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DOES THE CASHLESS SOCIETY DISCRIMINATE

RECENT RESEARCH UNDERTAKEN BY THE MDC AND MEMBER MINTS HAS CONFIRMED THAT COVID-19 HAS ACCELERATED THE USE OF DIGITAL PAYMENTS - AND THAT THE MOVE TO CONTACTLESS TRANSACTIONS HAS THROWN THE SPOTLIGHT ON INEQUALITIES.

MDC member research of 6000 people in Europe and Australia has confirmed that many retailers are refusing cash payments altogether, effectively locking out societal groups who do not qualify for cards, or cannot afford cashless payment methods.

These are people without the financial means or ability to participate in cashless payments. They may not be able to afford a smartphone, cannot qualify for a debit card or lack the technological ability to operate cashless payment methods.

Two groups in particular are less able to participate in cashless payments – the elderly and the poor or socially disadvantaged.

When faced with being locked out by retailers, people in some low income groups are either being forced into going cashless – with flow on effects including financial penalties such as overdraft fees – or left unable to purchase basics such as food.

Our research found between 10% and 27% of respondents (depending on their country) did not buy goods at a particular point in time due to being informed by a shop that cash

payments were not accepted.

The disparity extends beyond the countries canvassed in the MDC survey. Black Americans are less likely to have bank accounts than other groups in the US and according to a [June report published](#) by the Bank for International Settlements (BIS) the same is true for low income groups in Europe.

On average, 37.5% of our survey respondents agreed they had been influenced in their use of cash by retailers. Besides their own mostly hygiene related motives (influenced by news and own research), the attitudes of shops seems to have been the most important trigger for the change in payment behaviour. However, around half the respondents expected to return to using the same levels of cash as before COVID-19, while up to 44% expect to use less cash after COVID-19.

Also importantly, not all businesses want to move to cashless. Small businesses tend to bear the highest costs for card payments, and the [BIS report](#) also shows that cash transactions remain cheaper for merchants to process at point of sale.

Our research indicates small businesses believe they are being placed at a disadvantage by the move to cashless payments. In Australia, small businesses considered themselves as the losers in a potential cashless society which would 'give more control to institutions and banks' with a strong view that new technologies were very expensive for business in regards to merchant fees.

It is not just tech-disadvantaged populations who are vulnerable to often unintended discrimination in a cashless society. Intentional and unintentional biases can emerge based on the data profiles developed by fintech companies with access to customers' financial habits and social networks, which can also be shared with third parties, sold for profit or be vulnerable to hackers.

Who is responsible for financial inclusion of the elderly, poor and disabled?

These findings are an urgent reminder of the need for governments to protect financial inclusion for people who are unable to participate in the digital environment. This pressing concern precedes Covid-19, demonstrated by the [report published](#) in the UK last year from a Treasury select committee that called for government intervention. Then early this year, a report by the UK's Institute for Public Policy Research [argued](#) that shaping the transition to an increasingly digital economy to deliver economic justice will require continued access to cash, alongside improved access to digital financial services that work for everyone.

For communities across the UK, barriers to accessing and using cash are growing. As our population ages and trust in digital payments remains low among broad groups of consumers, it is clear that digital solutions will need to adapt to better meet a wide range of consumer needs, and that cash will continue to play a critical role as a universally accessible means of payment.

Some governments, for example in France, have already made it illegal for merchants to refuse cash or charge a different price to customers depending on the type of payment they use. In the case of Sweden where the majority of Swedes were initially happy to move to cashless there has been a growing backlash to the move and the Swedish government has since stepped in to pass a regulation requiring banks to provide a minimal level of cash services. To ensure that all groups in society are able to fully participate – and in some cases survive – governments should consider the introduction of regulations and laws to protect cash acceptance. Requiring banks and businesses to continue accepting cash could provide a safety net so that people aren't left behind.

BENJAMIN HECHLER SUCCEEDS PETER HUBER AS HEAD OF THE MINTS OF BADEN-WÜRTTEMBERG

After 12 years at the helm Dr Peter Huber has retired as Mint Director for the Baden-Württemberg Mints. Mr Benjamin Hechler will take over as head. Mr Hechler previously worked for the Ministry for Finance in Stuttgart.

In **thanking Dr Huber** German Finance Minister Sitzmann said Dr Huber had put the state-owned company on a new footing in 2008 and developed it into a robust and innovative company.

“With polymer technology, Dr Huber has landed a coup: this development has triggered a boom among collectors and is now firmly established. I am proud that Baden-Württemberg was involved in this invention,” the minister said.

Mr Huber has been a passionate advocate of the Mint industry and MDC Technical Committee and has made a positive impact over his many years involvement. We wish him well for a long and happy retirement.



COSMOS OF COLLECTIBLES

Coins Weekly and a team of students from the University of Warsaw’s Faculty of Archaeology are supporting a new website, which currently lists almost 7,700 coins and medals of 34 nations.

RELEASE OF NEW 2020 KOREAN TIGER BULLION MEDAL - 2020 KOREAN TIGER IN SEOUL

The 2020 Korean Tiger bullion medal marked the 5th anniversary of the release and applied a brand-new concept depicting the growth of a tiger cub who travels through the Republic of Korea’s famous landmarks throughout the four seasons.

The beginning is Seoul, the capital of the Republic of Korea, where proud history and a bustling city coexist.

The tiger cub will gradually mature starting its first steps in Seoul as it travels to beautiful cities.

The obverse shows a tiger cub traveling in Seoul. On the reverse, Korean peninsula where tigers inhabit is decorated by Korean letter called “Hangeul” and tiger stripes are surrounding it.



TELL US WHAT YOU THINK

Please visit the link to tell us your thoughts about the Mint Industry website - the survey will only take a couple of minutes and will help us evolve the website.

✓ SURVEY

FEDERAL RESERVE CONVENES U.S. COIN TASK FORCE WITH INDUSTRY PARTNERS

The Federal Reserve has convened a group of industry leaders for a limited-scope, limited duration task force, the U.S. Coin Task Force, to work together to identify, implement, and promote actions to reduce the consequence and duration of COVID-19 related disruptions to normal coin circulation.

The primary issue with coin is a dramatic deceleration of coin circulation through the supply chain. As at April 2020, the U.S. Treasury estimates that the total value of coin in circulation is \$47.8 billion, up from \$47.4 billion as of April 2019.

While there is adequate coin in the economy, the slowed pace of circulation has meant that sufficient quantities of coin are not readily available where needed. With establishments like retail shops, bank branches, transit authorities and laundromats closed, the typical places where coin enters our society have slowed or even stopped the normal circulation of coin.

The coin supply chain includes many participants, from the U.S. Mint who produces new coin, to the Federal Reserve who distributes coin on the U.S. Mint’s behalf, to armored carriers, banks, retailers and consumers, all of whom have a role to play in helping to resolve this issue.

Task force members will represent all major participants in the coin supply chain, including representatives from the following groups:

- Unites States Mint
- Federal Reserve
- Armored Carriers
- American Bankers Association
- Independent Community Bankers Association
- National Association of Federal Credit Unions
- Coin Aggregator representatives
- Retail Trade Industry

The U.S. Coin Task Force will have the goal of completing a first set of recommendations by the end of July. In addition, coin industry partners can encourage the use of social media to promote the circulation of coin using the hashtag **#getcoinmoving**.

[Federal Reserve website](#)

Please circulate to relevant staff and interested industry members and help build our collective voice. To sign up for the Mint Industry Communique email mint.industry@ramint.gov.au