



OPINION OF THE EUROPEAN CENTRAL BANK
of 5 May 2014
on certain banknotes and coins ceasing to be legal tender
(CON/2014/32)

Introduction and legal basis

On 28 March 2014, the European Central Bank (ECB) received a request from Sveriges Riksbank for an opinion on two related draft legislative proposals, including a draft law on certain krona banknotes ceasing to be legal tender and a draft law on certain krona coins ceasing to be legal tender (hereinafter the ‘draft laws’).

The ECB’s competence to deliver an opinion is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union and the second indent of Article 2(1) of Council Decision 98/415/EC¹, as the draft laws relate to means of payment. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

1. Purpose of the draft laws

Under the draft laws, the current banknotes of the denominations SEK 20, SEK 50 and SEK 1 000 will cease to be legal tender at the end of June 2016, and the current banknotes of the denominations SEK 100 and SEK 500 will cease to be legal tender at the end of June 2017. In addition, it is proposed that the current coins of the denominations SEK 1, SEK 2 and SEK 5 will cease to be legal tender at the end of June 2017.

2. General observations

Sveriges Riksbank has been planning the introduction of a new banknote and coin series since 2010. The new banknotes and coins will be introduced in two stages. In particular, the ECB understands that the first new banknotes in denominations of SEK 20, SEK 50, SEK 200 and SEK 1 000 will be issued in October 2015, while new banknotes of the denominations SEK 100 and SEK 500 will be issued in October 2016.

¹ Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions (OJ L 189, 3.7.1998, p. 42).

The current krona banknotes of the same denominations will cease to be legal tender nine months following the issue of the new krona banknotes of the corresponding denomination.

Based on the background information provided to the ECB, the ECB further understands that the short period when both current and new krona banknotes and coins of the same denomination will be circulated, is justified by the aim of avoiding unnecessary costs for society. Therefore, Sveriges Riksbank has sought to minimise the period of dual circulation to the greatest extent possible.

3. Specific observations

Sveriges Riksbank is the competent authority to issue krona banknotes and coins and to determine their design, including their denominations. The ECB welcomes the fact that Sveriges Riksbank has conducted an in-depth consultation process with stakeholders in the cash market such as banks, retailers and cash-in-transit companies, and that it has taken their views into account when determining the length of the nine-month period, whose expiry marks the end of the legal tender status of the current krona banknotes and coins, as mentioned in paragraph 2 above.

While considering this period to be relatively short, the ECB acknowledges its consequent benefits as including a limitation on the cost to stakeholders. The ECB recognises that the length of this period reflects the preferences of such stakeholders. Moreover, according to current legislation, there is no specific final date for redeeming the current krona banknotes or coins at Sveriges Riksbank once they have ceased to be legal tender.

This opinion will be published on the ECB's website.

Done at Frankfurt am Main, 5 May 2014.

[signed]

The President of the ECB

Mario DRAGHI