

PRESS RELEASE



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The Riksbank proposes a review of the concept of legal tender

The Riksbank proposes that a committee with broad-ranging expertise shall be tasked with performing a review of the concept of legal tender and of the role of central bank money in a digitalised economy. The committee should also review the role and responsibility of both the state and the private sector on the payment market. The digitalisation of payment may lead to cash not being generally accepted in the future. This, in turn, may lead to the general public no longer having access to central bank money, which can affect the function and efficiency of the entire payment system. The proposal is being put forward in a petition to the Swedish Riksdag.

The Riksbank has supplied different forms of money to the general public for 350 years. Furthermore, banknotes issued by the Riksbank were given constitutional status as legal tender as a result of the 1809 Instrument of Government¹. Cash use has decreased rapidly in Sweden and a scenario within the not-too-distant future, in which cash is not generally accepted, cannot be ruled out. This would be tantamount to a cashless society. The general public no longer having access to any form of central bank money can make it more difficult for the Riksbank to promote a safe and efficient payment system in Sweden, not just in times of crisis and war but also in peacetime. The Riksbank has previously expressed concern over this development and has therefore analysed the scope for introducing a Central Bank Digital Currency (CBDC), an “e-krona”, to which the general public has access.

“We think that the concept of legal tender should be technically neutral so that it fulfils a function even in a digital future”, says Stefan Ingves.

The Riksbank therefore proposes that a committee with all-round expertise be tasked with performing a review of the concept of legal tender, the state’s role with regard

¹ An earlier version referred to the constitutional status being adopted in the 1850s, but the decision was actually taken in connection with the 1809 Instrument of Government. This correction has also been made in the petition.



to means of payment in a digitalised economy and the role and responsibility of both the state and the private sector on the payment market. The committee should propose the legislative amendments needed so that Sweden continues to have a stable and efficient payment market. As time is of the essence regarding this issue, the time-frame for the assignment should not be too long.