

EXECUTIVE COUNCIL

PUBLIC

Title: Coins (Circulation) Order (no. 2) 2019

Paper Number: 48/19

Date: 27 March 2019

Responsible Director: Financial Secretary

Report Author: Financial Secretary

Portfolio Holder: MLA Roger Spink

Reason for paper: This paper is submitted to Executive Council:
To meet a statutory requirement

Publication: Yes with redactions highlighted in grey

Not Recommended:

Under Executive Council Standing Order 23(2), Executive Council must have regard to the categories of exempt information in Schedule 3 to the Committees (Public Access) Ordinance when determining if information should be withheld

The categories which are potentially relevant to this paper are:

Paragraph 9: Information about others' financial and business affairs
Paragraph 10: Information about relevant contracts and negotiations

Previous papers: 15/19 – Coins (Circulation) Order 2019

List of Documents: Appendix 1 – Currency (Coin) Regulations (no. 2) 2019 – 1p Gattoo penguins

1. Recommendations

Honourable Members are recommended to:

- (a) APPROVE¹, the attached Currency (Coin) Regulations (no. 2) 2019 to prescribe the minting of a 1p circulation coin.

¹ The agent designing the coins must first obtain the approval of the Governor (in effect ExCo as the Governor in Council) for any proposed coin design, before seeking approval from Buckingham Palace (if the coin is a new design). The design is an existing design and the mint has confirmed that Royal Approval is not required in this case.

(b) authorise the Attorney General to correct typographical errors and non-substantive drafting errors found in the attached subsidiary legislation prior to signature;

2. Additional Budgetary Implications

- 2.1 There are no budgetary implications for the Consolidated Fund.
- 2.2 The costs of issuing currency coins will be a charge to the Currency Fund, and accounted for in accordance with the Currency Ordinance 1987.

3. Executive Summary

- 3.1 The Commissioners of Currency (“the Commissioners”), on behalf of the Falkland Islands Government are responsible for the issue of currency under s6 of the Currency Ordinance 1987.
- 3.2 The Commissioners propose the issue of a new 1p circulation coin, which will be dated 2019 and based upon the 1974 design.
- 3.3 The issue of currency requires approval by Executive Council.

4. Background

- 4.1 Stocks of 1p circulation coins and are becoming low. New circulation 1p coins need to be produced, in advance of the tender for circulation coins that was referred to in ExCo paper 15/19.
- 4.2 Three UK based mints have provided costings for a1p circulation coin.

REDACTED			

4.3 **REDACTED.**

4.4 **REDACTED.**

4.5 **REDACTED**

4.6 **REDACTED**

4.7 The coins will be circulation coins of unlimited quantity. It is the Commissioners of Currency that decide to have additional coins minted, based upon need.

5. Options and Reasons for Recommending Relevant Option

- 5.1 One option would be not to produce Falkland Islands currency, and instead use UK Sterling. This is not recommended because the Currency Ordinance 1987 requires that the unit of currency of the Falkland Islands shall be the Falkland Islands Pound. Also,

the existence of a circulating currency for a country is an indication of sovereignty, identity and economic activity.

- 5.2 It is recommended that approval is given to mint and issue a new 1p circulatory coin on the basis of price as described at paragraph 4.4 above.

6. Resource Implications

6.1 Financial Implications

6.2 **REDACTED**

6.3 **REDACTED**

6.4 Human Resource Implications

6.2.1 None

6.5 Other Resource Implications

6.3.1 None

7. Legal Implications

- 7.1 After Royal approval of the designs has been received, the attached order should be made under the Currency Ordinance, to prescribe the denomination, weight, form and metallic composition of the coins to be minted (sections 6(5) and 22 of the Currency Ordinance).

8. Environmental & Sustainability Implications

8.1 Nil

9. Significant Risks

9.1 Nil

10. Consultation

10.1 Nil

11. Communication

11.1 Nil

SCHEDULE



EXPLANATORY NOTE *(not forming part of the regulations)*

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 also specifies requirements relating to amounts of notes and coins having legal tender.

Section 22(a) of the Ordinance gives the Governor in Council the power to make regulations by order to prescribe anything that is required to be prescribed by the Ordinance. Section 6(5)(a) requires the prescription of the denomination, weight, form, design and metal composition of coins that the Commissioners arrange to be minted.

This Order makes regulations prescribing the denomination, weight, form, design and metal composition of a 1 pence coin for the purposes of section 6(5)(a) of the Ordinance.