

# EXECUTIVE COUNCIL

## PUBLIC

<b>Title:</b>	Currency (Amendment Bill) 2019
<b>Paper Number:</b>	27/19
<b>Date:</b>	27 February 2019
<b>Responsible Director:</b>	Financial Secretary
<b>Report Author:</b>	Financial Secretary
<b>Portfolio Holder:</b>	MLA Roger Spink
<b>Reason for paper:</b>	This paper is submitted to Executive Council:  To meet a statutory requirement
<b>Publication:</b>	Yes
<b>Previous papers:</b>	15/19 - Coins (Circulation) Order 2019
<b>List of Documents:</b>	Appendix 1 – Currency (Amendment) Bill 2019

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### 1. Recommendations

Honourable Members are recommended to:

- (a) APPROVE the Currency (Amendment) Bill 2019 and instruct the Attorney General to progress the legislation by publishing the Bill in the Gazette, thereby beginning the legislative process as its first reading, and
- (b) REQUEST the Governor to seek instructions through a Secretary of State, in order that he may assent to the Bill if passed by the Legislative Assembly

### 2. Additional Budgetary Implications

2.1 There are no budgetary implications.

### 3. Executive Summary

- 3.1 Under section 6(5)(a) of the Currency Ordinance 1987 the Currency Commissioners must arrange for the minting of coins in the denominations, weight, form, design and metal composition as are prescribed. Section 9(1) also specifies the amounts of notes and coins that are legal tender.

## **4. Background**

- 4.1 Section 9 of the Currency Ordinance needs to be amended to take into account that the new 5p approved in ExCo paper 15/19 is made of nickel plated steel, which is not referred to in the existing Section 9.
- 4.2 The Bill amends the Currency Ordinance 1987 to amend section 9 to clarify what is legal tender in the Falkland Islands. The replacement Section 9(1) specifies that notes and coins are legal tender if they have been issued by the Commissioners under the Ordinance and have not been illegally dealt with or called.
- 4.3 The replacement section 9(2) removes specification of the metallic composition of coins which are legal tender for payment of amounts as specified in that section.
- 4.4 Since 2012 UK size 5p and 10p pieces originating from The Royal Mint blanks have been produced in nickel-plated steel<sup>1</sup>. Any future Falkland Islands 5p and 10p coins will be produced in nickel-plated steel rather cupro-nickel.
- 4.5 The Bill removes separate specification that the payment of coins of denominations of 2 pence or less are legal tender for up to 20 pence, with the effect that they may be paid for amounts not exceeding £5 under section 9(2)(d).

## **5. Options and Reasons for Recommending Relevant Option**

- 5.1 One option would be not to amend Section 9 of the Currency Ordinance. This is not recommended, as Falkland Islands Government would then be prevented from obtaining currency of metal types other than those prescribed in section 9.
- 5.2 It is recommended that approval is given to the amend Section 9, so as to enable the purchase of future currency of metal types which would be specified in an Order for the approval of that coin.

## **6. Resource Implications**

### **6.1 Financial Implications**

### **6.2 REDACTED.**

### **6.3 Human Resource Implications**

#### **6.2.1 None**

### **6.4 Other Resource Implications**

#### **6.3.1 None**

## **7. Legal Implications**

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<sup>1</sup> <https://www.royalmint.com/corporate/circulating-coin/nickel-plated-steel/>

- 7.1 The Currency (Amendment Bill) 2019 will need to complete the Legislative process. As a Bill affecting the currency of the Falkland Islands, the Governor is not permitted to assent to the Bill without having previously obtained instructions through a Secretary of State (Constitution, sections 50 and 52, and Annex A – Rules for the enactment of laws, paragraph 5(b)).

## **8. Environmental & Sustainability Implications**

- 8.1 Nil

## **9. Significant Risks**

- 9.1 Nil

## **10. Consultation**

- 10.1 Nil

## **11. Communication**

- 11.1 Nil

## Appendix 1

### **Currency (Amendment) Bill 2019**

(No:        of 2019)

#### ARRANGEMENT OF PROVISIONS

##### Clause

1. Title
2. Commencement
3. Amendment of Currency Bill
4. Section 9 amended (Legal tender)

# CURRENCY (AMENDMENT) BILL 2019

(No:                      of 2019)

*(assented to:                      2019)*

*(commencement: on publication)*

*(published:                      2019)*

A BILL

for

AN ORDINANCE

To amend the Currency Ordinance 1987.

BE IT ENACTED by the Legislature of the Falkland Islands —

## **1. Title**

This Ordinance is the Currency (Amendment) Ordinance 2019.

## **2. Commencement**

This Ordinance comes into force on its publication in the Gazette.

## **3. Ordinance amends Currency Ordinance 1987**

This Ordinance amends the Currency Ordinance 1987.

## **4. Section 9 amended (Legal tender)**

In section 9, revoke subsections (1) and (2) and replace them with —

“(1) Subject to subsection (2), a tender of money is a legal tender if it is made in notes and coins that —

- (a) have been issued by the Commissioners under this Ordinance;
- (b) have not been illegally dealt with as specified in subsection (3); and
- (c) have not been called in under section 10.

(2) Notes and coins issued under this Ordinance are legal tender —

- (a) in the case of notes, for the payment of the amount tendered;
- (b) in the case of coins that have a denomination of £1 or more, for the payment of the amount tendered;
- (c) in the case of coins that have a denomination exceeding 10 pence but less than £1, for the payment of an amount not exceeding £10;

- (c) in the case of coins have a denomination of 10 pence or less, for the payment of an amount not exceeding £5.
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## OBJECTS AND REASONS

Section 6(1) of the Currency Ordinance 1987 gives the Commissioners of Currency (appointed under section 5(1) of the Ordinance) the sole right to issue currency notes and coins, and section 6(3) of the Ordinance provides that only notes and coins issued by the Commissioners are legal tender. Under section 6(5)(a) of the Ordinance the Commissioners must arrange for the minting of coins in the denominations, weight, form, design and metal composition as are prescribed. Section 9(1) also specifies the amounts of notes and coins that are legal tender.

The Bill amends the Currency Ordinance 1987 to amend section 9 to clarify what is legal tender in the Falkland Islands. Section 9(1) specifies that notes and coins are legal tender if they have been issued by the Commissioners under the Ordinance and have not been illegally dealt with or called. Section 9(2) removes specification of the metallic composition of coins which are legal tender for payment of amounts as specified in that section. It also removes separate specification that the payment of coins of denominations of 2 pence or less are legal tender for up to 20 pence, with the effect that they may be paid for amounts not exceeding £5 under section 9(2)(d).