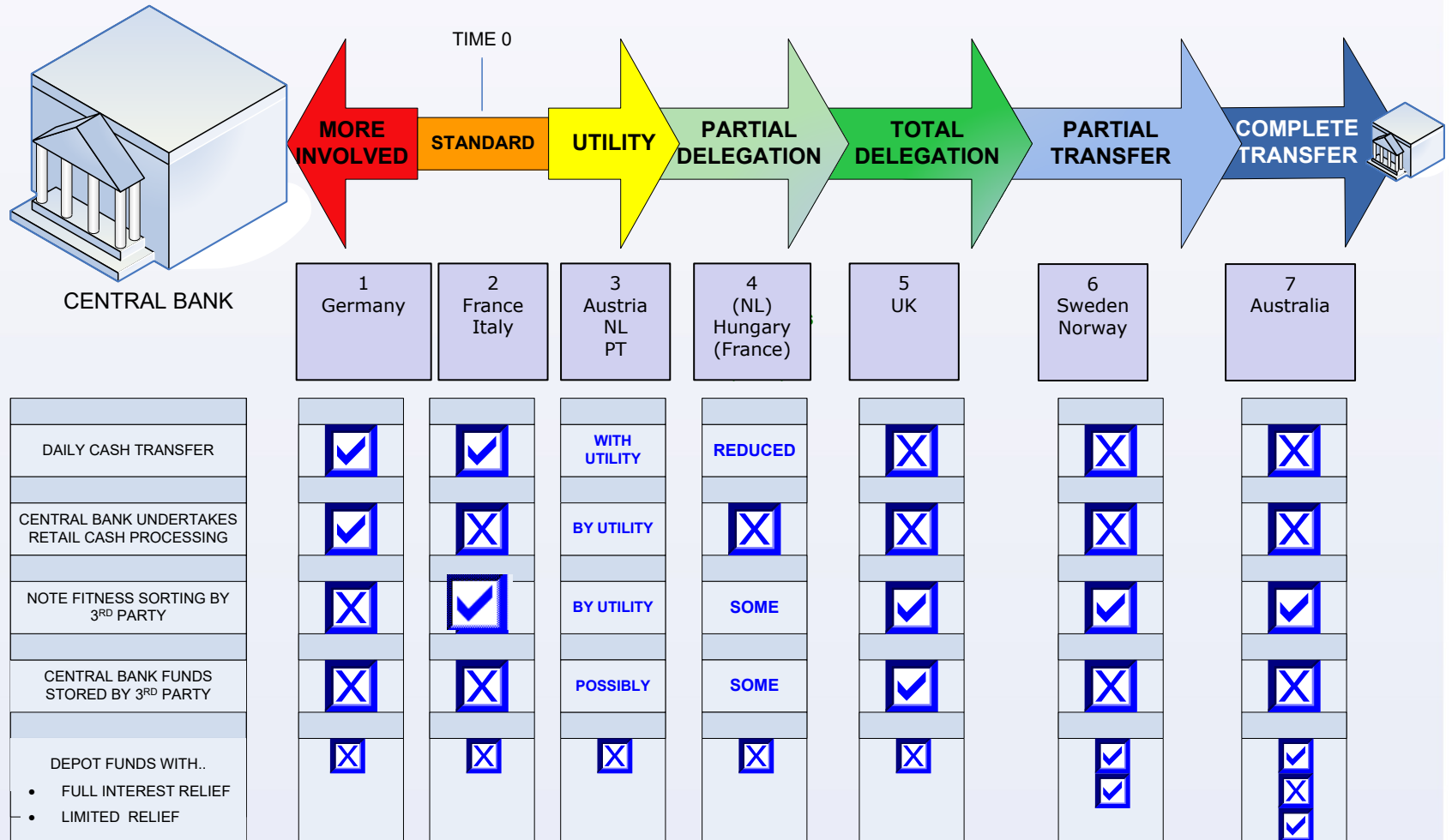
Thierry Lebeaux

Secretary General

Valletta, 22 May 2023

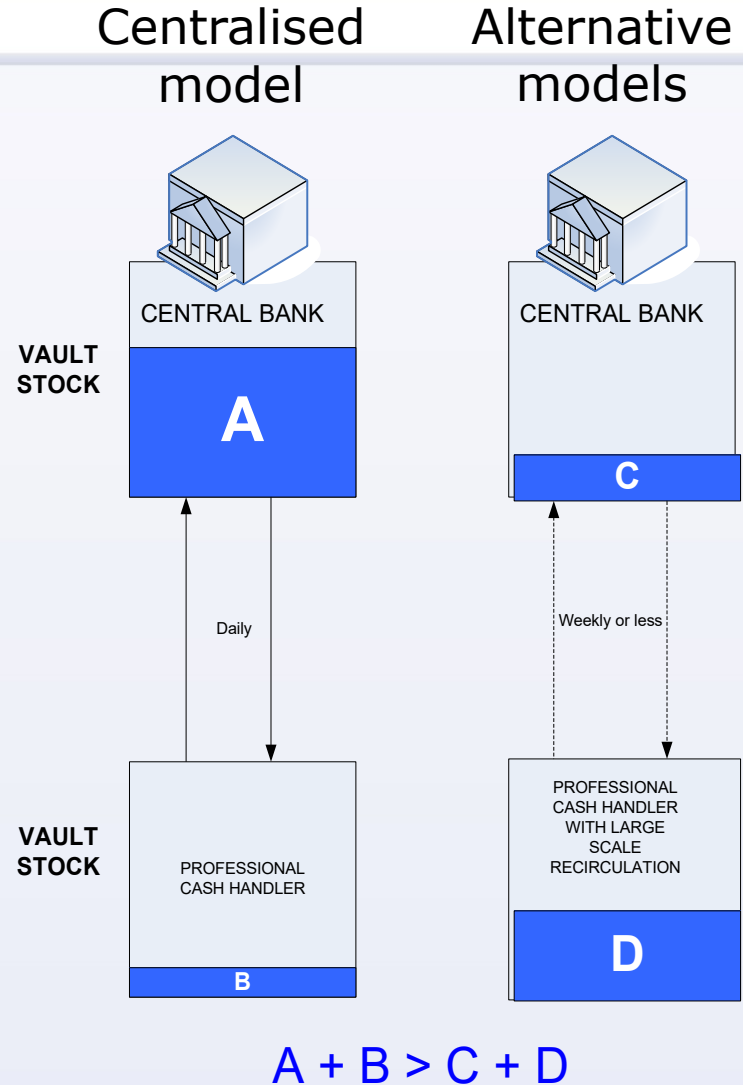
## Schematic models of the cash cycle

(source ESTA – EPC (2012))



### Downsizing trend in NCB branches

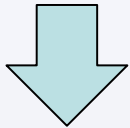
- Challenging when a centralised NCB model downsizes
- Require integration of non-NCB elements in the recirculation cycle allowing for:
  - Less transport
  - Shorter cycles
  - Fewer steps
  - Critical mass



## Citizen's cash

**Income/wages  
paid in commercial  
e-money**

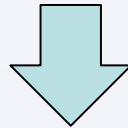
(no choice !)



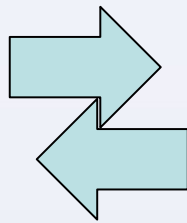
Banking fees

**Bank customers pay  
a fee to collect their  
cash**

(no choice !)



Banks'  
customers



(Retailers)

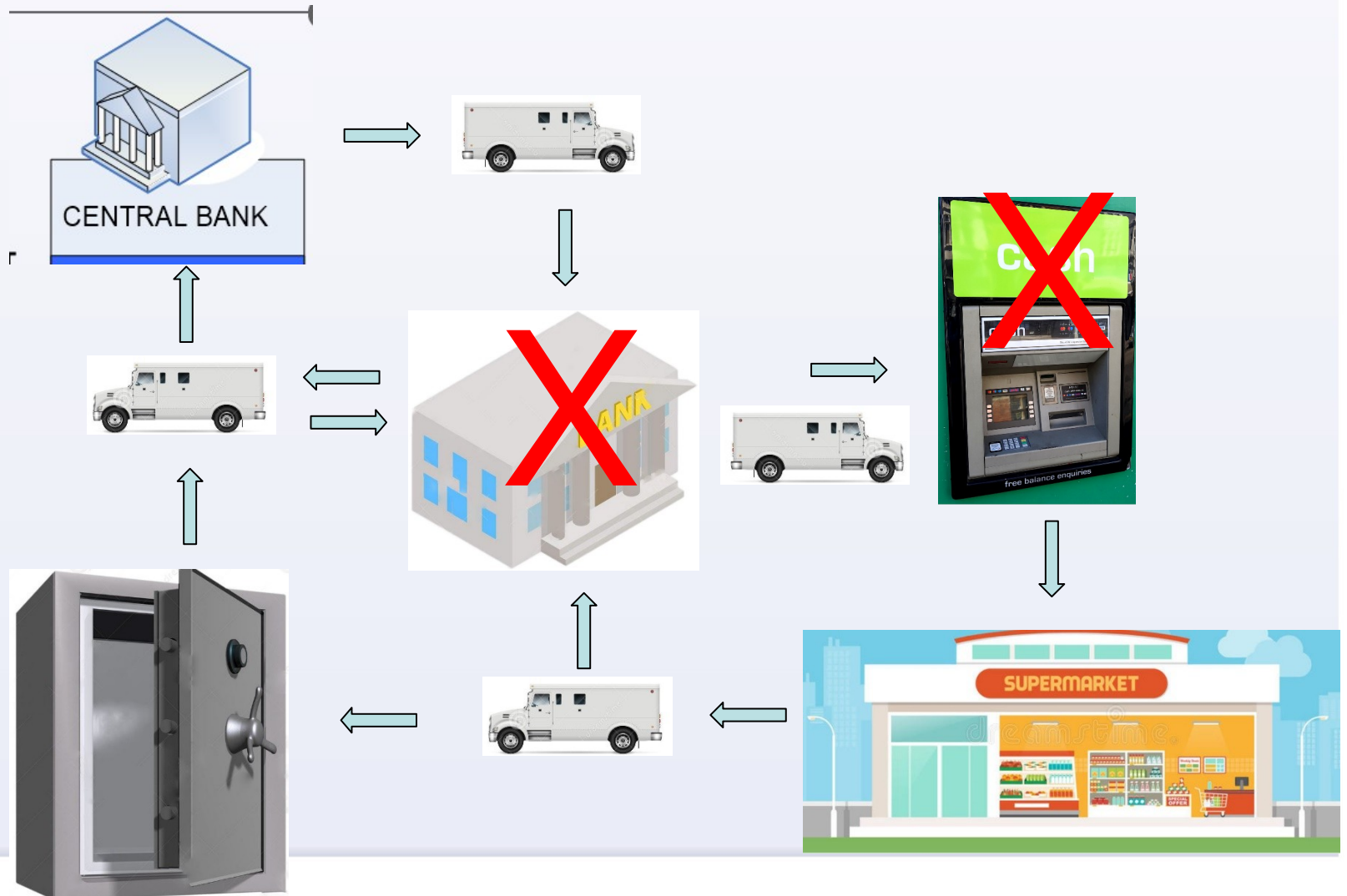


ATM fees  
Card fees

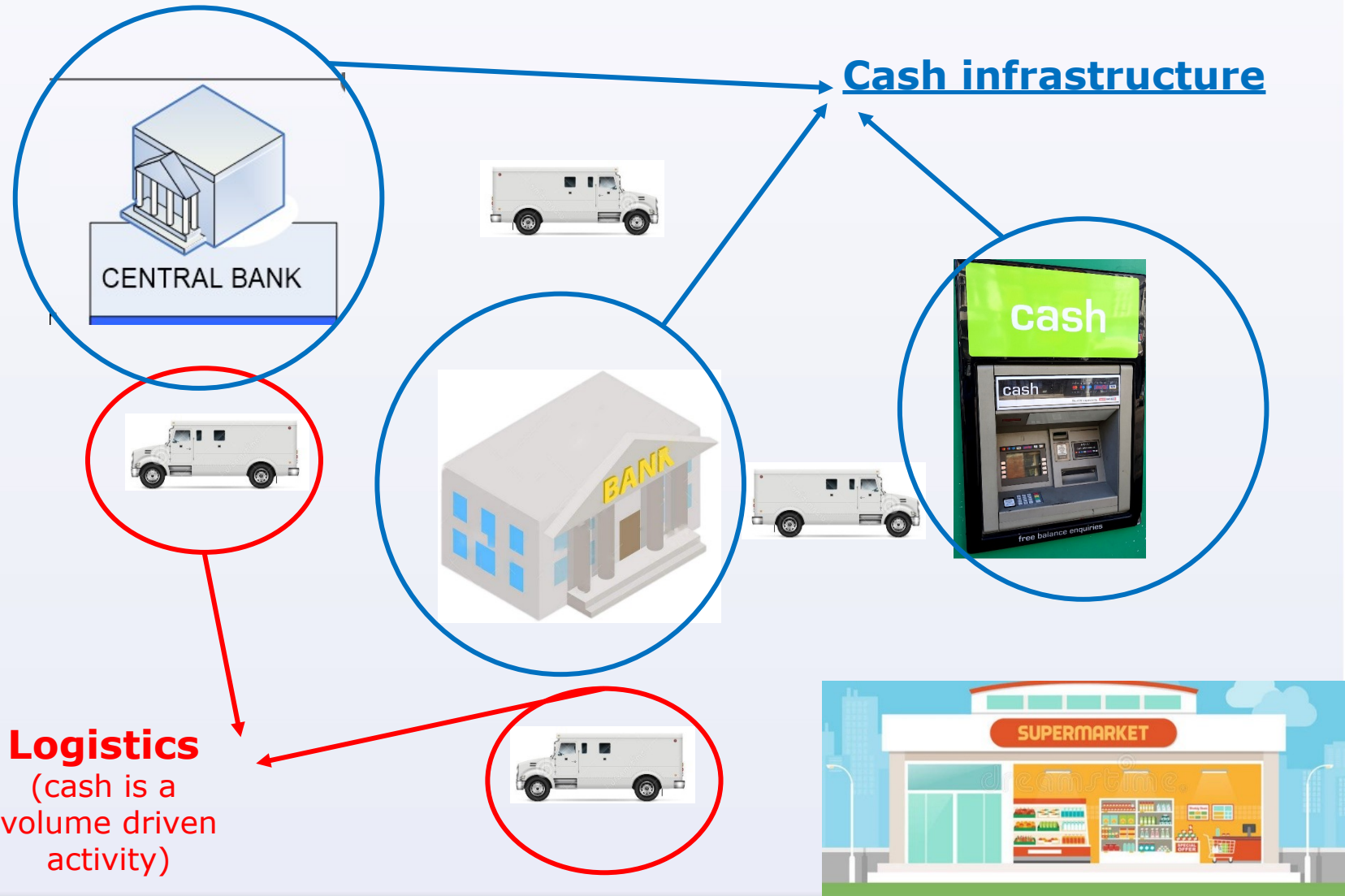
### Trend:

- NCBs' branch closures
- Banks' disengagement from cash
- Banks' branches closures
- ATM removals
- No adequate substitutes (cash-in shops/ cash back)

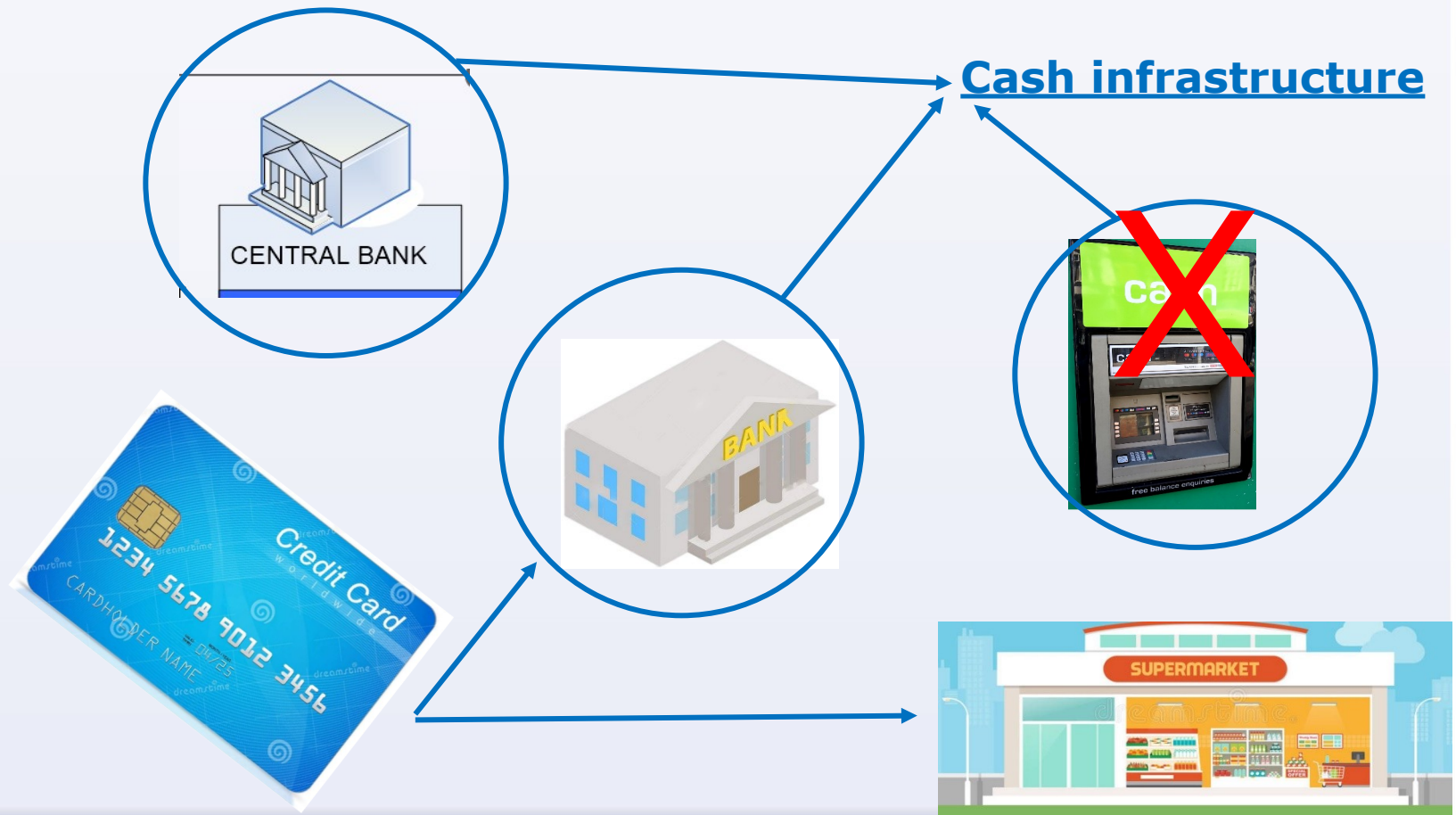
## Cash recirculation



## No logistics without infrastructure



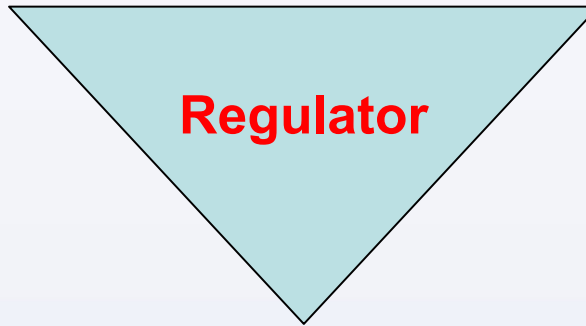
### No cash infrastructure = digitisation of payments



## The “cash Trinity” of monetary policy

**Access**

(infrastructure  
ATMs)



**Acceptance**

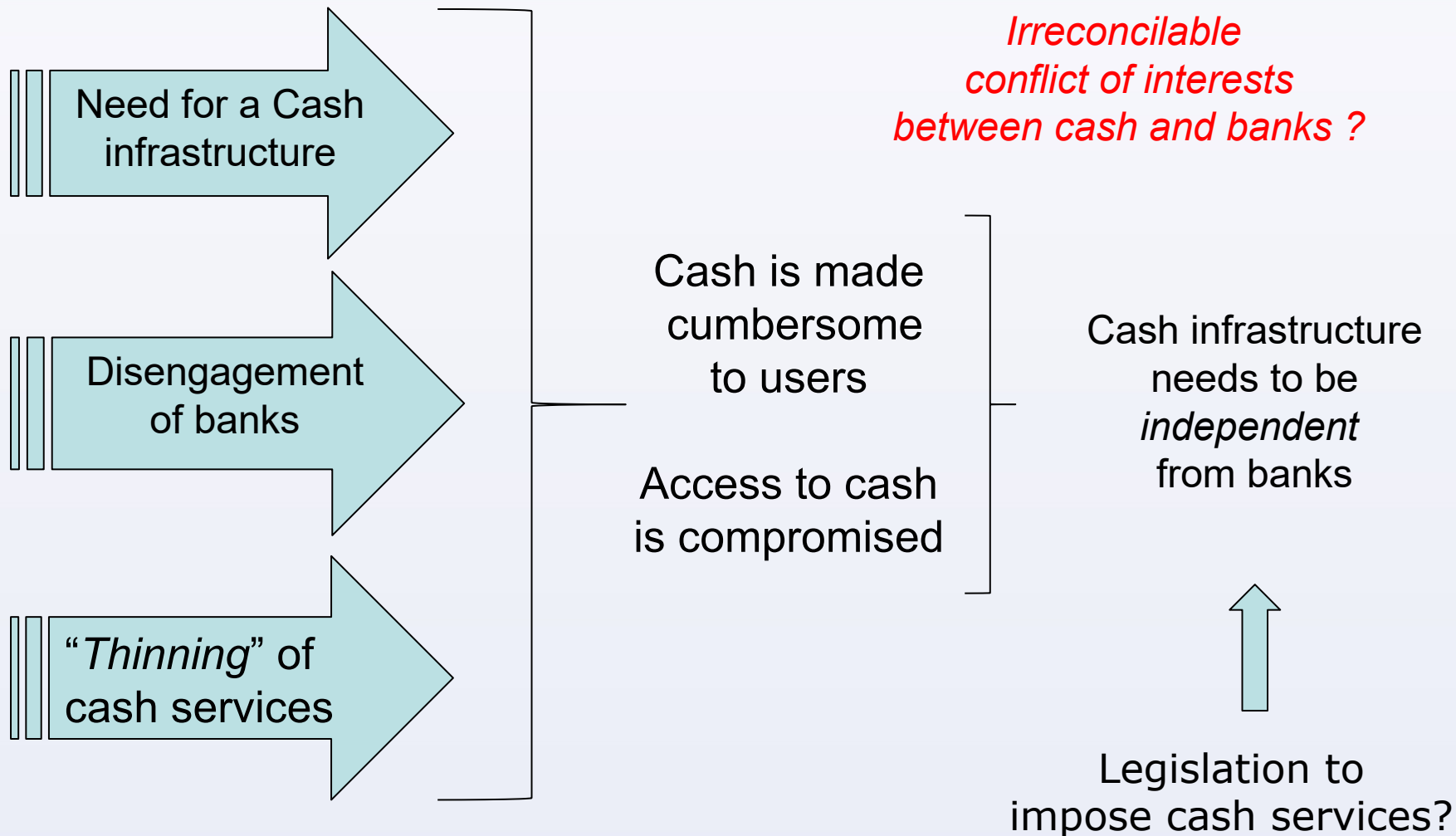
(Legal tender vs  
contractual freedom)

**Change money**

(Local supply  
Bank branches)

**If any of the three poles fails,  
cash cannot operate smoothly**





## Monetary authorities intentions?

- Restore long term cash levels vs medium-term approach
- “2030 cash strategy”

## Legal tender?

- LT *à la carte* for any retailer (“Cash not accepted here”) or enforcement of LT as an EU exclusive competence ?
- Contractual Freedom: *fait accompli* vs mutual agreement?

***Will there be cash post CBDCs?***

*“There is one more major problem with the arguments for a cashless society:*

*Most people don’t want it.”*

(Yves Mersch, former executive director, ECB,  
28.04.2017)

**Thank you !**