

To the Minister of Finance,  
Ms Sigrid A.M. Kaag  
P.O. Box 20201  
2500 EE THE HAGUE

De Nederlandsche Bank N.V.  
O.C.H.M. Sleijpen  
Directie

Postbus 98  
1000 AB Amsterdam  
+31 20 524 91 11  
[www.dnb.nl/en/](http://www.dnb.nl/en/)

Trade Register 3300 3396

Re:  
Cash Covenant

Dear Ms Kaag,

**Date**  
7 April 2022

**Our reference**  
T042-1000851934-1730

Enclosed please find the Cash Covenant, which was signed today by 23 organisations including De Nederlandsche Bank (DNB), each of which has an interest in cash. The aim of the Covenant is to ensure that cash continues to function properly as a means of payment at points of sale, also in the face of a steady increase in electronic payments. The Covenant, which in principle will be in place for a period of five years, sets out agreements among the parties to safeguard the permanent availability and accessibility of cash. The participants are the four major banks and the Dutch Payments Association, representatives of consumers and senior citizens, retailers, the hospitality industry and petrol stations, providers of cash services and DNB.

I would like to take this opportunity to briefly explain the key elements of the Covenant. The Covenant is a set of mutual, multilateral and voluntary agreements. It is the result of six months of intensive negotiations, in which your ministry was also closely involved. All Covenant parties acknowledge that an efficient, accessible and secure payment system, including cash, is a public interest. For example, to ensure the robustness of the point-of-sale payment system, the Covenant calls for new payment forms other than cash as fallback options for electronic payments. If these alternatives are introduced gradually, the number of ATMs for withdrawing banknotes can be gradually reduced without jeopardising the five-kilometre accessibility standard (Clause 3 of the Covenant).

Another key element of the Covenant is the “freeze” provision (Clause 4), which is the commitment of banks and Geldmaat not to take any measures that would make withdrawing or depositing cash more expensive for private and business customers, such as fee increases or volume restrictions, or otherwise discourage or impede it. This is the Covenant's response to House of Representatives' wish that consumers should not be charged for cash withdrawals. The banks' commitment to this provision is temporary, as the “freeze” depends on the outcomes of a new study into the long-term future prospects of the cash chain, as far as the banks are concerned. By the end of July 2023, or earlier once political decisions have been taken further to the results of this study, the participants will consider whether the “freeze” and other provisions of the Covenant need to be adjusted.

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All parties to the Covenant recognise that, as the use of cash declines, the question of how and to what extent the public interest of cash can best be safeguarded becomes more pressing. To anticipate this issue, we will in cooperation with your ministry, commission the study to explore both public and private solutions for the organisation and funding of the cash chain. The study should be completed within ten months of the Covenant's signing. Based on the outcomes, decisions can then be taken on safeguarding the public interest, market organisation and funding. These decisions should be taken timely, in view of the time that will be needed to implement any measures. On behalf of DNB, I therefore request that you initiate the political decision-making process immediately after the completion of the study.

Another aspect of the Covenant relates to the banks' so-called gatekeeper role (Clause 5). Under the Anti-Money Laundering and Anti-Terrorist Financing Act (*Wet ter voorkoming van witwassen en financieren van terrorisme – Wwft*) and other relevant legislation they must take measures such as customer due diligence and transaction screening and monitoring to prevent financial crime. For the banks, extensive use of cash particularly by corporate account holders and their customers and business relations poses risks, requires more intensive controls (compared to electronic transactions) and is more expensive. We have

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drawn up guidelines at the request of the banks and the retail sector for the management of these risks and for the measures relating to cash, and included them in the Covenant (see recitals).

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Although the Covenant is a set of voluntary agreements and therefore formally not legally binding, it does contain a number of social commitments. The public interest in a smoothly functioning cash payment system requires that the agreements be honoured, and we will monitor this. Since the board members of the participating organisations have all signed the Covenant, I assume that the agreements will be observed. If not, we support your intention to introduce legislation to ensure the proper functioning of cash in the Netherlands in the long term.<sup>1</sup>

Finally, I kindly request that you present the Covenant and this letter to the House of Representatives.

Yours sincerely,

Annex

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<sup>1</sup> See page 30 of the [Committee proceedings of 22 February 2022](#) (in Dutch).