

# The introduction of the rounding rule in Estonia from 2025

Autumn 2024



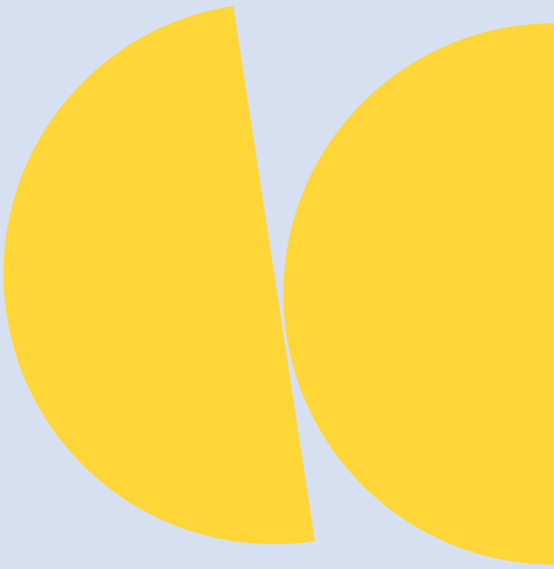
# The rounding rule from 2025: change in cash will be given in multiples of 5 cents

- **The rounding rule will be obligatory for all payments in cash from 1 January 2025**
- **The rule is intended** to reduce the use of 1 and 2-cent coins, as producing them is resource-intensive and has a heavy impact on the environment, but they are rarely used for making payments
- **How it works:** the final price of a basket of shopping is rounded up or down by 1 or 2 cents to the nearest 5 cents
- **Where it applies:** the rule will apply in all **physical points of sale**, but only for payments in cash and only for the final price of the basket of shopping. Payments made by card or in a different way like a gift card or loyalty points will not be rounded. The prices of individual products will not change unless the shopper is buying only one item, as the price of that will then be the final price

# Only the final price of the basket of shopping will be rounded, and only for payments in cash

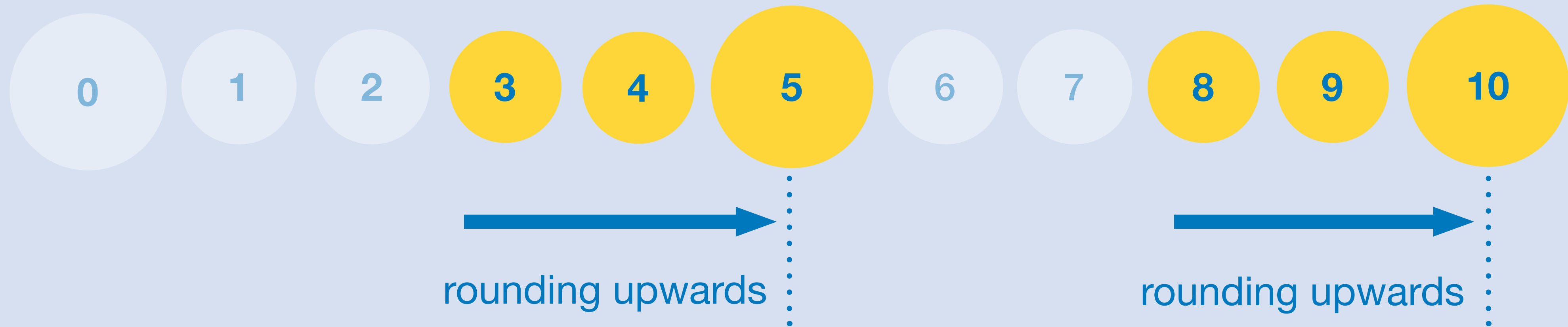
The prices of individual items will not be rounded! Products can still have prices like €3.99

- **Rounding downwards:**  
If the final price ends in 1, 2, 6 or 7 cents, it will be rounded down, so €1.27 becomes €1.25
- **Rounding upwards:**  
If the final price ends in 3, 4, 8 or 9 cents, it will be rounded up, so €1.29 becomes €1.30
- **Rounding for round numbers:**  
An amount that ends in 0 or 5 cents will remain the same, like €1.25 or €1.30
- **Exception:** the final price of the basket of shopping is not rounded if it is below 3 euro cents. A basket that costs 1 cent or 2 cents is not rounded to zero, but the exact amount must be paid either in cash or with a different means of payment



# Rounding upwards

If the final price of the basket of shopping ends in 3, 4, 8 or 9 cents, it will be rounded upwards because the nearest 5-cent amount is above it

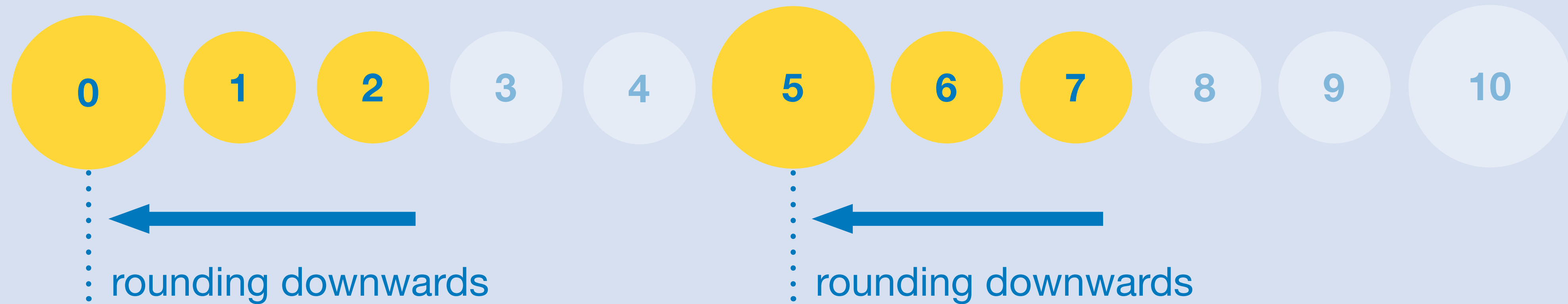


€1.23 → €1.25  
€1.24 → €1.25

€1.28 → €1.30  
€1.29 → €1.30

# Rounding downwards

If the final price of the basket of shopping ends in 1, 2, 6 or 7 cents, it will be rounded downwards because the nearest 5-cent amount is below it



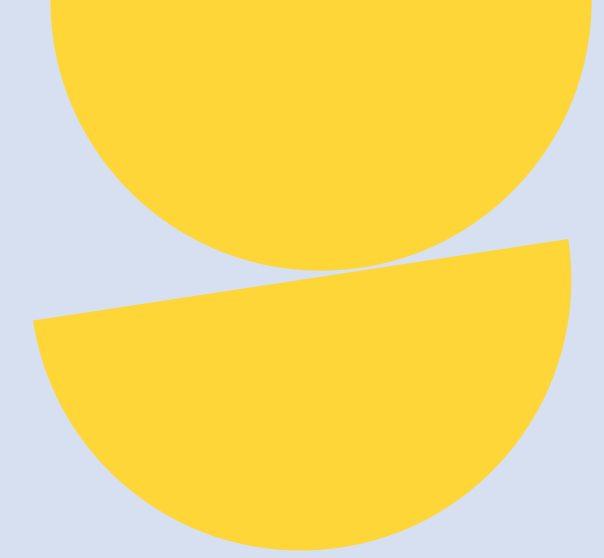
€1.11 → €1.10

€1.12 → €1.10

€1.16 → €1.15

€1.17 → €1.15

# 1 and 2-cent coins can still be used for paying with



**1 and 2-cent coins will remain legal tender for payment after the rounding rule comes in, so it will still be possible to pay with them and they must be accepted**

- Estonian law requires shopkeepers to accept up to 50 valid circulating coins at any one go, regardless of their value
- When the rounding rule first comes in, it may inevitably happen that the change given to the customer includes 1 and 2-cent coins. This will only happen for a time, because the number of 1 and 2-cent coins in circulation will fall after the rule is introduced. Shopkeepers will no longer need to hold separate stocks of small coins
- If the shopkeeper does not have enough small coins for change, they will have to agree with the customer what the best solution for them is, such as making the payment by card. If they cannot reach an agreement, then the purchase cannot be made
- This might happen for example if a customer pays for a cup of coffee costing 1.05 euros with a 1-euro coin and three 2-cent coins, making a total of 1.06 euros

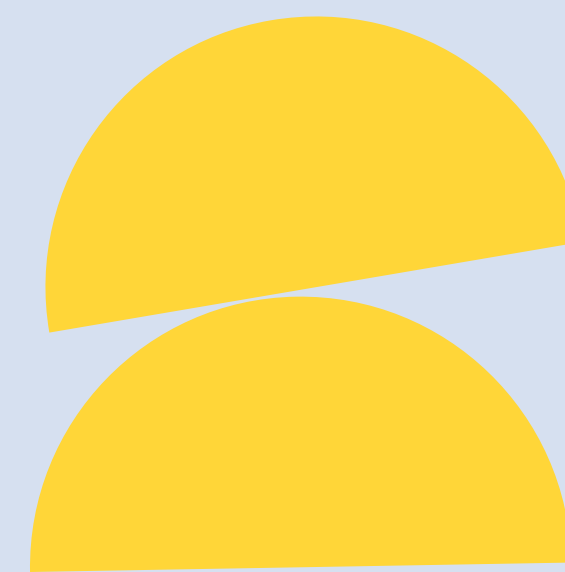
# Examples of rounding: paying in cash and by card

**Example 1:** the price of the basket of shopping is **€15.38**

- For payment in cash, the final sum is rounded to **€15.40**
- For payment by card, the sum remains **€15.38**

**Example 2:** the price of the basket of shopping is **€8.12**

- For payment in cash, the final sum is rounded to **€8.10**
- For payment by card, the sum remains **€8.12**



## Examples of rounding: combined payments

### Cash and another means of payment can be combined to make the payment

- If the customer pays using a combination of cash and another means of payment such as a bank card, a gift card or a voucher, then only the part paid in cash is rounded and then only if the cash payment is the last one. The rounding applies to the final price of the whole basket of shopping

**Example:** the price of the basket of shopping is €28.44

- **The last part of the payment is made by card:** the customer pays €20.32 in cash and the rest by card. The amount paid in cash of €20.32 is not rounded, and is subtracted from the total:  $€28.44 - €20.32 = €8.12$ . The final amount to be paid by card is €8.12
- **The last part of the payment is made in cash:** the customer pays €8.12 by card first, and then the remaining €20.32 in cash. In this case rounding applies and the amount paid in cash is €20.30
- The order of the different means of payment in a combined payment is not governed by the rounding rule. It is agreed between the seller and the customer

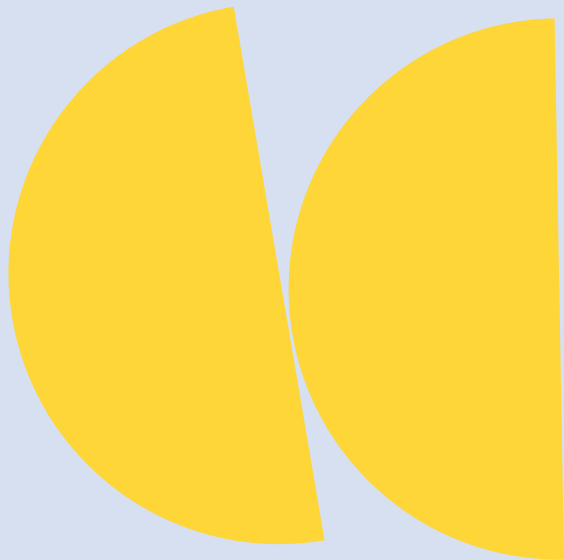


# Rounding for refunds

**If goods or services are being refunded in cash, then the final amount is again rounded**

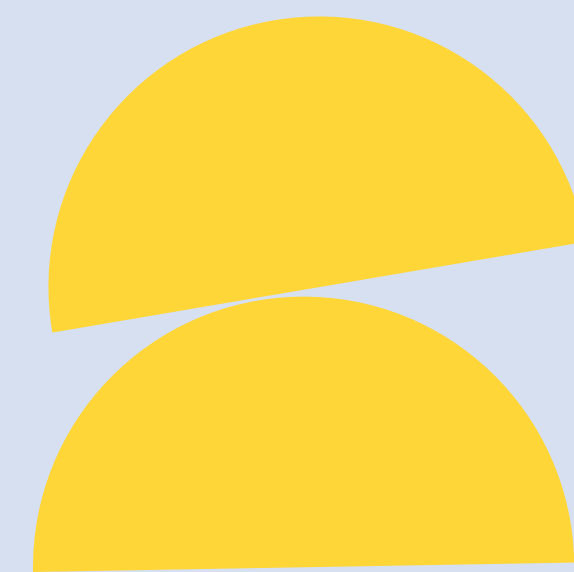
**Example:** the item being refunded cost €2.28

- **Refund in cash:** the customer is given the rounded amount of €2.30
- **Refund in some other form:** The refund is for the exact amount of €2.28
- It does not matter for refunds whether the original payment was made in cash or some other way.  
**What matters is the means of payment used for the refund**
- The rounding rule does not govern what form money should be refunded in. If the seller tells the buyer how money paid for goods or services will be refunded and the buyer agrees to those conditions, then a means of payment has been agreed between them
- For refunds of deposits on packaging, the rounding rule will similarly only apply for cash payments
- **Exception:** the final amount of the refund is not rounded if it is below 3 cents; 1 and 2-cent coins are not used for refunds



# The rounding rule will not raise prices

- The customer can choose how to pay for their shopping:
  - **If they pay by card, they will pay the exact amount, just as they do now**
  - **The rounding rule will only apply to payments in cash, and only the final price of the basket of shopping will be rounded**
- The change in the final price will be a maximum of 2 cents up or down
- The prices of individual items will not need to change
- Experience from other countries shows there will be no danger of prices rising



# The legal basis, informing customers and additional information

- **Shopkeepers have to inform** customers clearly that the rounding rule applies and display the rounded final price
- **Cash till systems** have to show the price of the basket of shopping before and after rounding
- It is recommended to show the final price of the basket of shopping on the screen of the cash till or on the receipt

Further information:

- Act on Introduction of Euro in Riigi Teataja (to be superseded from 01.01.2025):  
<https://www.riigiteataja.ee/en/eli/501032016001/consolide>.
- Consumer Protection Act (to be superseded from 01.01.2025):  
<https://www.riigiteataja.ee/en/eli/505072024002/consolide>.
- Websites of Eesti Pank (<https://www.eestipank.ee/en/press/frequently-asked-questions-faq-about-rounding-rule>) and the Estonian Traders Association (<https://kaupmeesteliit.ee/juhendid/1-ja-2-sendiste-umardamisreeglid/>)



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