

Subsidiary Legislation made under s.11.

## **Currency Notes Rules**

**LN.1939.07.18**

*Commencement*                      **18.7.1939**

| Amending<br>enactments | Relevant current<br>provisions | Commencement<br>date |
|------------------------|--------------------------------|----------------------|
| Rules of 17.7.1952     | rr. 9, 11-12, 17(2)            |                      |
| 2. 9.1954              | r. 3                           |                      |
| 16.3.1965              | r. 8(2).                       |                      |
| LN. 1976/137           | rr. 9,12-13, 17(1)-(2)         |                      |
| Act. 2007-17           | rr. 2, 5, 18(1), (3), (5), 19  | 14.6.2007            |
| LN. 2011/021           | rr. 3-4, 8(1), 18(4)(b), 20    | 17.3.2011            |

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**Title.**

1. These rules may be cited as the Currency Notes Rules.

**Currency officers.**

2. The Commissioner and such other officers as may be appointed by the Minister responsible for finance shall be currency officers for the purposes of these rules.

**Plates for printing of notes.**

- 3.(1) The printing of currency notes shall be carried out by a person to be selected by the Commissioner and shall be of such specification and design as approved by the Minister.

(2) The printing of currency notes shall be supervised as required from time to time by the Commissioner.

4. *Revoked*

**Custody of currency notes.**

5. All unissued currency notes, and all currency notes withdrawn from circulation by the Commissioner and selected for re-issue in accordance with rule 14 shall be kept in a strong fireproof vault having each of its entrances secured by three different locks, the keys of which shall be held respectively by the Commissioner and such two of the currency officers as the Minister responsible for finance may from time to time appoint.

**Issue of currency notes according to serial numbers.**

6. All currency notes, on first issue, shall be issued so far as possible in the order of their serial numbers.

**Re-issue to be preferred to issue of currency notes.**

7. The re-issue of currency notes selected for re-issue under rule 14 shall be preferred to the issue of currency notes not previously issued.

**Minimum sum to be exchanged for currency notes or sterling.**

- 8.(1) The minimum sum which any person shall be entitled under proviso (a) to section 6 of the Act, to lodge with the Commissioner for the purpose of obtaining currency notes or sterling, as the case may be, shall be £10,000 or its equivalent in currency notes.

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(2) The rate of commission which the Commissioner shall be entitled to charge and levy from any person obtaining currency notes or sterling under proviso (b) to section 6 of the Act shall not exceed three-eighths per cent.

#### **Books to be kept.**

9. The Commissioner shall cause books to be kept to be called “The Currency Note Register,” “The Currency Note Control Account” and “The Register of Cancelled and Destroyed Notes.”

#### **Currency Note Register.**

10. When currency notes are supplied to the Commissioner, or issued, withdrawn from circulation, re-issued, cancelled or destroyed by the Commissioner, an entry shall forthwith be made in the Currency Note Register and signed by at least two currency officers, showing the date and nature of each such transaction, the denominations and total number of the notes involved and the denominations and total number of all notes supplied to the Commissioner, issued, remaining unissued, withdrawn from circulation, re-issued, cancelled, kept for destruction in accordance with the provisions of rule 17(3) or destroyed by the Commissioner up to and including the transaction which is then being recorded.

11. *Revoked.*

#### **Currency Note Control Account.**

12. Each series of notes of each denomination shall be divided into groups of 10,000 notes each, and there shall be recorded in the Currency Note Control Account, in respect of each group, the total number of the currency notes issued or re-issued by the Commissioner, the total number of notes withdrawn from circulation by the Commissioner and selected for re-issue, and the total number of notes cancelled or destroyed, together with the date of issue, re-issue, withdrawal from circulation, cancellation or destruction, and the balance of currency notes in circulation.

#### **Register of Cancelled and Destroyed Notes.**

13. In the Register of Cancelled and Destroyed Notes there shall be recorded the total number of notes destroyed of each denomination in each of the groups referred to in rule 12 together with, in each case, the date of cancellation or destruction.

#### **Classification of currency notes withdrawn from circulation.**

14. When any currency notes are withdrawn from circulation by the Commissioner the notes shall forthwith be classified either for re-issue or for destruction.

**Re-issue of currency notes.**

15. All currency notes selected for re-issue under rule 14 shall be placed in the vault and kept in the manner prescribed in rule 5 but they shall be kept separate from the currency notes previously unissued.

**Cancellation of currency notes.**

16. When any currency note has been selected for destruction under rule 14, it shall forthwith be cancelled in the presence of the Commissioner and at least one other currency officer by stamping, perforating, cutting or otherwise defacing the note in such manner as the Commissioner may approve, and any portion of such note which may have been removed shall be burnt in the presence of the same currency officers.

**Destruction of cancelled currency notes.**

17. (1) After cancellation, currency notes shall be classified into the groups referred to in rule 12. In each case notes shall be made up into bundles of 100 notes, and a record shall be made in the Register of Cancelled and Destroyed Notes in accordance with rule 13.

(2) After the currency notes have been classified, bundled and recorded, they shall be handed to at least two currency officers none of whom shall have acted previously in respect of the same notes under subrule (1). The currency notes after being checked by them shall, if possible, be immediately destroyed in their presence by fire, in an incinerator provided for the purpose, and the currency officers shall immediately after the destruction sign a certificate in the Register of Cancelled and Destroyed Notes in a form to be approved by the Commissioner showing the total number and value of the notes destroyed under each group of each denomination and series.

(3) If any currency notes are not destroyed by fire immediately after they are handed to and checked by the currency officers in accordance with the previous provisions of this rule, the currency officers shall certify the records in the Register of Cancelled and Destroyed Notes, and seal and date the bundles of currency notes which shall forthwith be placed in the vault and there kept until it is convenient to destroy them.

(4) When the sealed bundles of cancelled currency notes are withdrawn from the vault, the notes shall be checked against the records in the Register of Cancelled and Destroyed Notes by at least two currency officers who shall be the currency officers who had sealed the bundles if those officers are available; the notes shall then be destroyed in their presence in accordance

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with the provisions of subrule (2), and they shall sign a certificate in the Register of Cancelled and Destroyed Notes as provided in that subrule.

#### **Board of Survey.**

18.(1) There shall be a Board of Survey appointed by the Minister responsible for finance, which shall consist of at least two members, neither of whom shall be a currency officer or an officer of the Treasury, and which shall examine the stocks of notes held by the Commissioner, whether unissued, awaiting re-issue or awaiting destruction.

(2) The Principal Auditor, whether or not he is a member of the Board of Survey, shall be notified of every survey to be held and shall be entitled to be present, either in person or by his officers, at any survey.

(3) Ordinary surveys shall be held at least quarterly, and surprise surveys shall be held by the Board of Survey when required to do so by the Minister responsible for finance. At least one surprise survey shall be held in every year.

(4) At any survey the Board of Survey may accept any sealed package of notes without counting the contents thereof, if the seals are apparently intact, and the package bears the seal of—

- (a) the Principal Auditor and at least one member of his staff; or
- (b) *Revoked*
- (c) a recognised bank doing business in Gibraltar during any period within which such bank has agreed to receive back the package intact; or
- (d) not less than three Treasury officers, not being holders of the key of the vault; or
- (e) in the case of bundles of cancelled notes, two Currency officers; or
- (f) previous Boards of Survey.

(5) A report of each survey, containing a list of all packages of notes and showing how far the packages have been accepted or counted shall be forwarded by the Board of Survey to the Minister responsible for finance.

(6) All books and documents in which is any account, minute or memorandum relating to the Note Security Fund, or whatever else shall tend to secure a true account of the transactions of the Commissioner shall at all times be open to examination by the Board of Survey.

**Accounts.**

19. The accounts shall be kept at the Treasury in such form as the Financial Secretary may direct and shall be wholly separate from the general accounts of Gibraltar.

**Commissioner to submit annual estimate.**

20. The Commissioner shall submit annually an estimate of the probable expenditure during the ensuing year for the approval of the Government and shall obtain prior sanction for any supplementary provision that may prove to be necessary in the course of the year.