

### CHAPTER 3

#### COIN.

##### **Kinds of Coin and Legal Tender.**

13. Government is authorised to issue coins under the Coinage Act as amended from time to time.

14. The Taka is legal tender to any amount and the Half-Taka for any sum not exceeding Tk. 10 and the Twenty five paisha coin for any sum not exceeding one Taka, provided they satisfy the condition of currency laid down in paragraph 19.

##### **Receipt of Coin at Bank.**

15. The following instructions regulate the receipt at Bank of small coins and of coin which is not legal tender :-

Metallic coins of Half-Taka, Quarter Taka, 10 paisa, 5 paisa and one paisa pieces should be received in payment to the Government up to any amount although they are legal tender only for a sum not exceeding one Taka.

##### **Exchange of Small Coin.**

16. Half-Taka, Quarter Taka, 10 paisa, 5 paisa and one paisa pieces should be issued freely to persons who want them, either in payment of claims against the Government, or in exchange for Taka, or for notes which the Bank may be cashing. Bank is responsible for seeing that a sufficient stock of small coins is maintained to meet all such demands.

17. (1) Taka and notes should be issued freely in exchange for legal tender metallic coin subject to availability at the Bank.

(2) Whenever large bodies of men are assembled on public works under construction for purpose of famine relief or otherwise, the local authorities should make special arrangements to supply on the spot notes and Taka in exchange for the legal tender coin which may be collected by the contractors or foremen at such assemblages. Special arrangements may also be made to meet requirements of such assemblages at tea garden, mills and factories, as and when necessary.

18. If the instructions in the preceding paragraph are carried out, legal tender should never circulate at a discount. If nevertheless such coin does, at any time, or anywhere, circulate at a discount or at a premium, the circumstances should be immediately reported to the Currency Officer, with a full explanation of the supposed causes and of the remedial measures taken.

##### **Condition of Currency.**

19. No Condition of currency has been prescribed for Coins. Such coins are, therefore, legal tender even if they are worn or defaced, provided that they bear traces of Government mintage.

**Cutting or breaking of counterfeit and defaced coin.**

20. Article 14 of Bangladesh Coinage Order, 1972 provides that when any coin purporting to be coined or issued under the authorities of the Government is tendered to any person authorised to act under that Article and such person has reason to believe that the coin is counterfeit, he shall, by himself or another, cut or break the coin.

**Acceptance and disposal of counterfeit, defaced and soldered coin.**

21. Any person authorised to cut or break counterfeit coin may at his discretion, either return the cut coin to the tenderer, who shall bear the loss caused by such cutting or breaking, or the coin may be sent to Currency Officer for final examination.

22. Judicial Officers may send counterfeit coins to Bank for remittance to the Currency Office. With these coins a short description of the case should be furnished and any implement such as dies, mould, etc., which may have been found, should be sent. These receipts should be kept quite separate from coins withdrawn by the Bank., which have to be remitted in accordance with the instructions contained in S.R. 387. Each remittance by a Judicial Officer should be put into a separate wrapper with details of the source of receipt of the coins and other particulars. If the Government so direct, the Bank should send the counterfeit coins to the Currency Office through the Inspector- General of Police or other officer nominated by the Government.

23. Bank maintaining chests/sub-chests are authorised to accept for disposal in the usual manner suspected coins tendered by the Post and Telegraph office.

**Defaced coin.**

24. Defaced but not fraudulently defaced metallic coins are legal tender and should be accepted at Bank. But if they are soldered or otherwise unfit for re-issue, they should not be issued to the public but should be dealt with like other uncurrent coin.

**Acceptance of burnt coin.**

25. All burnt coins accepted at Bank will be set apart for remittance to Currency Officer as uncurrent coins. Burnt coins which are not identifiable as genuine Bangladesh coins should not be accepted at Bank. The presenter should be directed to send them to the Currency Office for examination. Such coins, if unidentifiable, will not be accepted at Banks or at the Currency Office.

**Supply of weights and scales.**

26. Bangladesh Bank will ensure quality and supply of weights and scales for testing coins by Bank branches maintaining currency chests/sub-chests.

**Weighment of coin against minimum weights**

27. (1) Coins should never be directly weighed against the minimum weight that is to say, it is incorrect to place the minimum weight in one pan and the coin in the other, because if the arms of the scale are not of exactly the same length, the weighment is false. At the beginning of work, the minimum weights should be placed in one pan, and should be balanced exactly by pieces of metal placed in the other pan. The minimum weight should then be removed from its pan and the coins to be tested should be

placed one after another on the pan from which the minimum weight has been removed. The minimum weight should only be put back in its pan to test the counterpoise occasionally during the day. If this method, which is the only correct one, be adopted, any error due to difference of length of arms of the balance, however minute, is avoided and wear and tear of the minimum weight will be greatly reduced .

(2) Minimum weights should invariably be replaced carefully in the boxes in which they are supplied and every care taken to avoid an abrasion.

**Withdrawal of coin from circulation.**

28. (1) The above instructions provide for the withdrawal of counterfeit, and defaced coins from circulation, but in order to maintain the currency in the hands of the public in as good a condition as possible, coins which are defaced or which are so worn that the denomination and date are not easily decipherable should also be withdrawn from circulation whenever they are received at a Bank, although they are legal tender.

(2) Coins called in by the Government should be withdrawn from circulation, as soon as they are received at the Bank.

29. Bank Officers should remember that the state of the currency in the hands of the public is largely dependent on the strict observance at Bank of the above instructions for the withdrawal of coins which are unfit for circulation. The Bank and their Currency Examiners are primarily responsible for this work and should be required to keep a rough memorandum book, showing the tale of the coin examined by each man per diem and defective coins discovered per thousand Taka tested. Constant supervision should be maintained by the Officers and if it appears that the number of coin withdrawn from circulation is small, special steps should be taken to see that all coins received at the Bank are properly examined.

30. All coin received by Government officers and withdrawn from circulation should, whether or not it has been cut or broken, be sent at the first convenient opportunity to the Currency Office or to the Bank appointed by the Currency Officer to receive such coin, for remittance to the Currency office. Such coin will be credited in the officer's cash balance as " uncurrent coin" at the actual value at which it has been received.

31. Coin received by a person other than a Government officer and withdrawn from circulation under those instructions should be sent to the nearest Bank where it will be paid for at the face value and remitted to the Currency Officer in the usual course.

32. (1)The procedure for the remittance into the Currency Office of coins withdrawn from circulation is laid down in S.R. 387.

(2) When the proportion of current Taka fit for circulation found in such remittance whether or not cut or broken, exceeds five percent of the whole, the Currency Officer will make a special report to the Manager of the Bangladesh Bank or the local head office of the Bank acting as an Agency of the Bangladesh Bank for such disciplinary action as may be considered necessary to improve the quality of examination in the remitting Bank.

33. Railway Administration should send to the Currency Office through the Inspector-General of Police, the Deputy Inspector-General of Police in charge of the Criminal Investigation Department and Railways, or any other officer holding a similar position whom the Government may designate, only such counterfeit coins as are exceptionally well executed. Ordinary counterfeits should be sent to the Bank holding currency chest to be cut or broken.

**Returns of coins cut or broken or withdrawn from circulation.**

34. Concerned Bank Officers should, submit to the Currency Officer quarterly, not later than the 10<sup>th</sup> of the month following the quarter to which it relates, a return in Form T.E. No.4 showing counterfeit coins received in the previous quarter from all sources.

**Supply of Coin.**

35. The Manager of the concerned Bank is responsible for maintaining a sufficient stock of Taka and small coin to meet all demands from the public. The Manager will submit his indents for supply of notes and coins to the Currency Officer.

**Foreign Coin.**

36. Foreign coin or notes should be received in Banks under general or special orders of the Government.

37. Troops returning from a campaign, where they have been paid in foreign money, are allowed to exchange it at the Bank nearest the frontier ( or at the next, on a certificate that the frontier Bank has not sufficient funds) at the rate of exchange at which it may have been issued to the troops, the Officer Commanding the troops certifying the rate and also the fact that money has been issued as pay.

38. Foreign coins may, in special circumstances, be paid into a Bank as part of a deposit, eventually to be made over to a third party. The disbursement will be of the same coins, and so it is immaterial whether, for purpose of account, the market rate, the assay rate, or a purely arbitrary value is assigned to such currency.