

Bill #1
The Cashless Society Act
Moved by: Registrar General

WHEREAS the use of cash is accelerating in decline with a projected fall to 3% of point-of-sales transaction value in Canada by 2025;¹ and

WHEREAS the anonymity of cash enables it to become the instrument of choice for parties engaging in financial crimes and illegal activity in the underground economy;² and

WHEREAS electronic payments are efficient, boost consumption of the economy, and are essential for transparency, accountability, and reduction of cash-related fraud.³

HIS MAJESTY, by and with the advice and consent of the Youth Parliament of Manitoba, enacts as follows:

Purpose

- 1 The purpose of this Act is to
- (a) establish **COIN** with the mandate set out in section 4,
 - (b) initiate and ensure a transition to a society non-reliant on physical currency, and
 - (c) preserve the monetary sovereignty of the Canadian dollar against competing foreign digital currencies.

Definitions

- 2 The following definitions apply in this Act.
- (a) **The Bank:** The Bank of Canada, which serves as the central bank of the state.
 - (b) **Banking institution:** A financial institution that provides general financial services and monetary transactions.
 - (c) **Central Bank Digital Currency (CBDC):** A digital version of money issued by the central bank. The functions of the CBDC are similar to cash, though it can only be exchanged via digital means.
 - (d) **Digital wallet:** A software application made for the purposes of electronic financial transactions.
 - (e) **Legal tender:** The status given to money approved by the government for the purpose of paying debts.

¹ FIS, Worldpay. *The Global Payments Report For Financial Institutions and Merchants*, 2022. <https://offers.worldpayglobal.com/rs/850-JOA-856/images/ENGPR2022.pdf>.

² Europol. “Why Is Cash Still King? A Strategic Report on the Use of Cash by Criminal Groups as a Facilitator for Money Laundering.” *Trends in Organized Crime* 18 (2015): 355–79. <https://doi.org/10.1007/s12117-015-9256-x>.

³ Tee, Hock-Han, and Hway-Boon Ong. “Cashless Payment and Economic Growth.” *Financial Innovation* 2, no. 1 (2016). <https://doi.org/10.1186/s40854-016-0023-z>.

Establishing COIN

3 The Committee of Introducing Neo-Money [**COIN**] is hereby established.

Mandate and powers of COIN

4 The mandate of **COIN** is to

- (a) facilitate the introduction of a digital version of the Canadian dollar,
- (b) handle the demonetization and phaseout of cash,
- (c) oversee operations to increase accessibility to cashless payments, and
- (d) develop initiatives to guide the Canadian population in understanding and adapting to the new technology.

Introduction of a Central Bank Digital Currency

5 The Bank shall issue a Central Bank Digital Currency (CBDC) known as e-coin.

6 The attributes of e-coin are as follows:

- (a) It shall be considered legal tender.
- (b) It shall use the currency code of the Canadian Dollar (CAD).
- (c) It shall earn no interest.
- (d) It shall be accessible 24 hours a day through digital wallets or online-banking platforms as mandated in section 15.

Phaseout of cash

7 Upon the introduction of e-coin, the use and production of the following units and methods of payment shall be discontinued:

- (a) Banknotes of all denominations, and
- (b) Coins of all denominations.

8 The legal tender status of the units listed in section 7 shall be removed.

9 Units listed in section 7 may be converted into e-coin by

- (a) redeeming units at any banking institution, or
- (b) redeeming units by submitting a claim directly to the Bank.

Acceptable forms of payments

10 For activities concerning the handling or exchange of money, the following forms of payment must be made available and accepted by the intermediary or merchant:

- (a) E-coin;
- (b) Debit, credit, and prepaid cards; and
- (c) Digital funds transfers.

11 Monetary transactions for the payments listed under section 10 may be conducted through the following devices:

- (a) Personal computers;
- (b) Mobile computers, which include but are not limited to
 - (i) payment terminals,
 - (ii) mobile phones,
 - (iii) tablets, and
 - (iv) smartwatches.

Requirements for business establishments and organizations

- 12 Each business establishment is required to have a device from the list in section 11 to accept all forms of payment listed under section 10.
- 13 Every organization shall be required to transition to an e-payroll.

Access to online banking

- 14 Each banking institution shall be required to have an online platform for the purposes of online banking.
- 15 The online platform shall be made available in the form of a web-based application and software application(s) compatible with all major operating systems used by the list of devices in section 11.
 - (a) Software applications designed for mobile computers shall offer
 - (i) the ability to conduct contactless payments for devices with sufficient technology, and
 - (ii) a built-in digital wallet.
 - (b) All web-based and software applications shall be designed to include accessible features to ensure convenient use by people with auditory and visual disabilities.

Support

- 16 COIN shall compose and publish an online guide containing information on
 - (a) basic usage of digital devices,
 - (b) navigation of online banking platforms, and
 - (c) fundamentals of financial literacy.