

STATES OF JERSEY



DRAFT CURRENCY NOTES (VARIATION OF MAXIMUM AMOUNT OF ISSUE) (JERSEY) REGULATIONS 201-

Lodged au Greffe on 17th November 2015
by the Minister for Treasury and Resources

STATES GREFFE



Jersey

DRAFT CURRENCY NOTES (VARIATION OF MAXIMUM AMOUNT OF ISSUE) (JERSEY) REGULATIONS 201-

REPORT

Article 1 of the Currency Notes (Jersey) Law 1959 states that the Minister for Treasury and Resources has the power to issue currency notes with the States' approval.

Article 1(2) of the Currency Notes (Jersey) Law 1959 allows the States, by Regulations, to vary the amount of currency notes issued in circulation at any one time.

The last increase in currency in circulation was in 2009, when the limit was increased from £75,000,000 to £100,000,000. If the increase were index-linked, in line with inflation over the last 6 years, the limit would now be over £115,000,000.

The amount of Jersey currency notes in circulation is governed entirely by the demands of the retail banks, which in turn is driven by the cash demands of their customers. As the Treasury issues currency notes only to the retail banks, it exercises only minimum control over movements in currency in circulation. In addition, unlike the U.K., Jersey has a fully backed currency, with every pound in circulation being matched with a one pound investment.

Throughout the year, the amount of currency in circulation is approximately £80,000,000; however, demand rises steeply for a few weeks during the Christmas period, during which last year (2014) demand reached £95,000,000. Accordingly, an increase in the ceiling is necessary to keep pace with inflation and to cover Islanders' cash requirements during the festive period.

Financial and manpower implications

There are no additional financial or manpower implications for the States arising from the adoption of these draft Regulations.

Explanatory Note

These Regulations increase the maximum amount of currency notes that may be in circulation at any one time from £100 million to £125 million.

The Regulations are to come into force on the day after they are made.



Jersey

DRAFT CURRENCY NOTES (VARIATION OF MAXIMUM AMOUNT OF ISSUE) (JERSEY) REGULATIONS 201-

Made [date to be inserted]
Coming into force [date to be inserted]

THE STATES, in pursuance of Article 1(2) of the Currency Notes (Jersey) Law 1959¹, have made the following Regulations –

1 Variation in amount of currency note issue

In Article 1(1)(b) of the Currency Notes (Jersey) Law 1959², for the amount “£100,000,000” there shall be substituted the amount “£125 million”.

2 Revocation

The Currency Notes (Variation of Maximum Amount of Issue) (Jersey) Regulations 2009³ are revoked.

3 Citation and commencement

These Regulations may be cited as the Currency Notes (Variation of Maximum Amount of Issue) (Jersey) Regulations 201- and shall come into force on the day after they are made.

-
- ¹ *chapter 24.600*
² *chapter 24.600*
³ *R&O.117/2009 (incorporated in chapter 24.600)*