Should the Riksbank issue e-krona?

10th Annual Risk Conference
Federal Reserve Bank of Chicago
& DePaul University’s Center for Financial Services

Cecilia Skingsley
Deputy Governor
Sveriges Riksbank

29 March 2017
Luncheon Key Note Address
A common sign in shops, restaurants and hotels

Swedes are using less and less cash
Cash and cards in selected countries (2014)

Source: BIS, ECB, Norges Bank, Banco Central de Chile and Banco Central de Argentina
Demand for cash in Sweden

Sources: Statistics Sweden and Sveriges Riksbank
Why do we have money?
The development of the payments market
Why do we have money?

Means of payment
  +
Unit of account
  +
Store of value
______________________________

= MONEY
Not just banknotes and coins: Various issuers of money

- Issued by the central bank: Banknotes and coins + Electronic
- Issued by the banks: Electronic (funds in accounts)
• Should the market determine the general public’s access to central bank money?

• Should those living in Sweden who do not want to, may not or cannot have access to the banks’ services also be able to manage their payments?
Should the Riksbank issue e-krona?

• The printing press made it possible to print banknotes in its time – our current technology enables electronic payments

• E-krona – a complement to banknotes and coins – not intended to replace them
Many questions need investigating

• E-krona in an account?
• About accounts: With the Riksbank or via the banks?

• Should e-krona generate interest?
• Effects on monetary policy?
• Effects on financial stability?

• Technical issues and design
• Integrity
• E-krona in several different forms?
A two-year project to reach a position

• Perspectives from the demand side
• Potential models of e-krona
• Consequences for the financial system
• Consequences for monetary policy and policy implementation
• Legal perspectives

NB:

• Not certain an e-krona will be launched. Most likely more work after the two-year project.
Examples of digitalized financial assets

From share certificates...

...to account statements
Should the Riksbank issue e-krona?