



For the Europe-wide protection of cash

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Digital euro package: Effectively safeguard the acceptance and availability of cash

Dear Ladies and Gentlemen,

I am the initiator of a petition to preserve cash as a means of payment. The former Vice President of the German Bundesbank, Franz-Christoph Zeitler, and a six-figure number of others have signed the petition at www.Bargelderhalt.eu — and their number is growing by the day. I have appeared several times on German public television over the past months (1).

Last year, the 6th EU Anti-Money Laundering Directive was adopted, granting law enforcement authorities far-reaching powers of control. At the same time, the member states approved an EU-wide cash payment limit of €10,000. When will the limit be reached with these kinds of restrictions? When cash can practically no longer be used as a means of payment?

I have been informed that the relevant ministers of the eurozone countries plan to adopt the proposed regulations on cash and the digital euro in the EU Council of Ministers later this month.

Are you aware that the current design of these proposals is pushing cash to the brink? Do you really want to implement two different definitions of "legal tender"? Do you want to allow a situation in which, unlike the digital euro, cash will not have a clear obligation of acceptance in retail? Or where the electronic euro will be accepted by public authorities, while the official state currency — cash — can be refused by those same authorities? Can it be true that the EU legislator is placing the new and unproven supplementary legal tender, the E-euro, above the tried and tested, constitutionally enshrined legal tender, cash?

Are you aware that such an approach gives the public the impression of a covert attempt to abolish cash? If you approve the regulations in their current form, it will mean that cash as a means of payment will gradually disappear.

Our democracies are under tremendous pressure. Democracy requires transparency, honesty, and openness. But denying cash the foundation it needs to survive — while at the same time reassuring citizens that cash is not in danger and will always remain — could have our society as we know it today heading for major disruption.

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14. 05. 2025
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Show your commitment to cash through action, by advocating for equal treatment of cash and the E-euro.

I am a business consultant, and throughout my career, one principle has always proven true: quality before speed. The eurozone countries now want to rush through the legal framework for the E-euro. Why this pressure, why the haste? Why not pause and take into account the will of the many millions of citizens, and create a foundation on which cash can survive? Don't you also have a responsibility towards these people?

Below I lay out the fundamentals that show why, under the EU Commission's proposed Regulation, cash would have no chance of survival. Being an expert yourself, you will have no difficulty following the reasoning.

Experts from the EU Commission have written that "a cash-like CBDC" could bring about a "decline of cash due to network effects" (2). Upon inquiry, the press office in Brussels explained that a digital euro could theoretically reduce the acceptance of cash, meaning fewer people would use it — or vice versa, that declining use could lead to lower acceptance.

The digital euro is therefore inherently yet another competitor to cash, the one payment instrument that has no advertising budget. This is particularly critical because the declining use of cash is bringing us closer to the tipping point where the infrastructure of acceptance points, ATMs, and bank branches will inevitably fall apart due to cost-benefit considerations. In the Netherlands, 16 percent of pharmacies already reject banknotes and coins (3).

The Cash Regulation proposed by the EU Commission emphasizes the principle of proportionality throughout. This effectively invites the obligation on banks and retailers to accept and hold cash available to be interpreted more and more loosely over time. Unwavering legal protection of cash is therefore crucial:

1. Article 10 of the E-Euro Regulation clearly states that a sign on a shop door will not be deemed to establish a contractual agreement with the customer to exclude the E-euro as a means of payment. An equivalent clarification is missing from the Cash Regulation, which means, for example, that German retailers could cite freedom of contract and reject cash based on the exemption in Article 5 of the Cash Regulation. Legal expert and former Vice President of the German Bundesbank, Prof. Franz-Christoph Zeitler, warned about this in February (4).
2. Article 12 of the Cash Regulation lacks a clarification that eurozone countries must impose sanctions not only for specific violations of the Regulation but also explicitly for the unilateral refusal to accept cash by display on the shop door. Without penalties, this provision is toothless.
3. It is beyond doubt that public authorities will accept the digital euro for paying administrative fees in the future. However, the same must be ensured for cash: on October 13, 2023, the European Central Bank already called for clarification that the Cash Regulation must be binding not only on businesses but also on public authorities (5).
4. The E-euro would be instantly available to anyone with a bank account and Internet access. Bank deposits can be converted to E-euros via smartphone from anywhere. But to withdraw cash, one must find an ATM. This creates an incentive not to use cash. The Cash Regulation requires "sufficient access" to cash, but without defining what is meant by „sufficient“. Please push for a clear requirement: banks must ensure that everyone can withdraw the money they have lent to the bank. 90 percent of the population should have access to cash within two kilometers and within one kilometer in urban areas.
5. A cashback offer at the checkout must not result in the closure of the last ATM or bank branch in a municipality. A "banking infrastructure" must be explicitly maintained, as retailers need to be able to

easily deposit their cash revenues. Otherwise, cash will become too expensive for businesses as cash usage declines. Furthermore, it would be extremely difficult to restore the banking infrastructure if it should be dismantled, whereas cashback offers will disappear automatically if retail cash intake falls (6).

6. According to the draft regulation, it will be upon the EU Commission to determine the rules for monitoring acceptance and availability. What is missing, however, is the clarification that "availability" must include free withdrawal of cash, and free withdrawal for everyone, regardless of the bank, if there only happens to be one ATM nearby.
7. Monitoring cash acceptance should ensure that the only state-issued means of payment is accepted everywhere. The measurement method, according to the Regulation, is set by the EU Commission. It must be clearly stated that acceptance must be monitored not only in grocery stores and pharmacies but also in government offices, public transportation, gastronomy and entertainment venues, hotels, and public parking.
8. Discount chains like Lidl offer customers discounts for paying with a smartphone app — in other words, with their data. Price reductions at the expense of legal tender should be prohibited.
9. The EU Commission reserves the right, under the Cash Regulation, to introduce further exemptions from the obligation to accept cash. Such changes must only be made through the regular legislative process with public involvement.

What will you do to ensure the effective protection of cash, in order to meet the will of millions of citizens?

Sincerely,



Hansjörg Stütze

Please note: This letter will be published.

References

- (1) See under <https://bargeldverbot.info/pressebereich>
- (2) European Commission, "Quarterly Report on the Euro Area", Issue 20, No. 3 (2021), p. 40
- (3) Dutch National Bank, 24th March '24, "Terugloop cash aan kassa gestagneerd, behalve bij parkeren, bioscoop en apotheek"
- (4) Börsen-Zeitung, 24th February '25, <https://www.boersen-zeitung.de/konjunktur-politik/das-bargeld-absichern-jetzt>
- (5) Opinion of the European Central Bank of 13 October 2023 on a proposal for a regulation on the legal tender of euro banknotes and coins, CON/2023/31
- (6) In the UK, the retail sector is already moving away from cashback. Claudio Zeitz-Brandmeyer, a staff member of the Federation of German Consumer Organisations, points this out in an interview with VDI/VDE for the study "Bargeld der Zukunft" commissioned by the Deutsche Bundesbank, January 2024, p. 71