



## ANALYSIS

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|---|---|
| 1. Short Title                                    | 10. Bank notes may be deemed not to be in circulation         |
| 2. Interpretation                                 | 11. Advisory and technical committees                         |
| 3. Standards for coins                            | 12. Arrangements for making and issue of coins and bank notes |
| 4. Issuing or authorising coins                   | 13. Guarantee   |
| 5. Calling in coins                               | 14. Reports   |
| 6. Prohibition of other than official coins       | 15. Amendments to Currency Amendment Act 1994-95              |
| 7. Issue and authorization of bank notes by Board | 16. Repeal  |
| 8. Existing bank notes                            |   |
| 9. Calling in bank notes                          |   |

## 2005, No. 3

An Act to amend the Currency Act 1986-87

(16 June 2005)

**BE IT ENACTED** by the Parliament of the Cook Islands in Session assembled and by the authority of the same as follows:

1. Short Title - This Act may be cited as the Currency Amendment Act 2005 and shall be read together with and deemed part of the Currency Act 1986-87 ("the principal Act").

2. Interpretation - Section 2 of the principal Act is amended, by -

(a) deleting the definition of "Board"; and

(b) adding after the definition of "prescribed" the following definitions -

"proceeds" in relation to proceeds of crime, has the same meaning as in the Proceeds of Crime Act 2003;

"terrorist property" and "terrorist act" have the same meaning as in the Terrorism Suppression Act 2004;".

3. Standards for coins – Section 6 of the principal Act is amended by deleting the word “Board” and substituting the words “Minister acting with the concurrence of Cabinet”.

4. Issuing or authorising coins - Section 7 of the principal Act is amended by deleting from subsection (1), the word “Board” and substituting the words “Minister acting with the concurrence of Cabinet”.

5. Calling in coins - Section 8 of the principal Act is amended by deleting the word “Board” and substituting the word “Minister”.

6. Prohibition of other than official coins - Section 10 of the principal Act is amended by deleting from subsection (2), the words “The Board may in its discretion and subject to such conditions, if any, as it thinks fit” and substituting the words “The Minister may in the Minister’s discretion and subject to such conditions, if any, as the Minister thinks fit”.

7. Issue and authorisation of bank notes by Board - Section 12 of the principal Act is amended by deleting from the title of that section, and from subsections (1) and (3), the word “Board” and substituting in each case, the words “Minister acting with the concurrence of Cabinet”.

8. Existing bank notes - Section 13 of the principal Act is amended by deleting the word “Board” and substituting the word “Minister”.

9. Calling in bank notes - Section 14 of the principal Act is amended by deleting from subsection (1), the word “Board” and substituting the word “Minister”.

10. Bank notes may be deemed not to be in circulation - Section 15 of the principal Act is amended by deleting from subsection (1), the word “Board” and substituting the words “Minister acting with the concurrence of Cabinet”.

11. Advisory and technical committees - Section 17 of the principal Act is amended by deleting from subsections (1) and (2), the word “Board” and substituting in each case, the word “Minister”.

12. Arrangements for making and issue of coins and bank notes - Section 18 of the principal Act is repealed and the following new section substituted –

“18. Arrangements for making and issue of coins and bank notes – The Minister, acting with the concurrence of Cabinet and on behalf of the Crown, may do such things, make such arrangements and enter into such agreements in respect of the making of coins and bank notes as the Minister with Cabinet’s concurrence considers necessary to give effect to the provisions of this Act.”

13. Guarantee - Section 19 of the principal Act is amended by inserting after subsection (2), the following new subsections -

“(3) Notwithstanding subsections (1) and (2), any coins or bank notes issued before the 1<sup>st</sup> January 1995 may be declared by the Minister to have been issued primarily for numismatic or commemorative purposes, and where the Minister so declares, the guarantee prescribed in subsection (1) shall only be to the extent of the lower of -

- (a) the face value of the coins or bank notes; or
- (b) the metal or paper value of the coins or bank notes; or
- (c) the market value for the time being of the coins or bank notes.

(4) Every declaration made by the Minister pursuant to subsection (3) shall be published in the *Gazette* or by such other notice as the Minister deems appropriate provided that failure to so publish any declaration shall not affect the validity of that declaration.”

(5) Regulations may prescribe the requirements to be met by persons wishing to interchange coins and bank notes pursuant to this section, including regulations prescribing -

- (a) the period of notice required before coins and bank notes can be interchanged and the form of such notice;
- (b) the personal identification and verification thereof to be provided by any person intending to interchange coins or bank notes;
- (c) the amount of fee that may be charged for the interchange of coins or bank notes.

(6) No coins or bank notes shall be interchanged unless the Financial Secretary is satisfied that the person wishing to interchange the coins or bank notes has provided evidence sufficient to satisfy the Financial Secretary that -

- (a) the person is the lawful owner of the coins or bank notes;
- (b) the coins and bank notes are not forgeries;
- (c) the coins and bank notes are not the proceeds of crime;
- (d) where the person arrived in the Cook Islands with coins or bank notes worth \$10,000 or more, he or she has reported the fact to a Customs officer in accordance with section 96 of the Proceeds of Crime Act 2003;
- (e) the monies being interchanged are not terrorist property and will not be used to finance any terrorist act.”

14. Reports - (1) Section 20 of the principal Act is amended by deleting subsection (1), and substituting the following new section -

“20. Reports - Within one month after the 31<sup>st</sup> day of March in every year, the Financial Secretary shall send to the Minister a report of matters relating to the administration of this Act for the previous 12 months.”

(2) Section 20 of the principal Act is further amended by deleting from subsection (3), the word “Board” and substituting the words “Financial Secretary”.

15. Amendments to Currency Amendment Act 1994-95 – Section 6 of the Currency Amendment Act 1994-95 is amended, by deleting subsection (2).

16. Repeal - The Monetary Board Act 1981 is repealed.

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This Act is administered by the Ministry of Finance and Economic Management