



EUROPEAN CENTRAL BANK  
EUROSYSTEM

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ECB-PUBLIC

**OPINION OF THE EUROPEAN CENTRAL BANK**  
**of 20 April 2021**  
**on rounding rules for payments denominated in euro**  
**(CON/2021/14)**

**Introduction and legal basis**

On 25 February 2021 the European Central Bank (ECB) received a request from the Minister for Finance of the Slovak Republic for an opinion on a draft Law amending Law No 18/1996 on prices, as amended (hereinafter the 'draft law')<sup>1</sup>.

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 first and second indents of Article 2(1) of Council Decision 98/415/EC<sup>2</sup>, as the draft law relates to currency matters and 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 law**

- 1.1 The purpose of the draft law is to introduce the rounding of prices of goods and services which are paid in cash to the nearest 5 cent. Cash payments of 1 and 2 cent are to be rounded to 5 cent. For cash payments of other amounts, the non-rounded amount of less than half of the value of 5 cent is to be rounded down and the total remainder of non-rounded cash payments equal to or greater than half of the value of 5 cent are to be rounded up. When the purchase of several goods is paid for by a single cash payment, only the total (final) cash payment is rounded (i.e. the price of individual items contributing to the final cash amount to be paid is not rounded).
- 1.2 The explanatory memorandum explains that the purpose of the draft law is to minimise the need to use 1 and 2 cent coins, with the aim of (a) reducing costs for entrepreneurs and the public in relation to bank fees charged for depositing or processing 1 and 2 cent coins, (b) simplifying the issuance of coins for cash payments, and (c) reducing the use of packaging materials and transportation required for these coins, thus having a positive environmental effect.

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<sup>1</sup> Návrh zákona ktorým sa mení zákon Národnej rady Slovenskej republiky č. 18/1996 Z. z. o cenách v znení neskorších predpisov.

<sup>2</sup> 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).

## 2. General observations

- 2.1 The draft law is not likely to have a real impact on inflation in Slovakia, particularly considering that, except for cash payments of 1 and 2 cent, the rounding of prices is symmetrical and confined to final cash amounts to be paid.
- 2.2 In accordance with Article 128(2) of the Treaty, the competence to adopt measures to harmonise the denomination and technical specifications of all euro coins intended for circulation to the extent necessary to permit their smooth circulation within the Union is vested in the Council of the European Union, on a proposal from the European Commission and after consulting the European Parliament and the ECB. The legal tender status of euro cent coins within the euro area is laid down in Article 11 of Council Regulation (EC) No 974/98<sup>3</sup>. In addition, Article 2 of Regulation (EC) No 974/98 provides that the euro, as the currency of the euro area, is divided into one hundred cent. The denomination structure of the euro coins (i.e. 1, 2, 5, 10, 50 euro cent, 1 euro and 2 euro coins) has remained unchanged since the introduction of the euro<sup>4</sup>. However, the use of different denominations of euro coins, as currently devised, should be periodically and carefully examined by the competent institutions against the criteria of cost and public acceptability. In particular, the Commission should conduct an impact assessment on the continued issuance of 1 and 2 euro cent coins<sup>5</sup>. In this regard, the Commission has performed a public consultation on uniform rounding rules for cash payments in euro, with the response period having closed on 11 January 2021.
- 2.3 With a view to preserving the unity and integrity of the single monetary area, and considering the abovementioned ongoing work of the Commission, the ECB recommends that any rounding rules are established in a harmonised manner at Union, rather than at national level<sup>6</sup>. Accordingly, any mandatory rounding rules on euro coins would appear to call exclusively for Union rather than national legislation given that the euro coins are the only legal tender coins in the Members States whose currency is the euro.
- 2.4 The ECB also considers it important to stress that mandatory rounding legislation must not prevent the 1 and 2 euro cent coins from being accepted as a means of payment as they are *de jure* legal tender in the entire euro area. In this respect, Member States' legislation must not lead to divergent treatment of euro legal tender. In this regard, the ECB understands that the provisions of Article 17a of the Law on Národná banka Slovenska<sup>7</sup> will continue to require payees to accept 1 and 2 euro cent coins in cash payments even after the draft law introduces mandatory rounding. This means that 1 and 2 cent coins remain universally accepted legal tender in Slovakia. The ECB considers it crucial that 1 and 2 euro cent coins remain universally accepted legal tender for so long and insofar as they remain legal tender under Union law.
- 2.5 Finally, the ECB notes that the reduced use of 1 and 2 euro cent coins as a result of rounding would reduce resource consumption and be supportive of a more efficient use of cash. This is in

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<sup>3</sup> Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro (OJ L 139, 11.5.1998, p. 1).

<sup>4</sup> See paragraph 2.1 of Opinion CON/2014/6. All ECB opinions are published on EUR-Lex.

<sup>5</sup> See Recital 7 of Regulation (EU) No 651/2012 of the European Parliament and of the Council of 4 July 2012 on the issuance of euro coins (OJ L 201, 27.7.2012, p. 135).

<sup>6</sup> See paragraph 2.4 of Opinion CON/2014/6 and paragraph 2.4 of Opinion CON/2018/41.

<sup>7</sup> Zákon Národnej rady Slovenskej republiky č. 566/1992 Zb. o Národnej banke Slovenska.

line with the goals of the Eurosystem's Cash 2030 strategy<sup>8</sup> to make the cash cycle as cost efficient as possible and to look at the environmental footprint of cash to identify opportunities to reduce its environmental impact.

This opinion will be published on EUR-Lex.

Done at Frankfurt am Main, 20 April 2021.

[signed]

*The President of the ECB*

Christine LAGARDE

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<sup>8</sup> Available on the ECB's website at [https://www.ecb.europa.eu/euro/cash\\_strategy/html/index.en.html](https://www.ecb.europa.eu/euro/cash_strategy/html/index.en.html)