



**Tuvalu**

# **CURRENCY ACT**

**2022 Revised Edition**

**CAP. 38.05**





Tuvalu

## CURRENCY ACT

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Tuvalu

# CURRENCY ACT

## AN ACT RELATING TO CURRENCY<sup>1</sup>

Commencement [25th March 1937]

### PART I - PRELIMINARY

#### 1 Short title

This Act may be cited as the Currency Act.

#### 2 Interpretation

In this Act, unless the context otherwise requires-

“**the Coin Security Fund**” or “**the Fund**” means the Coin Security Fund established by section 5(1);

“**the Commissioner**” means the Commissioner of Currency referred to in section 6(1); and

“**national coin**” means any coin provided, issued or re-issued by the Commissioner.

### PART II - LEGAL TENDER

#### 3 Legal tender

(1) Australian notes issued in pursuance of any law of the Commonwealth of Australia, hereinafter called currency notes, shall to the extent to which they

are legal tender within the said Commonwealth, be legal tender within Tuvalu.

- (2) National coins and coins which are legal tender in the Commonwealth of Australia shall, if the coins are of current weight and have not been illegally dealt with and have not been demonetised under section 8(2) or called in under a notice issued under section 11, be legal tender to the extent to which they are legal tender as set out in the Schedule.
- (3)
  - (a) A coin shall be deemed not to be of current weight if it has become diminished in weight by wear or otherwise so as to be of less weight than the weight prescribed by the Minister as the least current weight of such coin or the weight required by the law of the Commonwealth of Australia as the case may be.
  - (b) A coin shall be deemed to have been illegally dealt with if the coin has been impaired, diminished or lightened, otherwise than by fair wear and tear, or has been defaced by having any name, word, device, or number stamped or engraved thereon, whether the coin has been thereby diminished or lightened or not.
- (4) The Minister may by order amend the Schedule.

## **PART III - NATIONAL COIN**

### **4 Denominations of national coin**

National coin shall be of such denominations in dollars and cents and of such form and design as shall be prescribed by the Minister.

### **5 Coin Security Fund**

- (1) For the purpose of implementing this Act there shall be established a fund to be called the Coin Security Fund which shall not form part of the Consolidated Fund and into the Fund shall be paid all moneys respectively due and receivable under this Act and there shall be charged upon the Fund (except as provided by sections 9 and 10) all amounts payable by the Commissioner under this Act.
- (2) Such minimum proportion of the assets of the Fund as the Commissioner shall determine, not being less than 5 per cent of the demand liabilities of the Fund, shall be held in liquid form, that is to say, held in the form of balances on current account or at short notice with such banks as the Minister shall approve; the remainder of the assets of the Fund, subject to subsections (3) and (5), shall be invested in such assets as the Minister may approve.

- (3) For the purpose of calculating the assets of the Fund the intrinsic value of any gold or silver content of coins issued under this Act may be recorded as an asset of the Fund and shall be calculated by reference to the latest known London market price for gold or silver bullion, as the case may be; but the value so calculated shall not exceed the face value of such gold or silver coins.
- (4) The net profits of the Fund in any financial year shall be determined after meeting or providing for all expenditure for that year and making such provision for contingencies as the Commissioner may consider desirable.
- (5) Any net profits of the Fund as determined in accordance with subsection (4) shall be transferred to and form part of the Consolidated Fund.
- (6) The value of any securities held in the name or on behalf of the Fund shall for the purposes of this Act be calculated by reference to the latest known market price of those securities; but where no such price is available the value of the securities concerned shall be calculated in such manner as the Commissioner, with the concurrence of the Principal Auditor, may think reasonable.

## **6 Commissioner of Currency**

- (1) The Minister shall be the Commissioner of Currency.
- (2) The Minister shall appoint a Deputy Commissioner of Currency who shall perform the functions of the Commissioner whenever through illness, absence from Tuvalu or from any other cause the Commissioner is unable to perform those functions.

## **7 Functions of the Commissioner**

The Commissioner may provide, issue, re-issue and redeem national coin and shall —

- (a) regulate and control the provision, issue, re-issue and redemption of such coin;
- (b) keep records of every issue, re-issue and redemption and the costs thereof;
- (c) redeem in accordance with section 9 coin demonetised under section 8(2);
- (d) not later than the 31st day of March each year prepare a report on all coin issued and redeemed during the preceding financial year together with an account of all expenditure incurred and revenue therefrom;
- (e) publish as at the 31st day of March each year by such means as he may think appropriate to inform the public a statement of the liabilities and assets of the Coin Security Fund;

- (f) perform all such other duties as are or may be imposed on him by or under this Act.

## **8 Conditions of issue and cancellation**

- (1) Whenever the Commissioner desires to issue national coin he shall not less than 90 days prior to the date of the intended issue publish by notice exhibited at the Public Office of the Government the amount in value and the denominations of the coin he proposes to make available for issue and the date of the intended issue.
- (2) The Commissioner may demonetise national coin, that is withdraw the legal tender status from a particular issue of coin, by notice published by exhibition at the Public Office of the Government not less than 90 days prior to the date of demonetisation which shall be specified in the notice together with the denomination and date of issue of the coin to be demonetised.

## **9 Redemption of national coin**

In the event of presentation of national coin for redemption it shall be redeemed with such other currency as is legal tender and the cost thereof shall be charged upon the Coin Security Fund except that the cost of redemption of coin of an issue which has been demonetised and which is presented for redemption after the date of demonetisation shall be charged upon the Consolidated Fund.

## **10 Costs of issue**

All costs incidental to the issue of national coin under this Act shall be charged upon the Consolidated Fund.

# **PART IV - MISCELLANEOUS**

## **11 Coins may be called in**

- (1) The Minister may by notice call in any coins before a date specified in such notice.
- (2) A notice under subsection (1) shall have effect from such date as may be specified in such notice.

## **12 Regulations**

The Minister may make regulations prescribing anything which may or shall be prescribed and for the better carrying out of the provisions of this Act.<sup>2</sup>

**SCHEDULE****LEGAL TENDER OF COINS**

(Section 3(2))

The tender of payment of money is a legal tender if it is made —

- (a) in the case of coins in the denomination of 5 cents, 10 cents, 20 cents or 50 cents — for payment of an amount not exceeding \$5, but for no greater amount; and
- (b) in the case of any other coins of lesser value — for payment of an amount not exceeding 20 cents but for no greater amount; and
- (c) in the case of any other coins of greater value — for the payment of an amount not exceeding the face value of the denomination of the coins (or if the payment is made in coins of more than one such greater value denomination then the sum of each such different denomination) multiplied by ten.

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**ENDNOTES**

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<sup>1</sup> 1990 Revised Edition, Cap. 50 – Acts 1 of 1937, 8 of 1937, 7 of 1965, 6 of 1966, 8 of 1971, 15 of 1975, LN 42/1981

<sup>2</sup> The following National Coinage Committee Regulations were made under this section by LN 10/1981 –

**3 The Committee**

- (1) There is hereby established a committee, to be known as the National Coinage Committee, for the purpose of advising the Commissioner on the exercise of his powers and the performance of his duties under the Act and with particular reference to the commissioners powers under section 7 of the Act.
- (2) The Committee shall consist of not more than 6 members and the quorum thereof shall be 4.
- (3) The Chairman, Deputy Chairman, and other Members of the Committee shall be appointed by the Minister by notice.
- (4) The Committee shall regulate its own procedure and may invite persons to attend but not to vote at any of its meetings.

**4 Commissioner to report**

Without limiting the power of the Commissioner to exercise his powers and perform his functions under the Act in his own deliberate judgement all matters pertaining to the exercise of those powers and the performance of those duties shall be brought before the Committee for their consideration at the earliest available opportunity.