

## 4 THE CASH CHANGEOVER IN SLOVAKIA

### THE LOGISTICS OF THE CASH CHANGEOVER

On 1 January 2009 Slovakia adopted the euro as its currency. After a dual circulation period of two weeks, the euro had fully replaced the Slovak koruna.

To ensure the smooth introduction of the euro banknotes and coins, all relevant market players, in particular the banking sector, were involved in the changeover preparations. The national changeover plan provided all businesses and the general public with a timetable, well before €-Day. Building on the experience gained with the cash changeovers in Slovenia in 2007 and in Malta and Cyprus in 2008, the Governing Council adopted a new ECB Guideline on certain preparations for the euro cash changeover and on frontloading and sub-frontloading of euro banknotes and coins outside the euro area.<sup>10</sup> The Guideline provides, for example, for the possibility of euro cash to be pre-distributed to micro-enterprises in accordance with very simple procedures in addition to the normal procedure applied in the previous changeovers. Each NCB joining the Eurosystem may decide whether or not to make use of the provisions contained in the Guideline.

Following the ECOFIN Council's decision of 8 July 2008 on the adoption of the euro in Slovakia on 1 January 2009, Národná banka Slovenska became eligible to borrow banknotes from the Eurosystem in preparation for the cash changeover and for the banknote requirements in 2009. For geographical and logistical reasons, the required 196.2 million banknotes, with a face value of €8.3 billion, were delivered on behalf of the Eurosystem by the Oesterreichische Nationalbank.

The initial supply of 499 million euro coins, with a face value of €165.22 million, was minted by the Slovak Mint in Kremnica.

The frontloading of euro coins and banknotes to financial institutions started in September and October 2008 respectively. Sub-frontloading to businesses began in November 2008. Národná banka Slovenska, banks and post offices also

made available coin starter kits (each containing coins with a face value of €16.60) to the general public as of 1 December 2008. These made exact payments in retail transactions possible, thus reducing the amount of small change required immediately after the changeover date.

The frontloading and sub-frontloading operations allowed the delivery of the euro banknotes and coins to be spread over a longer period of time, thus avoiding supply bottlenecks. The frontloaded amounts were largely used for the timely adaptation of automated teller machines (ATMs) to the euro. Virtually all ATMs dispensed euro banknotes as of 1 January 2009.

In connection with the introduction of the euro in Slovakia, euro area NCBs exchanged Slovak koruna banknotes against euro at par value from the first working day of 2009 until 28 February 2009 as a free-of-charge service.<sup>11</sup> The amount exchanged was limited to €1,000 for any given party and transaction on any one day. Národná banka Slovenska will continue to redeem Slovak koruna banknotes for an unlimited period of time and coins until the end of 2013.

### THE INFORMATION CAMPAIGN ON THE INTRODUCTION OF THE EURO

The ECB worked closely with Národná banka Slovenska to prepare a comprehensive information campaign in preparation for the introduction of the euro in Slovakia on 1 January 2009.

The logo “€ Our money”, which was based on the logo used successfully by the Eurosystem since the euro information campaign in 2002,

<sup>10</sup> Guideline ECB/2008/4 amending Guideline ECB/2006/9 on certain preparations for the euro cash changeover and on frontloading and sub-frontloading of euro banknotes and coins outside the euro area.

<sup>11</sup> Article 52 of the Statute of the ESCB requires that the Governing Council of the ECB take the necessary measures to ensure that banknotes denominated in currencies with irrevocably fixed exchange rates to the euro are exchanged by the euro area NCBs at par value. Against this background, the Governing Council adopted a guideline on the exchange of such banknotes on 24 July 2006.

was employed by Národná banka Slovenska in its communication activities relating to the introduction of the euro in Slovakia.

The euro information campaign organised by the ECB and Národná banka Slovenska aimed to familiarise cash handlers and the general public with the visual appearance and security features of the euro banknotes and coins, as well as with the cash changeover arrangements.

The combination of communication tools used in the campaign took into account the experience gained in past changeovers and comprised 17 different publications, including training materials for professional cash handlers. Národná banka Slovenska distributed over 7 million copies of the various publications (including a public information leaflet, euro conversion cards and other publications in four language versions) in the course of the fourth quarter of 2008. In December 2008 each Slovak household received a copy of the public information leaflet and two euro conversion cards. The euro conversion cards showed different images depending on the angle at which they were viewed. On the front, a series of 28 prices were shown both in euro and in Slovak koruna, while the reverse displayed the main security features of the €20 banknote.

Several press and public relations events were held, including an ECB media seminar on 4 September 2008, an exhibition on the euro banknotes and coins, which was launched on 21 September 2008 at Národná banka Slovenska, a euro conference in Bratislava on 22 September 2008 and state celebrations on 8 January 2009.

The ECB co-financed the largest banner ever produced in Slovakia, which was displayed on the facade of Národná banka Slovenska's building in Bratislava, while smaller copies of the banner appeared on the buildings of all the central bank's branches throughout the country. Over 100 partners, mainly banks and public authorities, were given access to the high-quality print files of the relevant ECB

publications, which they were able to adapt and use in their own communication activities.

Following contact with associations for the blind, the ECB developed a "talking card" for the visually impaired, in which an embedded MP3 file played a recording containing basic information about the euro banknotes and coins.