



AN BILLE UM AIRGEAD REATHA DEACHUIL, 1970
DECIMAL CURRENCY BILL, 1970

EXPLANATORY MEMORANDUM

General

1. The Decimal Currency Act, 1969 gave basic statutory authority for the decimalisation of Irish currency by providing for the introduction of the £—new penny decimal system of currency on 15 February, 1971 (referred to below as Decimal Day) and for a changeover period (ending on a date to be appointed by the Minister for Finance by order) during which both the £sd and the decimal currency systems will be in use together. The Act also authorised the issue of coins suitable for the new system.

2. This Bill contains the other legislative provisions needed to give effect to the changeover to decimal currency. These may be summarised as follows:—

- (i) provisions designed to facilitate a complete switch to decimal currency working by the banks from Decimal Day;
- (ii) provisions dealing with the payment during the changeover period of certain £sd amounts and also with the payment of all £sd amounts after the end of that period;
- (iii) provisions for the conversion to decimal currency terms of statutory references involving shillings or pence; and
- (iv) provisions to define legal tender arrangements during the changeover period beginning on Decimal Day when both £sd and decimal coins will be in circulation together.

The Sections

3. Section 1 is a formal section which makes provision on the usual lines as regards definitions and interpretation.

4. Section 2 provides that bills of exchange (e.g. cheques) and promissory notes drawn in shillings or pence on or after Decimal Day will be invalid. Because of the large volume of financial transactions which they handle it would not be practicable for the banks to work in both decimal currency and £sd during the changeover period. The section makes provision for preserving the validity of post-dated cheques drawn in £sd before Decimal Day.

5. Section 3 provides that Thursday the 11th, Friday the 12th and Saturday the 13th February, 1971 will be non-business days for the purposes of the Bills of Exchange Act, 1882, and thus will enable the banks to remain closed for normal business on those days. The closed period is necessary to allow the banks time to clear £sd items and then to convert their machines and account balances so that they can work in the new currency from Decimal Day. The section makes provision regarding the payment of bills of exchange and promissory notes falling due on the closed days.

6. Section 4 provides that references to shillings or pence in cheques or other payable instruments drawn before Decimal Day but not paid until on or after that day shall be converted to decimal currency terms

on the basis of the Whole New Penny Conversion Table set out in the Schedule to the Bill. In the absence of this provision it would be necessary for the banks to refer each cheque back to its drawer for alteration; this would cause inconvenience for both the banks and their customers.

7. Section 5 authorises the conversion as from Decimal Day, in accordance with the Whole New Penny Table, of references to shillings or pence in bank balances.

8. Section 6 provides for the conversion, on the basis of the Whole New Penny Table, of £sd amounts which fall due for payment during the changeover period and which are paid by cheque. If payment is made in cash it will always be possible to pay the exact £sd amount during the changeover period.

9. Section 7 permits, with certain exceptions, the conversion on the basis of the Whole New Penny Table of the amount of any periodical payment which includes shillings or pence. Examples of such payments are ordinary life insurance premiums, hire purchase payments and rents. During the changeover period, of course, a payer will retain his existing right to pay the £sd amount.

10. Section 8 authorises the Minister for Industry and Commerce to make regulations prescribing how small amounts payable under friendly society contracts or industrial life assurance policies are to be paid in decimal currency.

11. Section 9 provides for the automatic conversion to the new currency from Decimal Day on an exact equivalent basis (that is, 1 shilling = 5 new pence, 1 penny = $\frac{5}{12}$ of a new penny) of references to shillings and pence in statutes and statutory instruments.

12. Section 10 empowers the Minister for Finance, or any other Minister with the consent of the Minister for Finance, to make orders amending specifically those statutory £sd references for which conversion on an exact equivalent basis (section 9) would not be satisfactory. Such cases will arise where a statutory reference to an £sd amount involves payment of a sum the exact equivalent of which is not payable in the new coinage or where a unit of calculation results in unduly long decimal fractions of a new penny.

13. Section 11 permits the modification of forms set out in enactments or statutory instruments so as to render them suitable for working in decimal terms.

14. Section 12 provides that on and after Decimal Day any registered stock which is transferable in units of one penny at present shall be transferable in units of one new penny; and for the conversion of shillings and pence in account balances in the register of such stock on the basis of the Whole New Penny Table.

15. Section 13 provides that if an £sd amount has to be paid after the end of the changeover period it may be discharged by paying the corresponding amount in the new currency calculated on the basis of the Whole New Penny Table. This will apply whether payment is by cash or by cheque.

16. Section 14 preserves the validity after the changeover period of documents containing references to amounts of money in £sd (except cheques or other bills of exchange or promissory notes).

17. Section 15 deals with legal tender arrangements during the changeover period. The legal tender limits for coins will be as follows (the limits for the 1d., 3d. and 6d. coins being brought into line with those settled by the Decimal Currency Act, 1969 for the bronze decimal coins):—

<i>Coin</i>	<i>Limit</i>
50 new pence (value 10/-)	£10
10 new pence (value 2/-)	} £5
5 new pence (value 1/-)	
2 new pence (value 4·8d.)	} 20 new pence (4/-)
1 new penny (value 2·4d.)	
$\frac{1}{2}$ new penny (value 1·2d.)	
6d. (value 2 $\frac{1}{2}$ p)	
3d. (value 1 $\frac{1}{4}$ p)	
1d. (value $\frac{5}{12}$ p)	

The provisions of section 15, in conjunction with the provisions about legal tender in the Decimal Currency Act, 1969, have the effect that during the changeover period £sd coins, decimal coins and mixed £sd and decimal coins will be legal tender for either £sd or decimal amounts. The Decimal Currency Board will recommend to the public that during the changeover period they should tender in shops in multiples of 2 $\frac{1}{2}$ p or 6d. so that exact change can always be given.

18. Section 16, which is consequential on section 15, provides for the repeal of section 12 of the Coinage Act, 1950 as from Decimal Day.

19. Section 17 is a formal section making provision for short title and collective citation.

20. The Schedule sets out the Whole New Penny Conversion Table. This Table has been recommended by the Decimal Currency Board for banking and accounting purposes. The banks will not take account of the new halfpenny and the Table therefore gives, for £sd amounts, decimal equivalents rounded to the nearest whole new penny. The Table runs from 1d. to 2/- so that 6d., which equals exactly 2 $\frac{1}{2}$ p, may be rounded up to 3p and be balanced by the rounding down of 1/6d. to 7p (i.e. 5p+2p). Increases and decreases due to rounding balance out over the Table as a whole.

An Roinn Airgeadais.

Aibreán 1970.

13. Amounts in old currency payable on or after appointed day.
14. References to amounts of money in old currency.
15. Legal tender.
16. Repeal.
17. Short title and collective citation.

SCHEDULE

METHOD OF CALCULATING IN CENTS/GASIN/THE AMOUNT IN NEW PENCE CORRESPONDING TO AN AMOUNT OF SHILLINGS AND PENCE.

on the basis of the Whole New Penny Conversion Table set out in Schedule 1 to the Bill. In the absence of such a table, the banks will be necessary for the banks to refer each cheque back to its drawer for alteration, this would cause inconvenience to their customers.

7. Section 5 authorises the conversion of the whole new penny into 20 new pence in accordance with the Whole New Penny Conversion Table.

8. Section 6 provides for the conversion of the whole new penny into 100 new pence in accordance with the Whole New Penny Conversion Table, of such amounts which may be paid during the changeover period. The provisions of section 6, in conjunction with the provisions of section 5, will ensure that the whole new penny is legal tender for either 100 or 20 new pence during the changeover period. The provisions of section 6, in conjunction with the provisions of section 5, will ensure that the whole new penny is legal tender for either 100 or 20 new pence during the changeover period. The provisions of section 6, in conjunction with the provisions of section 5, will ensure that the whole new penny is legal tender for either 100 or 20 new pence during the changeover period.

9. Section 7 provides for the conversion of the whole new penny into 100 new pence in accordance with the Whole New Penny Conversion Table, of such amounts which may be paid during the changeover period. The provisions of section 7, in conjunction with the provisions of section 5, will ensure that the whole new penny is legal tender for either 100 or 20 new pence during the changeover period.

10. Section 8 authorises the Minister for Industry and Commerce to make regulations for the purpose of providing for the conversion of the whole new penny into 100 new pence in accordance with the Whole New Penny Conversion Table. The regulations may provide for the conversion of the whole new penny into 100 new pence in accordance with the Whole New Penny Conversion Table. The regulations may provide for the conversion of the whole new penny into 100 new pence in accordance with the Whole New Penny Conversion Table.

11. Section 9 permits the modification of forms set out in enactments or statutory instruments so as to render them suitable for working in decimal terms.

12. Section 10 provides that on and after Decimal Day any registered stock which is transferable in units of one penny at present shall be transferable in units of one new penny; and for the conversion of shillings and pence in account balances in the register of such stock on the basis of the Whole New Penny Table.

13. Section 11 provides that if an old amount has to be paid after the end of the changeover period it may be discharged by paying the corresponding amount in the new currency calculated on the basis of the Whole New Penny Table. This will apply whether payment is by cash or by cheque.

14. Section 12 preserves the validity after the changeover period of documents containing references to amounts of money in old (except cheques or other bills of exchange or promissory notes).

15. Section 13 deals with legal tender arrangements during the changeover period. The legal tender limits for coins will be as follows: the limits for the 1d., 2d., 5d., and 10d. coins being brought into line with those set by the Decimal Currency Act, 1969 for the bronze (old) coins.