

CURRENCY NOTES ACT

Principal Act

Act. No. 1934-06	<i>Commencement</i>	11.5.1934
	<i>Assent</i>	11.5.1934

Amending enactments	Relevant current provisions	Commencement date
Acts. 1935-06	ss.2, 4(3), 6, 8(6), 8, 10 and 11	
1949-25	ss.8(1) and 12	
1954-14	s. 2	
1961-11	ss.7 and 8(3)	
LN. 1971/053	s. 8(5) and (6)	
Acts. 1974-22	s. 8(3)	
1983-12	s. 8(3)	
1989-43	s. 6 and 8	15.8.1989
2007-17	ss. 3, 8(3), 8(5), 8(7), 10(1), 11	14.6.2007

English sources:

None cited

ARRANGEMENT OF SECTIONS.

Sections

1. Short title.
2. Interpretation.
3. Commissioner of Currency.
4. Issue and form of currency notes.
5. Legal tender, etc.
6. Conversion between currency notes and sterling.
7. Issue of further notes.
8. Note Security Fund and Income Account.
9. Penalty for mutilating or defacing currency notes.
10. Publication of statements and audit.
11. Rules.
12. Saving for existing notes.

AN ACT TO CONSOLIDATE THE LAW RELATING TO THE ISSUE OF GOVERNMENT CURRENCY NOTES.

Short title.

1. This Act may be cited as the Currency Notes Act.

Interpretation.

2. In this Act, unless the context otherwise requires,—

“Commissioner” means the Commissioner of Currency appointed by section 3;

“currency notes” means currency notes issued by the Government;

“Fund” means the Note Security Fund established by section 8(1).

Commissioner of Currency.

3. The person for the time being lawfully discharging the duties of Financial Secretary shall for the purposes of this Act be the Commissioner of Currency.

Issue and form of currency notes.

4.(1) It shall be lawful for the Commissioner, subject to the provisions of this Act, to provide, issue and re-issue currency notes of the Government.

(2) Currency notes issued under this Act shall be of such denominations and of such form and design and printed from such plates and on such paper and be authenticated in such manner as may be approved by a Secretary of State.

(3) The plates shall be prepared and kept and the notes printed in such manner as a Secretary of State may approve and the notes shall be issued and cancelled in the manner prescribed.

Legal tender, etc.

5. Currency notes issued under this Act shall be legal tender in Gibraltar for the payment of any amount, and shall be deemed to be valuable securities within the meaning of Part XVI of the Criminal Offences Act¹ and any other law relating to theft which is for the time being in force in Gibraltar, and to

¹ 1960-17

be current coin in Gibraltar for the purpose of the Truck Act² and any other like enactment.

Conversion between currency notes and sterling.

6. The Commissioner shall issue on demand to any person desiring to receive currency notes in Gibraltar, currency notes to the equivalent value (at the rate of one pound for one pound sterling) of sums in sterling lodged with either the Commissioner in Gibraltar or the Crown Agents in London by such person, and shall pay on demand either in Gibraltar or through the Crown Agents to any person desiring to receive sterling in London the equivalent value so calculated of currency notes lodged with him in Gibraltar by such person:

Provided that—

- (a) no person shall be entitled to lodge with the Crown Agents or the Commissioner, as the case may be, less than such minimum sum as may be prescribed for the purpose of obtaining currency notes or sterling, as the case may be; and
- (b) the Commissioner shall be entitled to charge and levy from any person obtaining currency notes or sterling a commission at such rate or rates not exceeding one per cent as may be prescribed, and may charge in addition the cost of any telegram sent by the Commissioner or by the Crown Agents in connection with any transfer as above described.

Issue of further notes.

7. The Commissioner in his discretion may issue Government currency notes to the equivalent market value of securities of or guaranteed by the Government of Gibraltar lodged with the Commissioner in Gibraltar as part of such a transaction as is permitted by proviso (a) to section 8(3).

Note Security Fund and Income Account.

8.(1) There shall be established a fund to be called “The Note Security Fund” and there shall be paid into the Fund the equivalent value in sterling of all currency notes issued otherwise than in exchange for currency notes already issued.

(2) There shall be charged upon the Fund the sterling payments made by the Commissioner in respect of notes lodged with him under the provisions of section 6.

² 1895-06

(3) Except as hereinafter provided the Fund shall be held in London by the Crown Agents and may be invested in sterling securities of or guaranteed by the Government of the United Kingdom or the Government of Gibraltar, or in such other securities as the Crown Agents, with the approval of a Secretary of State, may decide:

Provided that—

- (a) the total amount of the moneys in the Fund which are invested in securities of or guaranteed by the Government of Gibraltar shall at no time exceed 30 per cent of the value of the Fund, such securities being such as the Commissioner may select and, if issued in Gibraltar, shall be held in Gibraltar, by the Commissioner; and
- (b) the Minister responsible for finance may from time to time issue directions to the Crown Agents as to the amount of the Fund to be held in liquid form.

(4) All dividends, interest or other revenue derived from such investments or from employment in any other manner of the moneys of the Fund and all commissions paid to the Commissioner as provided in section 6 shall be paid into an account to be called “The Currency Note Income Account”.

(5) There shall be charged upon the Currency Note Income Account,—

- (a) all the expenses incurred by the Commissioner and by the Crown Agents in the preparation, transport and issue of the currency notes and the transaction of business relating thereto; and
- (b) a sum equal to 1 per cent of the Fund, that is to say, the amount made up of the liquid moneys of the Fund together with the estimated market value of the investments in the Fund on the last day of each financial year, which shall be paid annually into the Fund:

Provided that the Minister responsible for finance may, with the approval of a Secretary of State, direct that any expenditure of an exceptional nature may be charged upon the Fund and not upon the Currency Note Income Account.

(6) If on the last day in any financial year there is a surplus in the Currency Note Income Account it shall be transferred to the Consolidated Fund and any deficiency in the account on that day shall be met from moneys to be appropriated out of the Consolidated Fund:

Provided that—

- (a) if on the last day in any financial year the face value of the currency notes in circulation, other than notes which have been demonetised, exceeds the amount of the Fund calculated in the manner provided in paragraph (b) of subsection (5), there shall be paid into the Fund the whole or such less part of any surplus in the Currency Note Income Account as shall be required for the purpose of making up the moneys of the Fund to an amount equal to the face value of currency notes in circulation, other than notes which have been demonetised; and

- (b) if on the last day in any financial year the Fund so calculated exceeds 110 per cent of the face value of the currency notes in circulation, other than notes which have been demonetised, the Governor may, with the sanction of a Secretary of State,
 - (i) that the whole or part of the excess over 110 per cent shall be transferred from the Fund to the Consolidated Fund; and

 - (ii) that the annual appropriation of the 1 per cent shall be wholly or partially discontinued for so long as it shall appear that the reasons for such annual appropriation no longer exist.

(7) The liquid portion of the Fund may be held in cash, or on deposit either at the Bank of England or the Gibraltar Government Savings Bank, or in Treasury Bills, or with with the approval of the Minister responsible for finance lent out at call or for short terms or invested in readily realisable securities.

Penalty for mutilating or defacing currency notes.

9. A person who without lawful authority or excuse, (the proof whereof shall lie on the the person accused), mutilates or in any way defaces a currency note whether by writing, printing, drawing or stamping thereon or by attaching or affixing thereto anything in the nature or form of an advertisement, is guilty of an offence and is liable on summary conviction to a fine of £20.

Publication of statements and audit.

10. (1) The Commissioner shall cause to be published half-yearly in the Gazette an abstract showing—

- (a) the whole amount of currency notes in circulation, other than notes which have been demonetised, on the last day of the half-year;
- (b) the total amount of the Fund on that day, the value of the invested portion of the Fund being calculated on the latest known market price of the securities held by the Fund; and
- (c) a list of the securities held by the Fund showing in each case the nominal value, the cost price and the latest known market price,

and shall submit annually to the Minister responsible for finance and a Secretary of State a statement of his transactions during the preceding year.

(2) The accounts of all transactions of the Commissioner shall be audited by the Principal Auditor.

Rules.

11. The Minister responsible for finance may, with the prior approval of a Secretary of State make rules for fixing the rates of commission to be charged under section 6, for directing and controlling the calling in or demonetisation of currency notes issued under this Act and generally for the better carrying into effect the provisions of this Act.

Saving for existing notes.

12. Bank notes and currency notes issued under the provisions of the Currency Note Act, 1927, shall be deemed for the purposes of this Act to have been issued under this Act.