



Comparative Report on the Legal framework for the use of Complementary Currencies (CC), Electronic Money (EM) and Payment Service Providers (PSP) for the co-production of public policies through PPPs with SSE actors

MedTOWN Project

Legal report on Social and Solidarity Economy in the 6 countries of the MedTOWN Project (Spain, Greece, Jordan, Palestine, Portugal and Tunisia).

Comparative law study on the legal framework of the social and solidarity economy in the 6 countries of the MedTOWN project.

EXECUTIVE SUMMARY

Comparative Study of the Regulatory and Legal Framework of the Social and Solidarity Economy in the Countries Participating in the MedTOWN Project.

- This report analyses the legal framework of the Social and Solidarity Economy (SSE) in the 6 countries participating in the MedTOWN Project (Spain, Greece, Jordan, Palestine, Portugal and Tunisia), and the various issues related to it, such as procedures, formulas or instruments that facilitate the best implementation of SSE actions, co-production of public policies, public-private partnerships, use of complementary social currencies, electronic payments,
- The main issues to be addressed in the following report are as follows:
 - 1) Regulatory and legal framework related to Complementary Currencies (CC), Electronic Money (EM) and Payment Service Providers (PSP) and their ecosystem in the countries. Definition, Regulation and Purpose.
 - 2) Scope of application of the regulations in CC, MS and PSP. Territorial and subjective. Main Actors Involved. Public and Private Sector.
 - 3) Measures promoting or encouraging CCs, MS and PSPs. Other forms of currency than legal tender. Institutions that may issue legal tender and electronic money.
 - 4) Current problems. Recommendations and proposals for improvement and implementation of actions. Recommendations and proposals for the improvement and implementation of actions.

Conclusion and policy recommendations.

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1. INTRODUCTION - CONTEXT OF THE PROJECT

This report is part of the European MedTOWN Project, and its preparation has been tendered by the Department of Social Affairs and Sports of the Autonomous Community of the Balearic Islands (CAIB), through the Directorate General for Cooperation, as a service contract for the preparation of technical reports within the framework of the European MedTOWN Project.

MedTOWN is a social innovation initiative, which aims to strengthen the role of the Social and Solidarity Economy (SSE) in the co-production of public goods with local networks and communities, through research and experimentation.

The co-production of public policies seeks to empower people to achieve outcomes that enhance quality of life, both individually and collectively, by involving people in the design and delivery of services.

The MedTOWN project aims to show how participation and social innovation policies can influence and be relevant in public policies to fight poverty, inequality and social exclusion; and to explore the limits of the regulatory framework for the development of social innovation projects in the Mediterranean with the support of SSE entities.

To this end, MedTOWN promotes and embraces the use of social innovations as complementary currencies and promotes the role of social enterprises, cooperatives, user-driven services and other forms of SSE as types of organisations that lend themselves well to the application of co-production principles.

In the MedTOWN Project that is the subject of this report, we find different demonstration actions and pilot projects in each of the countries involved.

The Demonstration Actions to be carried out in each of the countries, as of the date of this report, are as follows:

Jordan: Co-production of services for and by people with disabilities through the Social Entrepreneurship Business Incubator.

Palestine: EU waste management system based on a circular economy model.

Tunisia: Co-production services for women's empowerment.

Spain: Co-production of policies for the transformation and support of aid into an EU recovery strategy.

Greece: Co-production of public employment services, involving social services and SSE actors to support people excluded from the labour market.

Portugal: Co-production of active citizenship policies in Agroforest de Campolide targeting low-income neighbourhoods.

2. MAIN ISSUES.

In order to carry out this study, several questionnaires have been sent to those responsible for the actions in each country regarding the main issues to be studied and information has been received regarding the regulations and legal context in each country of Complementary Currencies (CC), Electronic Money (EM) and Payment Service Providers (PSP) with actors of the social and solidarity economy.



These questionnaires and their responses are attached to this study for your perusal and detailed examination.

With regard to the information requested and questions raised we can highlight the following main notes from the answers obtained by the local partners:

- A) Regulatory and legal framework related to Complementary Currencies (CC), Electronic Money (EM) and Payment Service Providers (PSP) and their ecosystem in the countries. Definition, Regulation and Purpose.
- B) Scope of application of the regulations in CC, MS and PSP. Territorial and subjective. Main Actors Involved. Public and Private Sector.
- C) Measures promoting or encouraging CCs, MSs and PSPs. Other forms of currency other than legal tender. Institutions that may issue legal tender and e-money.
- D) Current problems. Recommendations and proposals for improvement and implementation of actions. Recommendations and proposals for improvement and implementation of actions.

a. Regulatory and legal framework related to Complementary Currencies (CC), Electronic Money (EM) and Payment Service Providers (PSP) and their ecosystem in the countries. Definition, Regulation and Purpose.	
Jordan	<ul style="list-style-type: none"> • There are no specific regulations governing CCs, nor are they defined. There is legislation on MS and PSP. Electronic Payment and Money Transfer by law No. (111) of 2017 and Electronic Transactions Law No. (15) of 2015. • The EM and PSP are defined as "The electronic information system that enables the sending, receiving and processing of payment and money transfer transactions in any currency, in addition to clearing and settlement services, as well as the issuance and administration of payment instruments. " • The purpose of the regulation is the processes related to electronic payment systems and the ways of resolving disputes that may arise between the parties involved in an electronic money transfer, as well as establishing the necessary conditions for the issuance of electronic cheques.
Palestine	<ul style="list-style-type: none"> • There are no specific regulations governing CCs, nor are they defined. There are regulations for MS and PSP. The National Payments Law, 2012 and the Electronic Transactions Law, 2017, which regulates the provision of electronic payment services in Palestine, including e-wallet and payment card services. • Electronic transactions are defined as "Transactions conducted, in whole or in part, by electronic means. On the other hand, there is no specific definition of CC or EM. • The purpose of the regulation is to facilitate electronic transactions, establish measures to combat money laundering and fraud. Remove barriers or challenges to electronic transactions and promote the development of the legal infrastructure necessary to implement secure electronic transactions. Minimise the likelihood of forgery of electronic communications. Establish uniform legal rules, norms and standards for the authentication and validity of electronic communications and

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	<p>records; Promote the growth of electronic commerce and other transactions domestically and internationally through the use of electronic signatures.</p>
Tunisia	<ul style="list-style-type: none"> • There is no specific legislation regulating CC and no definition of CC. In fact, they are only mentioned in the Penal Code, which prohibits them completely. There is legislation on MS and PSP (L. N°2016-48 Relating to banks and financial institutions. L. n°2005-51 Relating to the electronic transfer of funds. L. n° 2000-83 on electronic commerce and trade. L. n° 2007-13, relating to the establishment of digital economy. L. n°2007-69 on economic initiative. • EM is defined as any monetary value representing a claim on the issuer, stored on an electronic medium, issued in exchange for the remittance of funds of an amount not lower than the monetary value issued and accepted as a means of payment by parties other than the issuer of the electronic money. • In relation to PSPs, payment transactions by any means of distance communication, including electronic payment transactions, are considered to be payment services. • The purpose of the regulation is to promote a favourable ecosystem for the development of digital payments, cash reduction and financial inclusion; to establish a structured and standardised framework for mobile payment services that defines the roles and obligations of the various participants in the mobile payment chain; to standardise the minimum requirements for the various players in the mobile payment services industry; to promote the security and efficiency of mobile payment services; and to increase the confidence of users of these services. • With regard to the PSP in particular, it defines the requirements for the conduct of the business of payment institutions, the specific rules on governance and internal control, the rules governing payment accounts, the conditions for the use of agents and the system of consumer protection.
Spain	<ul style="list-style-type: none"> • If PSP and EM legislation exists (Royal Decree 778/2012 of 4 May on the legal regime for electronic money institutions ("RD 778/2012"). Law 21/2011 of 26 July 2011 on electronic money. Royal Decree-Law 19/2018 of 23 November 2018 on payment services and other urgent financial measures). • There is no definition of CC, but there is a definition of EM . Electronic money means any monetary value stored by electronic or magnetic means representing a claim on the issuer, which is issued on receipt of funds for the purpose of making payment transactions and which is accepted by a natural or legal person other than the issuer of electronic money. • The purpose of the aforementioned rules is to regulate payment services provided on a professional basis in Spanish territory, including the form of provision of such services, the legal regime of payment institutions, the transparency and information regime applicable to payment services, as well as the respective rights and obligations of both payment service users and payment service providers. • In addition, its purpose is also the regulation of the issuance of electronic money, including the legal regime for electronic money institutions and the prudential supervision of these institutions.

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Greece	<ul style="list-style-type: none"> • There is no specific legislation regulating CC and no definition of them. The only relevant regulation refers to "benefits in kind" which are regulated by Law no. 4172/2013. There are regulations regarding EM and PSP (EM regulated by Law no. 4021/2011 and PSP are regulated by Law no. 4537/2018). • According to Greek law, 'Electronic money' means any monetary value stored on electronic devices, including magnetic devices, which appears as a claim against the issuer of electronic money and which has been issued after receiving money for the purpose of making payments and is accepted by natural or legal persons other than the issuer. • "Payment service provider" means the following entities: credit institutions; electronic money institutions; offices which are authorised under national law to provide payment services; payment institutions; the European Central Bank (ECB) and national central banks when they are not acting as monetary or other public authorities; Greek and other public authorities or their regional or local authorities, when they are not acting as public authorities. • The object of the Law is the regulation and supervision of the activities of an electronic money institution as well as of payment services in the internal market.
Portugal	<ul style="list-style-type: none"> • There is no legislation on CC and MS. There is also no legislation governing PSPs. • In the absence of regulatory legislation, there is neither a definition of CC, MS and PSP nor the purpose of such legislation.



b. Scope of application of the regulations in CC, MS and PSP. Territorial and subjective. Main Actors Involved. Public and Private Sector.

Jordan	<ul style="list-style-type: none"> The territorial scope of application of the regulation is national and applies throughout the country at state, regional and local level. It applies to both the Public (Pub) and Private (Priv) Sector. Pub: Central Bank of Jordan (CBJ) which oversees the electronic payments system in Jordan. Priv: Providers of electronic services, internet, cybersecurity...
Palestine	<ul style="list-style-type: none"> The territorial scope of application of the related regulations is throughout the territory and its application is both for the Public (Pub) and Private (Priv) Sector. Pub: Palestine Monetary Authority (PMA), Palestinian Capital Market Authority (PCMA), Ministry of Telecommunications and Information Technology (MoTIT) Priv: Commercial banks, Payment Service Providers, Telecommunication Companies (JAWWAL and ALWATANEYA) and IT Companies providing Internet solutions (including e-commerce, security).
Tunisia	<ul style="list-style-type: none"> The territorial scope of application of the regulation is national and applies throughout the country at state, regional and local level. It applies to both the Public (Pub) and Private (Priv) Sector. Pub: - Strategic Council of Digital Economy (CSEN); Central Bank; Ministry of Finance; Société Monétique Tunisie; National Agency for Electronic Certification (ANCE/Tuntrust); E-Government and Project Management Office (PMO-PNS),... Priv: Telecommunications Operators; Private Banks; International Organisations, ...
Spain	<ul style="list-style-type: none"> The territorial scope of application of the regulation is national. It will apply to payment services provided within Spain and affects the public (Pub) and private (Priv) sectors. Pub: the European Central Bank, the Banco de España and the other national central banks; the Administración General del Estado, the Comunidades Autónomas and the Entidades Locales, when they are not acting in their capacity as public authorities. Private: Credit institutions; Electronic money institutions; Payment institutions; Sociedad Estatal de Correos y Telégrafos, S.A.
Greece	<ul style="list-style-type: none"> The territorial scope of application of the regulation is national and its application is for both the Public (Pub) and Private (Priv) Sector. Pub: Hellenic Post, Bank of Greece, ECB, Greek public bodies, local authorities Priv: Banks; Trading companies and service providers; Trade and service intermediaries; IT development companies; Independent software vendors...
Portugal	<ul style="list-style-type: none"> In the absence of formal regulations, the scope of application is not provided. The CM experiences are the result of initiatives of SSE organisations (cooperatives and associations), with the support of some local authorities.

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- The CM experiences mainly involve SSE organisations and local authorities.

From what has been seen so far in the different regulations studied regarding the existence of **CC, MS and PSP**, we can conclude that **in no case is there any specific regulation of CC, in the sense of a complementary social currency that could facilitate the co-production of public policies**, and, on the contrary, there are usually regulations regulating MS and PSP, as something relatively recent.

Thus, **there is no regulation on complementary social money or currency, nor is there any PPP regulation for it. There is general legislation regulating MS and PSP, but it is not focused on the SSE.**

This is the reason why we do not find regulatory definitions of CC and we only find definitions of MS and PSP, in general terms and explaining what they consist of, as well as the purpose of the regulations governing these matters that attempt to guarantee the correct functioning of PSP processes as well as the functioning of MS.

It is the supreme state or central institution responsible for the formulation and implementation of monetary and banking policies, with the aim of regulating and protecting the banking sector, usually through the central government and Central Banks, as independent public institutions responsible for the formulation and implementation of monetary and banking policies to maintain price stability and low inflation, foster financial stability and safeguard the banking sector and promote the sustainable growth of the national economy.

Therefore, the regulation will normally apply nationally, i.e. throughout the country and to both the public and private sector, including in the public sector the state administrations and institutions and in the private sector the service providers and private companies operating or related to the subject matter.

Once again, we note that **the regulation of regulations relating to PSP, MS and, where appropriate, CC, is drawn up from the central level and is not carried out with the participation of the administrations closest to the citizen, which makes it even more difficult to include PPP, the co-production of public policies and the application of SSE actions.**

In any case, it can be seen that a notable effort is being made in recent years by most countries, most notably Tunisia, Jordan and Palestine, to advance in the regulation of EM and PSP in order to improve access to retail payment systems in the country, promote a cashless ecosystem and provide low-cost, safe and efficient retail payment services, their particular scope and application to ensure legal clarity and legal certainty, and to be complemented by a general legal framework with respect to payment services.

c. Measures promoting or encouraging CCs, MSs and PSPs. Other forms of currency other than legal tender. Institutions that may issue legal tender and e-money.

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| Jordan | <ul style="list-style-type: none"> • The Bank of Jordan issued a guide with guidelines to assist any entity wishing to engage in e-payment activities and e-money transfer services specified in the regulatory framework. |
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	<ul style="list-style-type: none"> • This guide provides the necessary information to answer any queries related to the licensing process by the Central Bank of Jordan that are necessary to practice any activity related to electronic money transfer and payment services. • The CBJ assesses compliance with the rules by entities involved in any money transfer and electronic payment services activity through continuous supervision, requesting information from these entities, analysing their financial data to ensure the soundness of their financial positions, as well as monitoring new situations and trends that require issuing recommendations or updating the corresponding instructions, in addition to preparing periodic reports. • No complementary forms of currency other than legal tender are accepted. • If there are institutions that can issue e-money such as PSPs registered and approved by the CBJ, which also guarantees deposits in such accounts, and are accepted by the public and private sector. • These PSP institutions are not related to the SSE.
Palestine	<ul style="list-style-type: none"> • One of the pillars of the legal and regulatory framework is to open the payment services market to non-banks. The PMA adopted Instructions on the licensing of payment service providers in 2018, which were complemented by a set of additional Instructions on stored value products covering the issuance of prepaid cards and e-wallets in April 2020. These Instructions facilitate greater competition in the market with respect to payment services and help increase the use of digital payments. • The PMA has adopted a comprehensive national payments development strategy. The strategy covers 2018 to 2023 with the overall vision of making Palestine a leading user at the forefront of electronic payment methods in a way that supports the national economy and enhances risk mitigation. The adopted strategy focuses primarily on promoting digital payments and will help lay the foundation for wider use of digital financial services. • The National Payments Development Strategy focuses on several key areas, including (1) developing the legal environment to support e-payments and e-commerce; (2) developing the infrastructure to support payments; (3) increasing access to e-payments, in particular across different demographic groups; and (4) increasing public awareness of e-payments and using the public sector as a catalyst to increase the use of e-payments. • The PMA has also adopted a National Strategy for Financial Inclusion for 2018-2025 with the vision of achieving a developed financial sector that fully meets the financial needs of all segments of Palestinian society to improve their well-being. • No complementary forms of currency other than legal tender are accepted. • Payment Service Companies, authorised by the Palestinian Monitoring Authority (PMA), as well as authorised commercial banks and PSPs (currently 5), can issue e-money through e-wallets and prepaid cards. • These PSP institutions are not related to the SSE.

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Tunisia	<ul style="list-style-type: none"> • Various measures and plans have been adopted to promote the use of MS and PSP, such as the National Strategic Plan "Tunisie Digitale 2020", which is articulated along several main axes: Infrastructure: Ensure social inclusion and reduce the digital divide by improving access to information and knowledge. E-commerce: Implementing a digital culture through the widespread use of ICTs. e-Government: Evolving towards e-Government and supporting the creation of added value, supporting entrepreneurship and stimulating innovation. Smart Tunisia: Ensure the reduction of unemployment and the creation of 40,000 high value-added jobs in the digital sectors. Transverse: Ensure Tunisia's transition to All Digital through the establishment of an appropriate regulatory framework, governance and security environment. <p>A further EM and PSP-related scheme is the Carte Technologique. In 2015 the Ministry of Communication Technologies and Digital Economy (Ministère des Technologies de la Communication et de l'Economie Numérique, MINCOM) launched the Digital Technology Charge Card, which allows users to make online purchases of software, mobile applications, web services and publications in support of business activities.</p> <p>Also noteworthy is the National Strategy for Financial Inclusion 2018-2022 with which the Central Bank of Tunisia issued Circular No. 2018-16 governing the activity and operation of payment institutions to open up the market for the provision of payment services to providers other than banks.</p> <ul style="list-style-type: none"> • No complementary forms of currency other than legal tender are allowed, nor can any other institution issue it, which is expressly prohibited by the penal code. • With regard to the possibility of acting as a PSP, all institutions and establishments that have been approved by the Central Bank of Tunisia may act as PSPs.
Spain	<ul style="list-style-type: none"> • No promotional measures are in place • The regulations do not include any type of currency that is not legal tender or linked to electronic money, although there are a large number of complementary economies: time banks, mutual credit systems, currencies with economic backing. Therefore, other types of currencies can exist and any entity could issue a local currency or complementary currencies if it can justify the exclusion requirements demanded by law. • No entity other than the Central Bank may issue legal tender. • Any entity registered as an Electronic Money Institution may issue electronic money. In addition, the General State Administration, the Autonomous Communities and Local Entities, when acting in their capacity as public authorities, may also issue e-money. Credit institutions, authorised e-money institutions, the

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	Sociedad Estatal de Correos y Telégrafos, S.A. and the Banco de España may also issue e-money.
Greece	<ul style="list-style-type: none"> • There are no measures to encourage the use of MS, except for some bonuses and discounts for the use of cards. • There are no permitted currencies other than legal tender, except for cryptocurrencies, which are not treated as currencies but as an investment. • Other currencies are not regulated. • PSPs are and e-money can be issued by: (a) credit institutions (b) e-money institutions and (c) post office giro institutions that are authorised under national law to issue e-money.
Portugal	<ul style="list-style-type: none"> • There are no measures relating to CCs, PSPs or EMs. On the contrary, CCs are prohibited by the Central Bank. • There are no other institutions that can issue legal tender, PSP or e-money.

d. Current problems. Recommendations and proposals for improvement and implementation of actions.

Jordan	<ul style="list-style-type: none"> • Jordan has low levels of financial inclusion among its population and cash is still predominant. • Lack of confidence in financial institutions. Despite the efforts of the Central Bank of Jordan and other financial institutions to stabilise the financial sector, there is a lack of trust in financial institutions and it means that the use of cash remains predominant instead of electronic payments. • Electronic payment mechanisms remain relatively stagnant. • Risk of consumers losing funds if their banks fail. There are no provisions to ensure that individual funds held in mobile wallets are protected in the event of bank failure. • Recommendations and proposals: Work on an innovative and ambitious regulatory environment together with some equally innovative private sector players presenting new opportunities for growth in the use of digital financial services in Jordan. The Central Bank of Jordan (CBJ) has recently embarked on a national strategy to try to increase financial inclusion across the country. • Raise public awareness of MS. • Continue to work on consumer protection and transparency which present major challenges, particularly for low-income groups with low levels of financial literacy. • As the sector continues to grow and usage increases, it will be important to ensure continued strong oversight of the sector, and the CBJ should continue to foster an environment of open dialogue and consultation with industry and SSE actors.
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	<ul style="list-style-type: none"> The Central Bank of Jordan (CBJ) is working to mitigate this risk in the event of bankruptcy and to provide guarantees and consumer protection by establishing a dedicated consumer protection department.
Palestine	<ul style="list-style-type: none"> Currently, only banks and bureaux de change can offer remittance services. As most inward remittances are disbursed in cash, measures should be taken to facilitate the crediting of remittance receipts to bank accounts and e-money accounts. Currently, only two money transfer operators (MTOs) can operate locally and choice and competition is further limited because agents can only operate on behalf of one MTO. Israel's restrictions and Palestine's dependence on Israel's central bank and regulation pose a major barrier to the development of electronic banking in Palestine. The overall use and penetration of basic financial services in the West Bank and Gaza, including digital payment services, is generally low and reliance on cash and cheques as the main means of payment remains very high. Payments from government to citizens are predominantly made by cheque and payments from citizens to government are predominantly made in cash. Recommendations and proposals: New licensing of electronic payment services companies and financial technology as the most effective solutions to political, financial or health obstacles such as the one we are experiencing. Increase the financial literacy of the citizen's electronic means of payment. Increase the number of money transfer operators, as there are currently only two operators that can operate locally, to further open up the remittance market. Efforts should focus on improving the regulatory framework, strengthening the national payments infrastructure and creating incentives for the use of digital financial services, including electronic payment and EM services. The national payment infrastructure can be substantially strengthened by requiring banks and PSPs to work together to promote interoperability, which is essential to enable fast payments and support e-wallets and mobile payments. Introduce measures to encourage the use of digital financial services.
Tunisia	<ul style="list-style-type: none"> Main problem: Lack of a dedicated cybercrime law; Regulation of electronic and mobile payments is not suitable for e-commerce transactions; Lack of interoperability between different electronic and mobile means of payment; Lack of completeness of the regulatory framework governing digital financial services. Recommendations: La Poste Tunisienne is a major player in digital financial services but is not under the supervision of the central bank like other payment service providers so reviewing the status of the Post Office in terms of financial services to promote healthy competition with financial institutions under the supervision of the BCT and allowing it to take advantage of the potential of digital finance could be beneficial for Tunisia's positioning in the digital economy. . Updating the regulatory framework for cybersecurity

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	<ul style="list-style-type: none"> • Establishment of data protection and information safeguards • Establish a favourable framework for digital financial inclusion in the regions, especially among young people. • Establish a legal framework for complementary currency.
Spain	<ul style="list-style-type: none"> • There is no express regulation on Complementary Currencies. • For this type of currencies, the strict regulation that exists for e-money should not be taken into account, as the purpose, use and actors are different and specific to the objective pursued with this tool. • There is talk of limited networks for the use of complementary currencies. • Legal vacuum of complementary and social currencies and lack of social legitimacy for their use. • Recommendations: • Inclusion of the typologies of complementary and social currencies at the level of basic regulation. • Increase education, knowledge and awareness of complementary currencies in order to give them greater recognition and social legitimacy to encourage their use. • The mapping, classification and statistics of social and complementary currencies in Spain and the monitoring of their results and impact are recommended.
Greece	<ul style="list-style-type: none"> • Problematic: Some of the powers granted to the Central Bank of Greece are discretionary, which leads to irregularities in the application of the law with respect to the actors involved. • In addition, there are technical aspects that have not been regulated and are being addressed by subsequent directives and regulations. • There are technical issues that have not been adequately regulated in the law. • Recommendations and proposals: • The definition of e-money is unclear and its use is not incentivised. • An education campaign could help solve this. • Local use of CC and MS is proposed to improve the local economy.
Portugal	<ul style="list-style-type: none"> • The main problem is that there is no regulation on CC, MS and PSP. • Recommendations: • As EM is not recognised and PSP has no specific regulation, it would be important to take action for its recognition and legal framework. In this sense, the role of RedPES - Portuguese Solidarity Economy Network, as well as universities and researchers linked to this field of SSE would be important.

Based on the information obtained and reflected in the preceding tables, a clear distinction can be made between those countries that are making the greatest efforts to implement and apply technological financial services through the use of MS and PSPs, and those countries that have stagnated or are not making a notable effort to make further progress.

Among the former are Jordan, Tunisia and Palestine, which are promoting action plans, strategies, instruments and guidelines to facilitate the implementation of financial services such as MS and PSP. They

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are also promoting, through such instruments, the granting of authorisations, permits and licences to private parties interested in providing services in this sector.

Numerous recommendations can therefore be found in the various action plans and guides drawn up for this purpose.

In contrast, in the other countries covered by this study, namely Spain, Portugal and Greece, no measures have been put in place to encourage or promote the use of CC, MS and PSP, regardless of whether or not they have regulations governing them.

On the contrary, what we do see as a common point is that **no country can issue new currencies as legal tender other than the one currently in force.**

This is reserved for the respective central bank, which controls monetary policy.

Therefore, it is clear that the creation and use of complementary social currencies should be understood as an alternative form of payment instrument, but not a legal tender in itself, unless the regulations governing it are modified.

However, I do consider it interesting to point out that in **Spanish legislation we can interpret the legitimacy of local entities for the issue and use of complementary currencies**, through the regulations governing local administration, which generally cover the implementation and regulation of all actions of interest in the local territorial and functional sphere, which means that local councils and other local entities can use legal tender as another means of payment to be used by administrations, specifically local administrations, and this means can be used through electronic money.

In conclusion, with regard to the possibilities of creating legal tender and electronic money, although, as has been said, it is not possible to create new currencies, it is possible for administrations and entities authorised to do so to create electronic money, which will normally have to obtain this authorisation from bodies dependent on the national central bank.

The problems encountered tend to be similar in the different countries covered by this study.

This problem is often due to the **lack of legislation regulating the CCs**. Such legislation must differentiate the possibility of creating complementary and social coins from legal tender coins, since their purpose is very different and they are not intended to replace them.

In addition, it would be **desirable to have specific PSP and MS regulations** for the area under discussion, relating to SSE and co-production of public policies, which would allow the use of MS and PSP for these purposes and differentiate them from existing regulations of a general nature and of national application.

There is also a **lack of knowledge and awareness of the** existence and use of CC among citizens.

Similarly, in certain countries, precisely those that are making the greatest efforts in this area (Jordan, Tunisia and Palestine), **the use of cash is very widespread and the use of technological means and financial services is not very widespread.**

Another common problem we find is that there are technical aspects in the regulations that have not been regulated and need to be solved, as there are technical issues that have not been properly regulated in the law.



Finally, more effort needs to be put into the **development and implementation of cyber-security regulations.**

3. CONCLUSION AND RECOMMENDATIONS PPUB AND PPP REGULATIONS

Thus, we have to conclude that **there is hardly any legislation that regulates the creation of CCs and successfully implements the creation of MS and the use of PSPs through which public policies for the SSE are implemented, let alone using complementary social currencies.**

However, the lack of specific regulations that also provide for SSE actions through CCs, MS and PSPs can be seen as an opportunity, as one of the main objectives being pursued with the new guidelines in countries such as Jordan, Tunisia and Palestine is the opening up of payments to classical non-financial institutions, i.e. non-banks.

The issuance of instructions has facilitated greater competition in the market for payment services and helps to increase the use of digital payments.

The provision of electronic payment services can effectively contribute to the achievement of financial inclusion and the delivery of financial services to all segments of society, provide payment services to unbanked groups, entrepreneurs and small businesses and promote the national economy.

On the other hand, the use of local social currency aims to reactivate the local economy and generate wealth exponentially in a specific territorial area, so that the impact of its benefits is not only greater, but also has an impact on the local neighbourhood community and that these benefits do not "go" outside.

Finally, in view of the **recommendations made** by the different local partners **to improve actions related to CC, MS and PSP** that facilitate the implementation of actions in the field of the SSE and the co-production of public policies for this purpose, we highlight the following:

- Working in an innovative and ambitious regulatory environment together with some equally innovative private sector players presenting new opportunities for growth in the use of digital financial services.
- Raise public awareness.
- Continue to work on consumer protection and transparency.
- Increase the financial literacy of the citizen's electronic means of payment.
- Improve the regulatory framework, strengthen the national payments infrastructure and create incentives for the use of digital financial services, including electronic payment and EM services.
- Introduce measures to encourage the use of digital financial services.
- Updating the regulatory framework for cybersecurity
- Establishment of data protection and information safeguards
- Establish a favourable framework for digital financial inclusion in the regions, especially among young people.



- Establish a legal framework for complementary currencies. Inclusion of complementary and social currency typologies at the level of basic regulation.
- Monitoring its results and impact.
- Local use of CC and MS to improve the local economy.

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