



**Independent
Retail Europe**

**PROPOSAL FOR REGULATION ON THE LEGAL TENDER OF
EURO BANKNOTES AND COINS
- POSITION OF INDEPENDENT RETAIL EUROPE -**

DECEMBER 2023



COMMENTS OF INDEPENDENT RETAIL EUROPE ON THE COMMISSION PROPOSAL FOR A REGULATION ON THE LEGAL TENDER OF EURO BANKNOTES AND COINS

The Commission recently proposed a [Regulation on the legal tender of euro banknotes and coins](#), which intends to ensure a widespread acceptance and accessibility of Euro cash. Cash remains an important means of payment for consumers across Europe. However, they often encounter practical difficulties to access cash, because of the (fast) decreasing number of ATMs. We therefore fully support obligation on Member States to ensure sufficient and effective access to cash throughout their territory, in all their regions, including all urban and non-urban areas.

Concerning the principle of mandatory acceptance of Euro cash in shops, independent /local retailers know their customers very well and are aware that most of them want to keep the possibility to pay in cash when shopping. This is the prime reason why the vast majority of retail shops continue to accept cash. However, in certain circumstances, cash acceptance may create important difficulties for retailers.

Retail shops need practical exemptions to the mandatory acceptance principle – article 5 should be supported and extended to three new exemptions

Independent retailers are in direct contact in their shops with their customers. They are aware that most consumers (though much less the younger generations) wish to keep the choice whether they can pay in cash or with other means. Customers' expectation is the prime reason why the vast majority of retail shops continue to offer the possibility to pay in cash. We are therefore sceptical that the mandatory acceptance principle (article 4) will have much of an effect on the already extremely high level of acceptance of cash in retail shops.

However, the mandatory acceptance principle may create genuine issues for independent retailers in specific circumstances, even with the best willingness to offer customers the choice to use their favourite payment instrument.

For instance:

- A retailer can be occasionally short of cash change, or may not have the right denomination mix (which occurs increasingly frequently due to the fact that their main provider cannot provide them with the necessary banknotes and coins).
- A consumer may want to pay a low value item with high monetary value banknotes, leading to difficulty to have the right change for that particular or other customers.

Any mandatory acceptance principle shall therefore be supported by a list of exemptions that caters for these circumstances. **We therefore call on the co-legislator to support the list of exemptions provided in article 5. However, since this list does not cover all genuine issues that a retailer can encounter, it should therefore be extended to cover three new cases.**

For instance, retailers are developing more and more unmanned shops with automatic/electronic self-check-outs, based on innovative retail concepts. **In such shops, there is no staff, meaning that no-one can handle cash during and after payment**, moreover, if automatic cash payments were available at such stores, there would be a high risk of robbery and damage. This leads to usually only accepting electronic payment means in these type of shops.

Another concrete difficulty concerns retail shops located in unsafe areas with high risks of robberies and violence. Shop keepers in such areas may often have already experienced several times robberies or aggressive attempts thereto. In such cases, shop keepers should legitimately be allowed to decide to not accept cash anymore, as it may be the only reasonable solution to avoid the recurrence of such violent and traumatic events.

Lastly, certain circumstances may lead to disproportionate costs on retailers to maintain the possibility to pay in cash. For instance, maintaining cash payments in remote areas (with limited infrastructure to obtain regularly cash and make cash deposits by the retailer) may prove to be far more expensive than for the average retailer/payee. Other infrastructure issues impacting on the cost of accepting and handling cash may also exist.

Key recommendations for article 5 (exemptions from mandatory acceptance)

- ➔ Support the list of exemptions proposed by the Commission
- ➔ Introduce an exemption for unmanned shops
- ➔ Introduce an exemption for shops with high risks of robberies (e.g. unsafe local areas, recurrent robberies in the shop or area)
- ➔ Introduce an exemption for cases the payee faces genuinely disproportionate costs (compared to the average retailer) when accepting cash payments (e.g. remote areas, absence of infrastructure for cash deposit in the area, etc.)

Original version: English – Brussels, December 2023

*Established in 1963, **Independent Retail Europe** (formerly UGAL – the Union of groups of independent retailers of Europe) is the European association that acts as an umbrella organisation for groups of independent retailers in the food and non-food sectors.*

Independent Retail Europe represents retail groups characterised by the provision of a support network to independent SME retail entrepreneurs; joint purchasing of goods and services to attain efficiencies and economies of scale, as well as respect for the independent character of the individual retailer.

Our members are groups of independent retailers, associations representing them as well as wider service organizations built to support independent retailers.

Independent Retail Europe represents 23 groups and their over 462.000 independent retailers, who manage more than 737.000 sales outlets, with a combined retail turnover of more than 1,385 billion euros and generating a combined wholesale turnover of 604 billion euros. This represents a total employment of more than 6.390.000 persons.

Find more information on [our website](#), on [Twitter](#), and on [LinkedIn](#).