

Annex 14A - Policy On Commemorative Coins

Policy

1. Responsibility for the issue of commemorative coins in any UK Overseas Territory rests with the Government of the Territory concerned. However, proposed designs must be submitted by the FCO to the Palace for approval.

2. Primary FCO concerns are:

to protect Her Majesty's interests (by ensuring that the coinage acts as a symbol of the UK's relationship with the Territories concerned)
to protect the dignity of the Crown, by avoiding the risk of public embarrassment which could arise from the design of coinage or its use for improper purposes
to help to maintain the good reputation of the Overseas Territories and
subject to the above, to assist in securing the maximum economic benefit from the sale of coins for the Territory concerned.

3. The sale of commemorative coins as collectable souvenirs represents a source of revenue to the Overseas Territories. Unlike postage stamps, there are few dedicated coin collectors for individual countries, and coins tend to sell by virtue of their topic. Countries which are allowed to use an effigy of Her Majesty The Queen on the obverse of their coins enjoy a special commercial privilege, because purchasers are attracted by the cachet of the effigy. Inappropriate use can devalue the prestige of the Royal Effigy. The quality of design and production are important aspects of the product. The most economic benefit can be achieved for UK Overseas Territories by ensuring that:

numismatic design and production are of high quality
subjects are normally relevant to the territory concerned and that
commemorative issues are limited in frequency.

Procedure For Approval Of Coin Designs

4. The procedure is as follows:

The agent designing the coins must first obtain the approval of the Governor of the Territory for any proposed design. Procedures should be set in place in each Overseas Territory to ensure that the Governor or Governor in Council, or where appropriate the Commissioner of a directly-administered Territory, endorses commemorative coin designs.

The proposed coin design(s) should be submitted to Royal Households Secretariat (RHS) in Protocol Directorate, Foreign and Commonwealth Office, who will then consult Overseas Territories Department (OTD) (or Iberia Team for Gibraltar coin issues).

OTD should send comments to RHS with a recommendation for approval or refusal. Before doing so, OTD should discuss any concerns over the design with the Territory's Agent.

If the proposed designs meet the criteria, OTD recommend approval. Royal Households Secretariat will then seek the approval of Buckingham Palace, and will inform the Territory's Agent of the outcome.

Designs which, in the opinion of the Foreign and Commonwealth Office, do not meet the criteria set out in this document will be referred back to the Agent concerned for discussion.

All requests for Royal approval of commemorative coin designs must be submitted to Protocol Directorate, FCO. No commemorative coins may be issued by the Overseas Territories without Royal Approval.

5. The main criteria are as follows:

Any design which in itself, or because of the circumstances in which the coin would be issued, could be held to exploit the Crown for commercial purposes or otherwise to bring the Crown into disrepute will not be forwarded for Royal Approval.

Similarly, if there is anything of a political nature, or anything else about the designs, which might damage the dignity of the Crown or cause the UK Government embarrassment, will not be forwarded to the Palace for Royal Approval.

No living person, other than members of the Royal Family, should be featured on Overseas Territories' coins, unless: a) they are neither immediately identifiable, nor a public figure, nor associated with political or religious beliefs; or b) they are the subsidiary image; or c) they are part of a larger group involved in a single achievement. These exceptions are entirely at the discretion of the FCO.

When living members of the Royal Family are to be featured on coins, they must be consulted and their consent obtained before the artwork is submitted for Royal Approval. When the artwork is submitted to

HM The Queen it should be specified in a covering letter that approval has been obtained from the member of the Royal Family featured.

The subjects of designs should normally relate to the Overseas Territory in question. Such subjects can be of an historical, geographical, economic, constitutional or thematic nature. As there can be difficulties in identifying themes for coin designs, Territories can use anniversaries of general international interest or depict other themes. Discretion should be exercised as collectors could otherwise become disenchanted with authorities which regularly issue coins with little or no relevance to the Territory. Designs should bear the full name of the Territory on each coin and the year of issue.

Other Considerations:

6. No public announcement of the details of a proposed commemorative coin issue should be made until Royal Approval has been granted.
7. Overseas Territory Governments should seek approval for new commemorative coin issues in good time. It is not appropriate to set a deadline for Royal Approval.
8. Applications for Royal Approval should usually signify the number of denominations to be used. Finished artwork is inspected personally by Her Majesty who takes great interest in the coin proposals for the Overseas Territories.
9. Although there is no upper limit on the number of coin issues per year, for coins to be attractive to a numismatist and to investors looking for future rarity value, the number of commemorative coins issued should be relatively small and the occasion significant. It follows that too many issues can be counter-productive. We recommend that the maximum number of commemorative coin issues in a given Territory should not normally exceed twenty-five in any calendar year.

Employment of Agents

10. Territories may choose to appoint Agents if they do not have the resources themselves to arrange and supervise the design and production of commemorative coins, and their sale in overseas markets. However, Territories should be aware that commercial agents may also deal in commemorative coins, which may give rise to a conflict of interest incompatible with the best interests of the Territory in question. In such cases, care should be taken when appointing agents.
11. Commemorative coin production is generally paid for by the Mint or Agent concerned, rather than by the OT Government. A royalty is paid to the Territory based on a commission in respect to each coin sold. This reduces the risk to the Territory (although it also reduces the potential profit).
12. Overseas Territory governments should take care to ensure:

in the interests of high standards of propriety and quality of production that any Mint or Agent used is ISO 9001 (or equivalent) accredited
due diligence is given to a proper competitive tendering process and a contract is in place at all times that any contract entered into controls the risk associated with coin redemption at face value. One approach would be to set aside a fund to cover the face value of the coins issued. Alternatively, some agents will agree to underwrite the value of returned coins to protect OT governments against such liability and
that Royalty receipts are regularly compared to expenditure and contract royalty guarantees are enforced by law.

13. The UK Overseas Territories currently use the following Agents:

Commonwealth Mint (UK)
New Zealand Mint (NZ)
Pobjoy Mint (UK)