



EUROPEAN CENTRAL BANK
EUROSYSTEM

ECB-PUBLIC

COURTESY TRANSLATION

Mario DRAGHI
President

Mr Jonás Fernández
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 31 May 2016

L/MD/16/262

Re: Your letter (QZ-058)

Honourable Member of the European Parliament, dear Mr Fernández,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 11 May 2016.

I fully agree with your remarks that euro banknotes and coins are important – also as tangible symbols of European integration. Cash is by far the most widely used means of payment for retail transactions in the euro area in terms of the number of transactions, although it is much less significant in terms of value.

Euro banknotes and coins are the only payment instruments which are legal tender in the euro area and they complement other instruments. Cash has specific advantages, such as the possibility to settle debts immediately without assessing the creditworthiness of the counterparty or its direct settlement without the need for a technical infrastructure.

On 4 May 2016 the Governing Council of the European Central Bank (ECB) concluded a review of the denominational structure of the Europa series, the second series of euro banknotes which is being introduced gradually¹. It decided to permanently stop producing the EUR 500 banknote and to exclude it from the Europa

¹ The EUR 5, EUR 10 and EUR 20 banknotes were introduced in 2013, 2014 and 2015, respectively. The other denominations of this series of banknotes will be introduced over the next few years.

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series, taking into account concerns that this banknote could facilitate illicit activities. The other denominations – from EUR 5 to EUR 200 – will remain in place.

I would like to underline that the decision on the EUR 500 banknote is not aimed at limiting cash. The ECB has no intention to move away from physical money, for the reasons stated above.

Yours sincerely,

[signed]

Mario Draghi

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