

International

'No plans' to phase out cash

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Reuters



FILE PHOTO - New 50 Swiss Franc note is seen at a market stall after its release by the Swiss National Bank in Bern

Bern - The Swiss central bank on Monday sought to allay fears among citizens that bank notes could eventually be phased out as a result of global money--laundering rules or the rise of alternative payment systems.

Cash will remain a crucial part of the financial system despite these concerns, said Fritz Zurbruegg, the deputy head of the Swiss National Bank (SNB).

“As the supplier of Swiss franc bank notes, the SNB takes the view that reports about the death of cash are not just exaggerated, they are unfounded.

“The SNB has no plans whatsoever to do away with cash,” he said in remarks prepared for the World Banknote Summit in Basel.

The European Central Bank last year caused a stir in some countries when it said it would stop issuing e500 notes as part of a push against their use by criminals.

There was concern in Switzerland that the SNB might follow suit. Demand for cash remains robust and has actually risen in many countries of late as a result of the global financial crisis that shook confidence in banks’ stability, Zurbruegg said.

<http://www.iol.co.za/business-report/international/no-plans-to-phase-out-cash-7968690>