

STATES OF JERSEY



DRAFT DECIMAL CURRENCY (AMENDMENT No. 7) (JERSEY) LAW 201-

**Lodged au Greffe on 7th September 2011
by the Minister for Treasury and Resources**

STATES GREFFE



Jersey

DRAFT DECIMAL CURRENCY (AMENDMENT No. 7) (JERSEY) LAW 201-

European Convention on Human Rights

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000 the Minister for Treasury and Resources has made the following statement –

In the view of the Minister for Treasury and Resources the provisions of the Draft Decimal Currency (Amendment No. 7) (Jersey) Law 201- are compatible with the Convention Rights.

(Signed) **Senator P.F.C. Ozouf**

REPORT

This amending Law proposes to add nickel-plated steel coins to the list of coins that are legal tender in Jersey.

H.M. Treasury has approved the Royal Mint's proposal to convert the 5 and 10 pence coins from cupro-nickel to nickel-plated steel. The diameter and weight of the 5 and 10 pence coins will remain unchanged, but they will be magnetic and approximately 10% thicker than the cupro-nickel versions.

The U.K. has issued a Royal Proclamation in order to establish the new nickel-plated steel 5p and 10p coins as legal tender, and as Article 4(1) of the Decimal Currency (Jersey) Law 1971 sets out what is legal tender under U.K. provisions, an amendment to the Law is required to add nickel-plated steel coins to the list of coins that are legal tender in Jersey. This will also allow Jersey to issue nickel-plated steel coins in the future.

This amending Law will also allow the Minister to specify by Order the coins issued under U.K. or Jersey legislation that are legal tender in Jersey.

Financial and manpower implications

As a result of rising metal prices over recent years, solid coin and blanks have become increasingly expensive for the customer because they are composed entirely of more expensive non-ferrous metals. As a result, electro-plating has become more attractive because it requires the use of a thin surface layer of more expensive non-ferrous alloy. Indeed, 95% of the coin is made of much cheaper steel. The Royal Mint has estimated that the conversion of the 5 and 10 pence coins from cupro-nickel to nickel-plated steel will save approximately up to £18.00 per 1000 for 5p, and up to £35.00 per 1,000 for 10p (dependant on fluctuating metal prices and the order quantity).

European Convention on Human Rights

Article 16 of the Human Rights (Jersey) Law 2000 requires the Minister in charge of a Projet de Loi to make a statement about the compatibility of the provisions of the Projet with the Convention rights (as defined by Article 1 of the Law). On 5th September 2011 the Minister for Treasury and Resources made the following statement before Second Reading of this Projet in the States Assembly –

In the view of the Minister for Treasury and Resources the provisions of the Draft Decimal Currency (Amendment No. 7) (Jersey) Law 201- are compatible with the Convention Rights.

Explanatory Note

This Law would amend the Decimal Currency (Jersey) Law 1971 (“principal Law”) to add nickel plated steel coins to the list of coins that are legal tender in Jersey. Such coins must be in denominations of not more than 10 new pence and are legal tender for payment of any amount that is £5 or less.

This Law would also amend Article 4 of the principal Law to allow the Minister to specify by Order the coins issued under UK or Jersey legislation that are legal tender in Jersey.

This Law would come into force the day after it is registered.



Jersey

DRAFT DECIMAL CURRENCY (AMENDMENT No. 7) (JERSEY) LAW 201-

A LAW to amend further the Decimal Currency (Jersey) Law 1971.

Adopted by the States [date to be inserted]

Sanctioned by Order of Her Majesty in Council [date to be inserted]

Registered by the Royal Court [date to be inserted]

THE STATES, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law –

1 Article 4 of the Decimal Currency (Jersey) Law 1971 amended

In Article 4 of the Decimal Currency (Jersey) Law 1971¹ –

(a) after paragraph (1)(d) there shall be inserted the following sub-paragraph –

“(dd) coins of mild steel coated with nickel of denominations of not more than 10 new pence for payment of any amount not exceeding £5;”;

(b) after paragraph (1)(e) there shall be added the following sub-paragraph and paragraph –

“(f) such other coins that the Minister may specify by Order as legal tender.

(1A) An Order under paragraph (1)(f) may specify the denomination and composition of coins and determine that such coins shall be legal tender for payment of any amount not exceeding such amount as is specified in the Order or for payment of any amount without limit.”.

2 Citation and commencement

This Law may be cited as the Decimal Currency (Amendment No. 7) (Jersey) Law 201- and shall come into force the day after it is registered.

¹ *chapter 24.690*