ESTA
The Cash Management Companies Association

Position of ESTA on the draft Regulation on Legal Tender of Euro Cash (Com (2023) 364 Final)

21 October 2024

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This position paper is an amended version of ESTA's position paper presented on 22 September 2023 on the draft legal tender Regulation. At the time, ESTA expected a swift adoption in view of the urgency of the matter. Unfortunately, despite the valuable efforts deployed during two Council presidencies, the opportunity for a fast adoption has gone. With three Council presidencies not members of the eurozone between the second half of 2024 until the end of 2025, it is unlikely that much progress will happen any time soon.

The Legal Tender Regulation in a snapshot:

The draft Regulation on the legal tender on cash is a major and much awaited piece of legislation which will fill a very serious gap in the EU monetary policy. Its adoption will have some major impact on cash and cash users:

- in transposing in a clear and concrete way a rather obscure primary law provision into a measure that all, consumers and retailers, can understand and implement easily;
- on the consistency of cash acceptance throughout the eurozone, ending a regime of *de facto* legal tender à la carte where acceptance is left to each individual retailer;
- on the legal certainty of cash acceptance which is critical for consumers;
- on the legal certainty of mandatory acceptance for retailers who now will now know the rules;
- on seeking to fill gaps in the cash distribution and supply resulting from the disengagement from cash of financial institutions.

Failing to adopt it, or adopting it in a weakened form, will reinstate these various loopholes which until today have undermined the legal tender status of cash. It would allow operators dedicated to offer other means of payments than cash to continue their predatory competition against cash, with a risk of disappearance.

The draft Regulation needs to be improved: for example, the prohibition of ex-ante exclusions should be much stronger, the cash cycle should be secured in a strong manner and the provision of change money as well as its distribution channel should be more specific.

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Summary

This position paper on the draft Regulation on Legal Tender of Euro Cash is presented in conjunction with ESTA's position paper on the draft Regulation on the introduction of the e-euro.

Legal tender is, from the point of view of ESTA, the corner stone of the continuation of cash. Only central bank money is legal tender, and as a consequence, legal tender is not only what distinguishes cash from other forms of money, but also what grants it its precedence over any other forms of money.

ESTA challenges the views that the decline of cash volumes is unstoppable, as seems to be the background of the legislative package on the single currency (legal tender and digital euro). Cash is only dropping as it does because it is let to do so by very powerful commercial interests promoting lucrative forms of private electronic money. As the EU institutions acknowledge it, the process is nothing short of a privatisation, if not a takeover, of money by private firms, most of them are not even European.

In the views of ESTA, the three critical aspects for the future of cash are i) an effective distribution and supply of change money to retailers, to ensure the smooth operation of cash payments and ii) the adoption by Member States of effective and deterrent sanctions for anyone refusing cash without good reasons. The third critically important element of the future of cash is to protect it from unfair competition from commercial e-money providers. Cash is resilient to many causes of disruption that may affect electronic money, though cash needs to work efficiently every day to be a reliable fall-back in such cases.

The draft Regulation on Legal Tender is presented as a kind of a subset of the introduction of the e-euro, which is aimed at securing a stronger central bank monetary anchor due to the declining volumes of cash. However, since the digital euro is supposedly only meant to complement cash, not substitute for it, cash has to co-exist, particularly as the ability to hold digital euros will be capped.

ESTA considers that the solution to the problem that the e-euro is meant to fix (the weakened monetary anchor resulting from the severe reduction of cash) could be solved in a simpler, faster, safer and more reliable way by putting in place a robust defence of cash rather than reinventing the wheel. The reason is that demand for digital currency will remain weak in countries where cash use is already low. Therefore, the creation of a digital euro will not, by itself, solve the question of the monetary anchor where cash has gone too low. Cash use will have to be increased first. Also, an e-euro will require cash to provide a satisfactory monetary anchor: therefore, with or without the digital euro, cash volumes will have to be restored.

ESTA therefore suggests that:

- All ex-ante restrictions (Article 7) should be prohibited, with the only exceptions to the mandatory acceptance to cash being based on good faith reasons.
- The adequate availability of change money must be considered as an integral part of legal tender and the adequate supply of cash, as it is otherwise the perfect stealth weapon against cash. The

appropriateness of the level of cash supply must be assessed by the European Central Bank on the basis of objective criteria, and not by Member States.

- A direct system of reporting by consumers must be put in place to assess in good time any major loopholes in compliance;
- Effective penalties should be put in place by Member States in case of refusal of cash as a means of payment according to Article 12.

Position of ESTA on the draft Regulation on Legal Tender of Euro cash (Com (2023) 364 Final)

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Introduction

ESTA is very pleased that a number of critical points are reflected in the proposal for a Regulation on legal tender.

- Legal tender must mean legal certainty of acceptance[1];

- Legal tender, as part of an EU exclusive competence, cannot be left to the discretion of any retailer deciding on whether cash is, or is not, legal tender in their premises. This is explicitly acknowledged in the Impact Assessment which states that "*different interpretations undermine the EU competence*" which "*is inconsistent with the notion that the single currency has legal tender across the euro area".*[2] The very principle is that the status of legal tender is incompatible with a *de facto* "legal tender à la carte", which has prevailed until now;

- ESTA is also very pleased that the EU monetary authorities acknowledge that the crowding out of cash by commercial e-money is a stealth process of privatisation of money when it states that "*the usage of central bank money could be more and more replaced by private money and private electronic means of payment*".[3] The vast majority of them are in addition not even European, making intra EU payments highly dependent from third countries. There is no better reason to protect cash against its substitution by commercial money.

Access to cash is an integral part of legal tender, as cash can only be used if available. The conundrum is that cash is made available through its main competitor. Until alternative channels of supplying cash can be made sustainable, commercial banks must continue to supply cash. If they don't want to do it themselves, it is their responsibility to delegate this task to a third party.

A critical omission in the Impact Assessment, and subsequently in the legislative packet, concerns the role of change money. This role is unquestionably a key factor for the use of cash. The availability of change money is part of the legal tender of cash as cash cannot be used adequately if retailers cannot return the change money to payment in cash. Since change money is also part of the exemptions to the mandatory acceptance of cash, it must be ascertained that it is not a means used to by-pass the mandatory acceptance of cash.

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[1]The Impact assessment mentions it a number of times, but particularly in Box E "acceptance of cash", page 38.
[2]IA, at page 27
[3]IA, at page 47

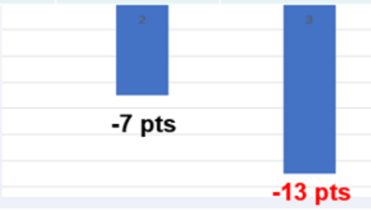
I. Preliminary comments on the legislative package of 28 June 2023

I.1 THE NEED FOR A STRONG LEGAL TENDER FOR CASH

Cash is a physical central bank money and is the only form of money to be legal tender. However, the concept of legal tender can vary from country to country. It is in competition with other forms of money, and, in its functions as a means of payment, with private electronic money. According to the prophecy and expectations of MasterCard in the mid-2000, cash is not far from "going down the drain", if nothing serious is done about it rapidly.

EVOLUTION OF CASH PAYMENTS AT THE POINT OF SALE IN THE EURO AREA
(IN VOLUMES)

Year	2016	2019	2022
% (Vol.)*	79	72	59



* Sources: ECB SPACE surveys 2019 & 2022; SUCH 2016

The graph above shows the evolution of cash payments at the point of sales based on ECB surveys, going down from 79% in 2016 to 72% in 2019 and 59% in 2022, i.e. at a pace which doubles from 2019 to 2022, compared to the 3-year period before. By definition, this is "exponential".

As the documents attached to the legislative package confirm, the replacement of cash (central banks, public money) by (private) electronic payment is nothing short of a privatisation of money. However contrary to usual privatisation processes where private parties pay to acquire public assets, in this case, private parties are remunerated each time privatisation progresses. Each electronic payment made in lieu of a cash payment generate fees for the payment service operator. Since these companies are mostly non-European, the fees paid to them constitute a massive transfer of wealth from the EU to third countries.

Very powerful commercial interests are coalised against cash. The demise of cash in society is not happening just by chance. It is provoked. There are a number of reasons why a retailer might want to refuse cash as payments in its premises, and sometimes these reasons can be because the retailer is sponsored to become cashless. In any case, there is a strong commercial pressure against cash, from the reward of the card holder by "miles" for using a card or through recurrent cash tarnishing campaigns, as recently experienced during the COVID crisis, when card operators expressed explicitly the views that "*paying in cash is extremely risky*".[4]

[4] Position paper from MasterCard, 20.04.2020, to the EBA, obtained by ESTA through the Transparency Regulation. Visa issued a similar position at the same time. Noteworthy was that both documents called for a postponement of their SCA deadline. In other words, "*please increase the limit now and we'll increase the safety of payments later*".

Cash therefore needs a strong legal tender framework to have a chance to compete with the commercial pressure behind electronic payments and the millions of euros of fees that they generate for a various number of intermediaries.

I.2 THE USE OF A REGULATION FOR LEGAL TENDER

The decision to use a Regulation to codify legal tender in EU law derives from objective criteria, of which the need for uniform and consistent implementation throughout the jurisdiction where it applies. This also reflects the fact that the measure is one belonging to an exclusive competence of the EU as confirmed by the ruling on joined cases 422/19 and 423/19.

Critical elements of legal tender, such as the principle of mandatory acceptance of cash and the exceptions to the rule need a Regulation, to be uniformly applied throughout the eurozone. The rules on access to cash, essential for cash to work smoothly as a means of payment, also have to be interpreted consistently. Otherwise, the justification to use a Regulation is just inexistent.

The interpretations of what acceptance of and access to cash should mean cannot be left to Member States, particularly in an area of 20 countries with widely diverging culture on cash**. Leaving such critical aspects to individual Member States merely defeats the purpose of a Regulation**, particularly when *in fine* it leads each individual retailer to decide arbitrarily whether an EU exclusive competence is to be implemented within its premises or not, if it is entitled to refuse payment in cash on virtue of its contractual freedom.

I.3 SEVERE IMBALANCES BETWEEN THE FRAMEWORK PROPOSED FOR THE DIGITAL EURO AND CASH

The package adopted in June 2023 currently being considered is composed inter alia of a proposal on the legal tender for cash, the introduction of the e-euro and the revision of PSD2 into a new PSD3 and two new Regulations. Although the proposals are distinct, ESTA sees all three initiatives as part of a whole process. The package is characterised by a substantial asymmetry in the treatment of the three different payment instruments concerned, namely cash, commercial e-money and central bank e-money:

- The legal tender for cash is arguably weaker than that of the forthcoming e-euro; ex-ante exclusions for the e-euro are not tolerated, whilst they are permitted to remain for cash and left to Member States to monitor;
- the adequacy of the channel of distribution of cash, which suffers serious loopholes with the increasing disengagement of banks, is left for most of it to the Member States whilst that of the e-euro is precisely defined and strictly mandated in the legislation;
- the e-euro is protected by the legislative scheme against unfair/predatory competition from the financial institutions' payment instruments whilst cash is not; cash must be protected in a similar way, to be allowed to subsist;
- the revision of PSD2 aims at ensuring a better choice for payments instruments for the consumers, via a promotion of new forms of commercial electronic money (essentially non-card-based schemes and instant payments), but does not include cash in the choice to be guaranteed by law to consumers.

Although the draft regulation on legal tender for the euro cash is a right step in the right direction, the package as a whole does not appear to be designed to strongly protect the long-term subsistence of cash, nor protect it from the factors which have led to its current demise, as a consequence to the substantial asymmetry favouring non-cash forms of money.

I.4 A FUNDAMENTAL LEGAL FLAW: "CONTRACTUAL FREEDOM"

Discussion on legal tender within the Council are rumoured to be stalled due to the parallel consideration of the right for "contractual freedom". The argument goes that if a retailer decides unilaterally that the exclusive competence of the EU shall not apply in their premises by affixing a note that "cash is not accepted here", the customer is deemed to have accepted a "contract" by entering the shop. Arguably, the customer has been "informed". However, it was not asked to "agree" on something which is imposed on him. The customer might in the contrary disagree on the basis that legal tender entails the mandatory acceptance of a central bank, public money, anywhere.

ESTA goes further by arguing that legal tender and contractual freedom are not of equal status in EU law. Legal tender is part of the primary law of the EU, namely article 128 TFEU. Contractual freedom, on the other side, has no specific legal basis in EU law, at least none that the Advocate General could mention in his lengthy opinion on joined cases C-422/19 and C-423/19.[5] Since European institutions operate on the basis of attributed competences, they can only take into account the rule of law in the Treaty or derived from it. Contractual freedom is a general principle of law, which is therefore irrelevant in the context of legal tender for euro cash, an exclusive EU competence. Not least because much of EU laws in place restricts contractual freedom – competition policy is a good example.

Accepting contractual freedom to restrict legal tender is tantamount to open a serious Pandora Box in future compliance to the law, if anyone is allowed to by-pass legal obligations by claiming their right to contractual freedom. For example, the EU, as part of the Green Deal, has banned the production of combustion car engines from 2035: could car manufacturers decide that they may continue building new combustion engine cars based on purchase contracts from their customers?

II. The definition of Legal Tender and "*mutual agreement*"

ESTA is very pleased that the definition of legal tender proposed in the draft Regulation extends to "payment obligations", not just the settlement of a debt. Legal tender means that cash *must* be accepted as a payment in the eurozone.

Ex-ante restrictions must be forbidden altogether, not just monitored by Member States. It contradicts the principle of mutual agreement ("*cash not accepted here*" is fait accompli, not mutual agreement). In essence, if the retailer accepts different means of payment, of which cash, the mutual agreement lies on the customer to decide how the payment should be settled.

[5] The Court retained none of the developments on contractual freedom, limiting itself in stating that private reasons might justify the refusal of cash.

The draft regulation should match the provisions in the legal tender articles of the digital euro Regulation that "such contractual terms shall be non-binding on the payer".[6] By opposition to the digital euro proposal, the Legal Tender for euro cash proposal seems keen to restrict mandatory acceptance to only a few premises as explained in its 6th recital:

> "*If a Member State concludes that ex ante unilateral exclusions of cash undermine the mandatory acceptance of payments in euro banknotes and coins in all or part of its territory, that Member State should take effective and proportionate measures to remedy the situation, such as a prohibition or restrictions on ex ante unilateral exclusions of cash* ***in all or parts of its territory****, for example* ***in rural areas, or in certain sectors which are deemed essential such as post offices, supermarkets, pharmacies or healthcare****, or for certain types of payments* ***which are deemed essential***." (emphasis added).

There should be no restrictions to legal tender for cash in the same way as Chapter III of the digital euro proposal entails no such restrictions. Both forms of central bank money should have identical rules on mandatory acceptance.

III. Cash payment restrictions by Member States

The Regulation is justified *inter alia* by the need to provide consistency and coherence to legal tender as a central part of EU monetary policy as an EU exclusive competence. Therefore, it is not surprising that the Regulation does not provide for any measure to be taken by Member States to restrict cash payments which would encroach on legal tender, and which would only increase the inconsistency of cash acceptance in the Eurozone. Article 6 allows, however, the Commission to adopt restrictions justified by public interest and proportionate to that aim. These measures presented as "*measures of restriction to the principle of mandatory acceptance*", are therefore clearly restrictions to the legal tender.

There are a number of countries in the EU, and in particular within the eurozone, which have adopted cash payment restrictions, which range from €500 to no limits at all, with sometimes different thresholds for payments to consumers, businesses and administrations. Article 80 of the Regulation on anti-money laundering adopted in May 2024[7] is harmonising payment limitations at 10,000 euros (also "grandfathering" existing lower limitations), thus rejecting amendments from the European Parliament to reduce it further. ESTA considers that these limitations are restrictions to legal tender. ESTA also considers that it defeats the purpose of a Regulation at allow Member States to keep, or apply, new restrictions of a lower limit.[8]

A significant impact of cash payment limitations is to grant commercial PSPs with a <u>legal monopoly</u> for any payment in commercial electronic money above these limits as cash is legally forbidden for these payments.

If cash payment limitations are to be extended to the e-euro, and allowed to remain below the harmonised level that decided in the AML regulation and separately by Member States, the e-euro

[6] Article 10 of the digital euro Regulation

[7] Regulation 2024/1624 of 31 May 2024 of the Council and Parliament on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

[8] The original alleged « legal basis » of Recital 19 of Regulation 978/98 is flawed for a number of reasons, of which it was a transitory measure related to the introduction of the euro, and no relevant provision exists in the body of the Regulation, while a recital is not a normative provision of a legal act.

payment limits will be in some places much lower than the forthcoming e-euro holding limits. That risks further jeopardising the adoption of the e-euro by the public in those countries.[9]

IV. Access to Cash

ESTA is pleased to see that "*the improvement of access to cash is a priority of the Commission*"[10] and "*where cash provides consumers with an alternative to digital means of payment, improved cash availability is therefore in consumers' interest*".[11] ESTA has consistently raised the risk in cash supply related to the commercial banks' disengagement from cash, which is now well acknowledged. This creates gaps in the cash cycle leading to serious tensions and restrictions in cash availability, which contributes to digitisation of payments.

The provisions in the draft Regulation are, by far, suboptimal to secure an appropriate access to cash. It seems very difficult to convince commercial banks to provide access to cash when they fail to invest in cash technology and see cash as a cost they wish to get rid of. Leaving the monitoring to Member States with widely different cash cultures is also something that defeats the purpose of a Regulation, if the justification is in the homogeneous implementation of the rules.

In addition to Member States of the participating countries reporting to the Commission, ESTA feels that it will be important to establish a system of **consumers direct feedback**, by way of a dedicated website or email address, where consumers can report on cash payment refusals or inadequacy of cash availability. It is essential that this can be done in real time, and not wait until each implementation reports are submitted by the Commission.

V. Access to change money

Another critical dimension of access to cash concerns the **availability of change money**, an issue which is not raised in any meaningful way in the Impact Assessment or the draft Regulation. Since the absence of change may be raised as a good faith reason for refusing a payment in cash, it is essential to ensure that retailers have change money available, and do not abuse of this excuse to refuse cash. The cash infrastructure for change money (coins essentially) is more challenging than that for notes, as coins are heavy, low nominal value and require a local infrastructure even more so than notes. ATMs do not provide coins for change. The absence of change money is the perfect stealth weapon against cash.

With regards to access to cash, and in particular the availability of change money, ESTA suggests that the Commission adopts fairly soon after the entry into force of the Regulation an implementing act under Article 8 of the draft Regulation, as per article 9, in order to secure change money for retailers.

[9] See ESTA's paper on the draft regulation on the e-euro, page 9.
[10] According to Recital 62 of the draft directive on PSD3, repealing PSD2, (COM(2023)366 Final of 28 June 2023)
[11] Impact Assessment of draft PSD3, at page 179.

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VI. The rationale of the digital euro and its relevance to cash.

ESTA is following with interest the introduction of the digital euro, as the Impact Assessment says, and the "*weakened monetary anchor*". Cash replacement by commercial e-money is also, as said earlier, a recognised form of privatisation of money acknowledged in the Impact Assessment, when public money is crowed out by commercial forms of money. These are issues which ESTA has raised a number of times in the past, and we are pleased that this reality is now officially acknowledged.

The introduction of the digital euro is explicitly motivated by the severe decline of cash, a trend which is "*expected to continue*".[12] A number of official statements since the introduction of the draft Regulation for a digital euro continue to stress that the decline of cash is the key driver of the digital euro, a decline which, according to a number of statements, seems unstoppable. The digital euro is presented as complementing cash, not substituting for it, and for various reasons will be subject to holding limits, which do not exist for cash.

Since the digital euro is aimed at only complementing, not substituting for, cash, the decline of cash will have to be stopped at some point. Otherwise, no cash and capped holding limits in digital euro (Article 16) will not allow to provide a sufficient "monetary anchor" sought by the legislative package.

Cash is only declining as it does because it let to do so. It is allowed to decline because some key stakeholders in the cash cycle have decided to disengage from cash and offer alternative, far more lucrative, payment services instead. Cash is allowed to go, simply to leave the space to commercial profits of a few, mostly non-European, payment service providers.

The way a digital euro will work will most likely lead to costs having to be paid by its users, in opening and managing dedicated accounts and devises/terminal to be able to use it (even if it is only a card). Intermediaries will not be remunerated and their fees will be capped. For cooperative banks for example, whose customers are usually low-income earners (most below the possible limit of 3,000 euros), the risk of disintermediation is high. The incentive to operate digital euros accounts for banks will therefore be limited, when users will be limited likely to a max of 3,000 euros. Why would banks want to invest much into making the digital euro work when their and their customers' interest is low? The question should therefore rather be not to let cash go down below its critical mass before it is too late. The eurozone should learn from Sweden, where cash has reached very low volumes: the Rijkbank issued a note where it is stated that "*Banks need to take responsibility for their corporate customers' daily takings and petty cash*."[13] In New Zealand, experience to develop a cash cycle without commercial banks are still financed by commercial banks which are held responsible for cash supply, even if they do not do it themselves.

The promoters of the digital euro should be wary of recent experiences in various parts of the world. The Swedish Central Bank has announced that it is stopping work on the e-krona, as it fails to see a

[12] Impact assessment at page 22. As stated in ESTA's position paper on the e-euro, the argument of the development of the e-economy is, in the light of how it has mushroomed without digital central bank currency until now, not entirely credible.

[13] https://www.riksbank.se/en-gb/press-and-published/notices-and-press-releases/notices/2024/banks-need-to-take-responsibility-for-their-corporate-customers-daily-takings-and-petty-cash/

"*sufficient social need*" for it,[14] whilst it continues to look at the technicalities of the e-krona. Similarly, in the US, the FED is currently working on two questions before progressing on the e-dollar: "*what is the issue to be solved with it?*", and "*what current frictions exist or may emerge in the payment system that only a CBDC can solve or that a CBDC can solve most efficiently?*".[15] In the UK, the House of Lord Economic Affairs Committee reported that it "heard many on the risks associated with CBDCs, but very few able to point to its benefits", so much so that it referred to CBDCs as "*a solution in search for a problem?*".[16]

A number of arguments deployed for the e-euro, namely the protection against unfair competition of electronic PSPs, the need to secure a level playing field between the e-euro and commercial electronic money, the risk of overcharging in processing of e-euros (as overcharging or reducing cash services has occurred), could also be deployed for cash. Cash needs to be protected from the unfair competition of commercial money (which includes any tarnishing communication on cash), it needs to be protected from stealth anti-cash strategies: suppression of change money, reduction of cash services, both deposits and withdrawals, pooling of ATMs which limit competition and allow to charge fees, etc.

In addition, as ESTA has developed in its position paper on the digital euro, the potential of a digital currency in restoring the monetary anchor weakened by the reduction of the place of cash will only be successful if the e-euro is widely accepted by retailers and consumers. There are reasons explained in our position paper to anticipate that this may not be spontaneously the case. Furthermore, demand for digital currency will remain weak in countries where cash use is already low:[17] cash use will have to be increased first. Also, an e-euro will require cash to provide a satisfactory monetary anchor. Therefore, with or without the digital euro, cash volumes will have to be restored.

Conclusions

ESTA is welcoming the proposal for a Regulation on the legal tender for cash. ESTA regrets that the adoption was not swiftly enacted as was initially the objective of the Spanish and Belgian presidencies.

Since this opportunity is now gone, ESTA advocates for three changes in the draft Regulation:

1. In article 4, no ex-ante restrictions must be allowed anymore as it defeats the very principle of a uniform and consistent implementation sought in proposing a Regulation. Exemptions to the mandatory acceptance of cash must be strictly limited to good faith reasons, with a specific attention to change money (see below).

2. The assessment of the appropriate level of access to cash must be left to the European Central Bank, not to Member States with different cash cultures. There must be objective criteria defined, based on different categories of population densities. Solutions such as those proposed in the revision of the Payment Services Directive and Regulation, such as cash back and cash-

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[14] https://www.riksbank.se/en-gb/payments--cash/e-krona/

[15] Cf "*Considerations for a Central Bank Digital Currency*"; Remarks by Michelle W. Bowman, Member Board of Governors of the Federal Reserve System at the Georgetown University McDonough School of Business, Psaros Center for Financial Markets and Policy, Washington, DC 18 April 2023 — See also ESTA's position paper on the e-euro.

[16] House of Lords Economic Affairs Committee "Central Banks Digital Currencies: a solution in search of a problem ? 13 January 2022 (https://publications.parliament.uk/pa/ld5802/ldselect/ldeconaf/131/131.pdf)

[17] Tanai Khiaonarong and David Humphrey, "*Cash Use Across Countries and the Demand for Central Bank Digital Currency*", IMF working papers WP19/46, March 2019.

in-shops are only emergency solutions and are not adequate proxies for existing gaps in the cash infrastructure. The Commission and the ECB should consider revisiting the typical model of the cash cycle without commercial banks, if they do not want to deal with cash anymore, and look into the consequences on the business model for cash, as consumers should no longer be asked to pay banking fees for cash services which they don't provide anymore.

3. The assessment of cash supply must also include the provision of change money, coins and low denominations notes, as cash may only be allowed to work smoothly if retailers have change to give back to their customers. The suppression of change money is the perfect stealth weapon against cash. If a fair reason to refuse cash is the absence of change money, guarantees must be secured to avoid that the suppression of change money is not organised so as to have a reason to refuse cash and circumvent the principle of mandatory acceptance of cash as a payment.

ESTA hopes that this position paper is of interest and that its suggestions will be endorsed and implemented.