In this issue:

The Interchange Fee Regulation and the Greek way to trigger a less-cash society

We are very grateful for a lot of information about the new Greek law 4446, analyzed and delivered by **Nikolaos Karatsoris**[1].

(hg) On December 22nd 2016 the Greek government enacted Law 4446 on Electronic Transactions. With the new law, the government intends to push card-based payments in the Greek economy by a twofold approach: The obligation of card acceptance at the POS by merchants and the punishment of cash usage by consumers by removal of existing tax exemptions.

The intention is to capture undisclosed revenue and fight tax evasion, particularly targeting the reduction of the VAT gap. The VAT gap measured as non-realized revenues against potential revenues is twice the EU average (Greece: 28%; EU average 14%; figures for the year 2014).

Widespread card acceptance by retailers as well as by professional service providers must be achieved by July 28th. The new income tax will be applicable from 2017 onwards.

Our Comment:

Finally good news from the Greek administration for the card business, especially for the acquiring side and the POS terminal providers. Besides traditional card acceptance points, like retailers, restaurants and car rentals, where card acceptance is already well established (at least in tourist areas), card acceptance must be extended to craftsmen (like plumbers and electricians), providers of gas, electricity and medical services, residential care activities, education and legal services, telecommunications and gambling, as well as to self-employed professionals , childcare services and every tobacco kiosk, according to a list of merchant categories published by the Ministry of Finance and Economy (April 2017).

It is more difficult to find a merchant category, where card acceptance will not be mandatory after the end of July 2017. Physical enterprises in B2C business ("*payees, in their dealings with consumers*"), which are not covered yet, are obliged to install POS terminals and to accept debit and credit cards at least by the end of 2019.

The penalty imposed for non-conformance is 1,500 €. The new law is a huge governmental "bank aid program" directly financed by merchants and indirectly by consumers, who will probably be confronted by higher prices? Anyway, acquirers, which are mainly Greek banks like National Bank of Greece, Alpha Bank, Piraeus Bank, Eurobank and their terminal providers like the Mellon Group and Cardlink will be the winners of the VAT enhancement program.

By the end of 2015 about 220,000 POS terminals had been installed in Greece (ECB data ware house). That is not a bad figure in relation to the number of inhabitants: 20,176 terminals per million inhabitants. The Greek terminal penetration is higher compared to well-developed card markets, like Belgium (16,775) and Sweden (18,758). Mandatory card acceptance could double the number of terminals as some observers expect. It will definitely catapult Greece to number one on the list of terminal penetration in the EU, overtaking UK and Spain with currently about 30,000 terminals per million inhabitants.

For a Greek merchant the current standard fees for card acceptance for the bank-issued debit and credit cards (with brands of the international card schemes Mastercard and Visa) are quite moderate. For example, Alpha Bank currently offers a terminal rental fee of 9 € per month combined with a flat service fee of 0.8% of the transaction amount.

The merchants are obliged to inform customers at the entrance to their stores and at the till in clearly visible and capital letters that "CONSUMERS MAY PAY WITH CREDIT, DEBIT OR PREPAID CARD". Consumers and their organizations may submit complaints at the ministry for trade and consumer protection. Again a fine has to be paid in case of non-compliance (1,000 €).

It is intended to transmit the data of the card transaction, linked to the cardholder, directly to the tax authorities. Based on this data, a cardholder can maintain his existing tax exemption limit if they spend enough by cards or other cashless payment instruments (e.g. credit transfers). Until the implementation of automatic matching, cardholders should keep their receipts in order to prove card payments in their tax declaration. Welcome to the new Orwellian Greek world of "transparent" citizenship.

In this world, there is no way to maintain privacy, because anonymous card products (like prepaid cards), which are still a legal payment instrument according to the European AML Directive, are not allowed in Greece. At the same time, the threshold for cash transactions, which was 1,500 €, is reduced to 500 € from 1 January 2017 onwards. Put simply: Any purchase of goods and services over 500 € has to be done with cards or other

So if a merchant is not accepting cash for transactions below 500 Euro he will be fined.

If he is accepting cash above 500 Euro, he will also be fined.

cashless payment instruments. A ministerial decision is expected about whether the use of cash for both consumer and merchant transactions above 500€ will be fined with 100€. In Greece however refusing to accept cash is still a crime (Art. 452 penal code). So if a merchant is not accepting cash for transactions below 500 Euro he will be fined. If he is accepting cash above 500 Euro, he will also be fined.

There is another dilemma for the merchant. About 400,000 businesses in Greece are "in the red" with debts to the authorities (tax, social security) and the banks (total debit approx.120 b €). For debts to the state the new Independent Authority of Public Revenues issues bank account confiscation decrees parallel to the card acceptance obligation. Euros remain blocked in bank accounts until the debt is paid off. More than 1,000 confiscations are issued every day. If businesses with debts to the state accept cards, the incoming card turnover, credited on the bank account by the acquirer is confiscated. This will inevitably lead either to an increase in the black market or these businesses will have to declare their insolvency. Mandatory card acceptance in Greece comes along with an absence of protection from bank account confiscations for all enterprises.

It is interesting to see that the new law 4446/2016 is directly linked to the European Interchange Fee Regulation 2015/751 (IFR). Mandatory card acceptance in Greece only applies to card-based transactions of the (mainly 4-party) card schemes, which are subject to the IFR. The European wide price regulation is obviously not a stand-alone measure to re-balance the allocation of costs in a two-sided market. Rather, it is a starting point for further regulation[2] and it will be a new weapon in the "war on cash" in the hand of the regulators.

The same new law 4446 attacks cash also on the other side of the payment market: the payer side. Everyone paying income tax (employees, pensioners, rentiers, farmers etc.) will be punished by a (partial or total) loss of the existing tax reductions (e.g. related to health expenditures). Depending on the taxable income, marital status, number of children etc. the tax reduction varies between about 1,900 and 2,100 Euro per employee and pensioner. To maintain the tax reduction, the taxpayer has to purchase goods and services in Greece or in another EU Member State by cards or other (legal) electronic payment instruments according to a minimum percentage of its taxable income:

< 10,000 €:	10%
10,000 – 30,000 €:	15%
> 30,000 €:	20% (up to 30,000 €)

If the minimum amount is not covered, the tax is increased by 22% of the missing difference, reducing the existing tax reduction (see example). It does not seem difficult to reach the minimum level. However, rents, all medical expenses and purchases of vehicles (including boats!) are not included.[3]

Higher taxes for intractable cash payers

Like elsewhere, in Greece distant payments (including e-commerce) are usually made by bank transfer or other cashless payment instruments. Therefore in order to maintain its tax reductions the taxpayer is urged to substitute cash by cards for his daily expenses. The average value of yearly card sales payments per inhabitant is relatively low: 820 € compared to an EU average of nearly 5,100 € (source: ECB statistics). Only Bulgaria and Romania have lower figures.

The press has dubbed the new law a tax discount for card payers. The opposite is nearer the truth: Higher taxes for intractable cash payers (see example).

Example

An average Greek employee earned in 2016 a taxable income of 15.193 € p.a. (Greece income tax statistics). His gross income tax is 22% (3.400 €). However, his effective tax is 1,524 € according to existing tax reductions (health expenses, etc.). According to the new law he has to spend 15% of his taxable income (15.193 €) with cards or other electronic payments: 2,279 €. If he does not intend to change his payment habits, he will be punished by a lower tax reduction of 321 Euro. In our example this leads to an effective tax increase of 21%.

	Average wage earner in Greece (2016)	Case 1: Same level of card payments as 2016	Case 2: Increase of card payments to 15% of taxable income (required minimum level)
	AS IS (2016)	Since 2017 (law 4446)	
Taxable income	15,193 €	15,193 €	15,193 €
Sales volume by cards	820 €*	820 €	2,279 €
Required sales volume by cards		2,279 €	2,279 €
Missing card volume		1,459 €	0 €
Effect on tax reduction		- 321 €	0 €
Tax range (22%)	3,400 €	3,400 €	3,400 €
Tax reduction	1,876 €	1,555 €	1,876 €
Effective tax	1,524 €	1,845 €	1,524 €

*(2015; no figure for 2016 available)
Assumptions: taxpayers can only reach a minimum of cashless payments by substituting cash by card payments (not by increasing traditional cashless payments like bank transfers)

The idea of the promotion of card payments at the POS (compulsorily or by incentive) to reduce tax evasion was certainly not new.

In 2011 a working paper had been submitted to the Greek parliament by the Centre of Planning and Economic Research and Dr. Nikolaos Georgikopoulos who headed the research team.[4] Four years later, in May 2015 (after the election victory of the left-wing party Syriza), an updated proposal was submitted by Dr. Georgikopoulos to the Vice President of the Greek government.[5] Two Digital Banking Money Conferences organized in Athens in 2013 and in 2014 addressed among other issues the digitalization of payments.

In 2015 the Hellenic Ministry of Finance under Yanis Varoufakis submitted a working paper to Greece's creditors, "A Policy Framework for Greece's Fiscal Consolidation Recovery and Growth" promising "*full implementation of electronic payments system in the country.*"[6] The proposed measure's aim was "*to make electronic payments through POS compulsory*"[7]. The POS installation was to be financed by the European Regional Development Fund. According to the proposed plan the introduction of electronic payments would yield an increase in VAT revenues of 954 m Euro by 2017.[8] Clearly, the introduction of compulsory card usage and the financing of the terminals by European funds were politically too ambitious.

Greece signed a memorandum of understanding (MoU) with the European Commission on 19 August 2015.[9] One of the four pillars of the current third program is to restore fiscal sustainability. In order to improve collection and enhance tax compliance the Greek government agreed under art. 2.3 of the MoU to *"develop with the Bank of Greece and the private sector a costed plan for the promotion and facilitation of the use of electronic payments and the reduction in the use of cash with implementation starting by March 2016."*[10]

The introduction of electronic transactions as envisaged in the MoU became a prior action for the disbursement of funds from the European Stability Mechanism. In the European Commission's Report of October 2015 it is stated under prior action 8 that:

"An action plan has been prepared, with help from the Bank of Greece and professionals. Conditions allowing for electronic payments will be vastly improved, with obligations to propose this form of payment in all sectors and with the administration. The plan also includes a long term effort to increase incentives. The plan has been delivered and agreed on 08/11/2015. Work now needs to start on the effective implementation."[11]

In the Supplemental MoU (art. 2.3.2) of June 16, 2016 the Greek government will not only promote and facilitate the use of electronic payments but pursue *"the reduction in the use of cash and cheques … including adoption of legislation by June 2016"*.[12]

A very questionable surveillance of the purchases of taxpayers by the Greek state, ordered by its creditors and sanctioned by the Commission

Finally in the Compliance Report prepared by the European Commission in June 2016 the key deliverable between June and December 2016 was the *"adoption of legislation to promote electronic payments"*.13

The new law 4446 is imposed by Greece's creditors represented by the European Commission and adopted by the Greek parliament which stands with its back against the wall.

Law 4446 is no well-meant "nudging" by a wise state in order to steer its citizens into the "right" direction. It is coercion, whose rejection is punished by pecuniary penalties and over and above that, a very questionable surveillance of the purchases of taxpayers by the Greek state, ordered by its creditors and sanctioned by the Commission. In a highly indebted European state one can clearly expect "transparent" citizens.

However, is the actual implementation of this rigorous law realistic in the Greek context?

First, card acceptance at POS terminals presupposes a smooth operation of the telecommunication infrastructure, which is not the case in remote regions of Greece. A few weeks ago, the chamber of commerce of the prefecture of Magnesia (part of the Thessaly region) received complaints from local businesses that the current communication network infrastructure does not cover the necessary technical requirements for the installation of POS terminals and requested from the Ministry an answer regarding the imposition of penalties to business that cannot comply with the new law because of technical difficulties.

The General Secretariat for Commerce and Consumer Protection answered that it is not their responsibility to verify the *"lack or insufficiency of technical telecommunication infrastructure"*. *"In any case the existence of technical difficulties … is taken into account when audits are carried out by the competent audit authorities"*.[14]

Secondly, 47% of the card sales volume is still generated by revolving credit cards (2011: 81%). Debit card usage is strongly growing and reached 50% market share (2015), however the sales volume per average debit card is still low (approx. 400 Euro p.a.). To avoid an undesirable increase of consumer debt, consumers need to quintuple the sales volume of their debit cards to bypass the tax increase. A rather unrealistic goal.

Thirdly, the Greek taxpayer should have a realistic chance of reaching the minimum level. The average disposable yearly income of private households (including state transfer payments) is approx. 9,900 € per inhabitant (2014 Eurostatis), significantly reduced since 2008 (14,400 €). Yet, expenses per card are 820 € p.a. per inhabitant (8.2%). Neither savings (if any) nor rent, vehicle purchases and health care are taken into account in the calculation of the minimum. Is there sufficient potential for substituting cash with card payments?

On the other hand, Greece is without doubt a strongly cash-focused economy. The volume of cash withdrawals per inhabitant is twice that of Germany (see table), where cash still dominates in B2C transactions too. The demand for cash (via ATM or bank counter) in Greece is even higher than the disposable income per inhabitant, which is a clear indicator for relatively large cash usage in commercial business, probably by small and medium sized enterprises. However, the strong cash preference in Greece could also be caused by infrastructural problems, for instance the low ATM and bank density in rural areas, mountains and small islands.

	Greece	Germany
Inhabitants (m)	10.8	81.7
Disposable income (2014) per inhabitant	9,900	21,100
Sales volume (domestic cards) per inhabitant p.a.	820	2,980
ATM Cash withdrawals in b€ (2015)*	39.88	368.19
OTC** Cash withdrawals in b€ (2015)	104.97	253.92
Total cash withdrawals per inhabitant in €	13,412	7,614
No. of ATM per 1,000 inhabitants	0.49	0.71

Source: Eurostat & ECB
*domestic ATM/domestic cards
** OTC: Over the Counter

What about the legal aspects?

The initial plan of the Greek government and its international creditors was the **compulsory** cashless payment at the POS (cards or other legal electronic payments; privately issued virtual currencies like Bitcoin obviously do not meet these requirements). Euro coins and banknotes are still legal tender in the Euro-zone, including Greece.

The European member states have a common understanding of **legal tender**: *"a means of payment with legal tender status cannot be refused by the creditor of a payment obligation, unless the parties have agreed on other means of payment".*[15] However, there is no common legal definition of "legal tender" at EU-level or in the Euro zone. The Legal Tender Expert Group, set up by the European Commission, stated in its report in 2010: *"There is currently some uncertainty at the euro area level with regards to the scope of legal tender and the consequences thereof."*[16]

In some European jurisdictions legal tender can be refused voluntarily (without coercion of the state) by merchants, like some "progressive" no-cash accepting merchants in the Netherlands or even by public entities (e.g. for tax payments). In Denmark, the government introduced legislation which will allow certain merchant categories to refuse cash in the night between 10pm and 6am to prevent cash related crime (this law has still not been passed). In Berlin taxi drivers have been obliged to accept credit cards since May 2015. This rule has been challenged in court. But in the litigation between the taxi drivers and the Berlin administration, the legal tender issue was not discussed at all.

A card payment will have the real status of legal tender

At the end of the day, it would be a strange result if a Greek merchant could refuse cash in some circumstances, but should accept cards anytime. In the business relationship between Greek merchants and consumers a card payment will have the real status of legal tender, which cannot be refused if one of the contract parties insists on its usage.

Could the debit card gain fully operational "legal tender" status besides cash?

It is not an unrealistic scenario.

However, a general prohibition of using cash at merchants – as originally planned in Greece – seems to be a contradiction of the legal role of cash as being legal tender. Nevertheless, recital 19 of the EC Regulation 974/98 (introduction of the Euro) states for the Euro zone that the usage of the legal tender can be restricted: *"whereas limitations on payments in notes and coins, established by Member States for public reasons, are not incompatible with the status of legal tender of Euro banknotes and coins, provided that other lawful means for the settlement of monetary debts are available."* Therefore, obligating Greek merchants to accept cards was a compulsory prerequisite for the envisaged cash limitation (threshold 500 €).

The legal attribute of cards as "other lawful means" has been clearly enhanced by the IFR. For the first time we have an EU-wide common legal understanding of the definition of a credit and debit card and a precise demarcation of card-based payments, which are regulated by the IF caps and IF business rules.

In the EU, as a next regulatory step, could the debit card gain fully operational "legal tender" status besides cash?

It is not an unrealistic scenario. The EU still favours an interchange fee for debit card transactions of zero:

"The impact assessment shows that a prohibition of interchange fees for debit card transactions would be beneficial for card acceptance, card usage, the development of the single market and generate more benefits to merchants and consumers than a cap set at any higher level…A ban on interchange fees for debit card transactions also addresses the threat of exporting the interchange fee model to new, innovative payment services such as mobile and online systems." (Recital 19 of the IFR EU) 2015/751).

On the payer side the EU has already created a right of access to a debit card (prepaid) linked to a basic current account (Payment Account Directive of 2014) for every consumer. The ability to reach every merchant by compulsory acceptance of debit cards could be a complementary measure, like every credit institution should be reachable for SEPA instruments (credit transfer and direct debit).

In the paper "inception impact assessment"[17] of the envisaged "Proposal on restrictions on payments in cash" for 2018, the Commission has already stressed the importance of *"easy access to the domestic banking system"* and the sufficient availability of alternative means of payment, like debit cards as preconditions of the EU-wide proposed restriction of cash payments and other anonymous payment instruments (like virtual currencies). Regarding the legal hurdles, the Commission is optimistic:

"Currently, restrictions on cash payments have been implemented independently at national level and such restrictions are generally considered compatible with Union law." (p. 2).

"It should also be observed that national restrictions on cash payments were never successfully challenged based on an infringement to fundamental rights." (p. 5 referring to the fundamental right of privacy).

It could make sense to question these assumptions, even if the actions of the Commission would force card payments.

Ec cash: Fake news from Germany?

(hg) The German banking association DK (Deutsche Kreditwirtschaft), the owner of the domestic debit card POS scheme "ec cash", proudly announced fantastic growth figures for the year 2016: + 9.9% sales volume and +13.1% more transactions with the debit card "girocard" compared to 2015. It was a sigh of relief after the previous year's bad news of a totally unexpected decrease in the sales volume of – 3.4% after a long success story of permanent growth rates since its start in 1990.

Our Comment:

It was a real puzzle for the scheme owners to find the reasons for the officially stated decline of ec cash in 2015. Most experts suspected the Interchange Fee Regulation (IFR), which has dramatically effected the IF for credit cards (delayed debit and revolving credit cards) since December 2015 with a decrease of about 70 basis points to 0.3%. Credit card acceptance became far more inexpensive for merchants. However, big retailers, especially discounters (like Aldi and Lidl) and DIY stores, had been accepting Mastercard and Visa, since spring/summer 2015, about 6 months before the new IF caps were regulated by law. Indeed, we see a clear effect of the IFR in 2015 caused by the adjusted relative pricing in the German card market statistics.

Sales of payment cards in Germany rose by € 17 billion in 2015 to € 315 billion (+5.7%). These are the card sales carried out in Germany by domestic and foreign cardholders in all sectors (not just retail) at the physical POS and through e-commerce (from the acquiring perspective). The biggest growth drivers in 2015 were credit cards (+11%) and ELV, the non-guaranteed, signature-based payments (+10.2%). Already 24% of the total card turnover in Germany was made with a credit card (MasterCard, Visa, Amex etc.) in 2015. [18]

Substitution effects (usage of credit card instead of ec cash) certainly impacted the growth of ec cash debit card transactions. The regulation-related price effect in this segment that came on top was significantly lower, since the bilateral interchange fees had already fallen below 0.3% by early 2015, already.

The roller coaster ride in the ec cash system never existed

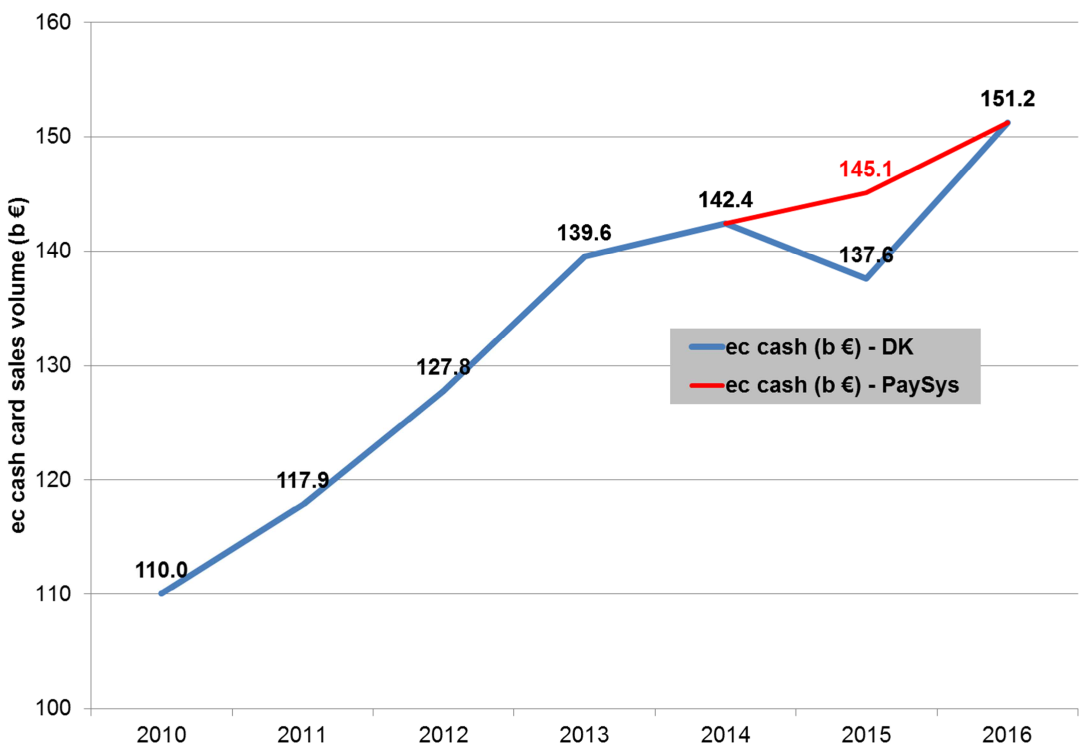
Within different market segments, ec cash evolved markedly different. Growth of ec cash in the retail trading sector (+ 5.3%) more than offset the sharp decline in the gas station sector (minus 17.6%) in 2015.[19] The total effect on ec cash in 2015 was a moderate growth of 1.9% and not a decline of 3.4% as stated by the DK!

Almost all ec cash certified network operators reported an increase in ec cash in 2015. The statistical dip in DK statistics is not plausible. It probably was caused by a survey error (missing data of one or two network providers). Using the corrected figures for 2015 results in a growth rate of 4.2% in 2016 - instead of 9.9%.

Unaware of the error, the DK is trying to explain this enigmatic growth rate. In its payment conference in Berlin on 13 June, representatives of the DK analyzed several options: lower merchant acceptance fees as a consequence of the IFR and generic advertising campaigns by broadcast spots in June and November 2016. On their last slide they concluded: *"A measure alone will not have been responsible for the increase in transactions and sales."*

The 2016 conclusion of an alleged saturation of ec cash was premature as well as the recent 2017 puzzle of the almost 10% growth. The roller coaster ride in the ec cash system never existed. In both years we see moderate growth rates (2015: 1.9%, 2016: 4.2%) and a consistent long-term development. This is pleasing but not amazing news!

Based on first calculations for the German card market, its main competitors of ec cash, ELV and credit cards, have also been growing in 2016, more or less at the same level.



Last and least: Payment experience in Prague

(hg) Prague is one of the European capitals most frequently visited by tourists. Over 6 million foreign visitors stayed in this beautiful city last year, probably the majority coming from Asia (my very subjective impression). Anyway, all of these tourists need local currency (CZK-Czech Koruna) as cash, at least to pay for the excellent and modern subway, which is very cheap: 24 CZK per trip (about 0.92 Euro). Now, you will find ATMs everywhere. However, a visit to a high street ATM in tourist hot-spots is a little bit stressful.

First, you are still part of the crush during your transaction: a real kind of "crowd funding".

Secondly, you have to convert all these zeroes on the screen by mental arithmetic into your own currency. As an experienced ATM user you assume that the lowest amount shown on the screen is a moderate one (e.g. 100 Euro) and the highest one about 500 Euro. In this situation your brain doesn´t like arithmetic, so you take the lowest amount, it should be enough for a long weekend in Prague, where cards are well accepted.

Better don´t do this! The initial screen of the ATM (operated by an independent international ATM provider) shows amounts between 10,000 CZK (385 €) and 40,000 CZK (1,532 €)! Poor tourist, who has to exchange most of this amount back into one currency after a stay in the Czech Republic or even at home at a bad exchange rate.

The next step is to get low value coins in order to buy a subway ticket at vending machines, where bank notes or cards are not accepted. These vending machines must usually be fed with the appropriate amount in coins. So during your visit in Prague you collect low value coins all day long in order to take the subway (negative side-effect for the waiters in restaurants and coffee shops).

The subway stations are huge like other subways built in Eastern Europe during the communist regime. Although there is sufficient space, a few mini-machines are usually placed directly side by side about 15 cm apart. If you do not happen to need a ticket, it is a funny experience to see how a horde of tourists descends on the equipment.

M-payment probably would be a too revolutionary step. But what about selling one of the flopping card-based e-purse systems, like the German "GeldKarte", to the Prague subway provider? Tourists would love it (unless it would be sold against cash at a vending machine).

Notes

1 Nikolaos Karatsoris is an entrepreneur, consultant and political activist from Greece, focused on monetary issues. For more biographical information: https://sites.google.com/view/nikoskaratsoris/about-me?authuser=0

2 Like the option of surcharging card-based transactions in the PSD2 by retailers.

3 Please note, in order to maintain the tax reduction for medical expenses, tax payers have to use cards (or other e-payments), but the amount does not account for the minimum amount.

4 See N. Georgikopoulos: Electronic money can save taxes (http://www.capital.gr/sunenteuxi/1340751/n-georgikopoulos-to-ilektroniko-xrima-mporei-na-glutosei-forous) (in Greek).

5 See Evgenia Tzortzi, Incentives to use plastic money in the fight against tax evasion, in the Greek journal Kathimerini (http://www.kathimerini.gr/808316/article/oikonomia/ellhnikh-oikonomia/kinhtra-gia-xrhsh-plastikoy-xrhmatos-sth-maxh-kata-ths-forodiafyghs) (in Greek).

6 Ministry of Finance 2015, p. 36

7 Ministry of Finance 2015, p. 46

8 Ministry of Finance 2015, p. 5

9 For the complete set of reports of the European Commission with reference to the Financial assistance to Greece see 'Financial assistance to Greece'. Text. European Commission - European Commission, 20 September 2016. https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-financial-assistance/which-eu-countries-have-received-assistance/financial-assistance-greece_en.

10 Memorandum of Understanding 2015, p. 9 (https://ec.europa.eu/info/files/memorandum-understanding-greece-august-2015_en)

11 Compliance Report 2015, p. 3 (https://ec.europa.eu/info/sites/info/files/ecfin_report_on_greece_compliance_november_2015_en.pdf)

12 Supplemental MoU 2016, p. 9 (http://ec.europa.eu/info/sites/info/files/ecfin_smou_en.pdf)

13 Compliance Report 2016, p. 28 (table 7) (https://ec.europa.eu/info/files/compliance-report-third-economic-adjustment-programme-greece-first-review_en)

14 Taxheaven Newsroom of 5 June 2017 (https://www.taxheaven.gr/news/news/view/id/35274)

15 Report of the Euro Legal Tender Expert Group (ELTEG) on the definition, scope and effects of legal tender of euro banknotes and coins, p. 16. See also Nikos Karatsoris, A complementary currency for Greece (2015), p. 5-8. (http://folk.ntnu.no/tronda/econ/Currency-Greece-Karatsoris.pdf?id=ansatte/Andresen_Trond/econ/Currency-Greece-Karatsoris.pdf)

16 Report of the Euro Legal Tender Expert Group (ELTEG) on the definition, scope and effects of legal tender of euro banknotes and coins, p. 2 (http://ec.europa.eu/economy_finance/articles/euro/documents/elteg_en.pdf)

17 See: European Commission, Inception impact assessment of the Proposal on restrictions on payments in cash of 23 January 2017 http://ec.europa.eu/smart-regulation/roadmaps/docs/plan_2016_028_cash_restrictions_en.pdf

18 See PaySys Card Market Statistics Germany 2006-2015: http://www.paysys.de/download/PresseKMS%202004-2013_english.pdf

19 The reasons for this considerable decline were the oil price reduction compared to the previous year and the massive shift of ec cash to ELV, after the IFR had not had to reduce the merchant fees for this industry, which were already 0.2% or below.

Should you have any questions or comments please contact:
Dr. Hugo Godschalk (hgodschalk@paysys.de)
Dr. Malte Krueger (mkrueger@paysys.de)

Please, send us your views to:
paysys-report@paysys.de

PAYSYS REPORT IMPRINT

PaySys Consultancy GmbH
Im Uhrig 7
60433 Frankfurt /Germany
Tel.: +49 (0) 69 / 95 11 77 0
Fax.: +49 (0) 69 / 52 10 90
email: info@paysys.de
www.paysys.de

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