

COINAGE (MEASUREMENT) BILL

EXPLANATORY NOTES

INTRODUCTION

1. These explanatory notes relate to the Coinage (Measurement) Bill as brought from the House of Commons on 4th April 2011. They have been prepared by the Treasury, with the consent of Lord Risby, the Member in charge of the Bill, in order to assist the reader of the Bill and to help inform debate upon it. They do not form part of the Bill and have not been endorsed by Parliament.
2. The notes need to be read in conjunction with the Bill. They are not, and are not meant to be, a comprehensive description of the Bill. So where a clause or part of a clause does not seem to require any explanation or comment, none is given.

SUMMARY

3. The Bill amends the Coinage Act 1971 in order to enable the Royal Mint to strike coins with a standard weight of one kilogram or more.

BACKGROUND

4. When the United Kingdom bid to host the Olympic Games in London in 2012, an undertaking was given to the International Olympic Committee that if the bid was successful the United Kingdom would strike commemorative coins. After London was awarded the Games, the Royal Mint agreed with the London Organising Committee of the Olympic Games to strike commemorative coins with a standard weight of one kilogram or more.
5. The Coinage Act 1971 governs the striking of coins by the Royal Mint. The Act contains various standards in respect of a coin's weight, fineness, composition and dimensions that coins struck by the Royal Mint must comply with. The Act also makes provision for permitted variations from those standards.
6. Under section 1(6) of the Act, the variation from the standard weight of any coin (other than a gold coin of a denomination mentioned in Schedule 1 to the Act) must be measured as the average of a sample of coins which cumulatively weigh not more than one kilogram. It is not possible to measure the variation from the standard weight in the case of the proposed Olympic coins in this way because the weight of each coin is likely to be equal to or greater than the one kilogram aggregate limit in section 1(6) for a sample.

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7. The effect of the amendments made by the Bill is that the 1971 Act will provide that the variation from the standard weight of any coin shall be measured in accordance with provisions made by Royal proclamation as provided for in section 3 of the 1971 Act.
8. The Bill does not give rise to any ECHR issues.

TERRITORIAL EXTENT

9. The Bill extends to England and Wales, Scotland and Northern Ireland. The Bill does not contain any provisions falling within the terms of the Sewel Convention. Because the Sewel Convention provides that Westminster will not normally legislate with regard to devolved matters in Scotland without the consent of the Scottish Parliament, if there are amendments relating to such matters which trigger the Convention, the consent of the Scottish Parliament will be sought for them.

COMMENTARY ON CLAUSES

Clause 1: Amendment of Coinage Act 1971

10. The effect of the changes made by clause 1 to sections 1(6) and 3(1)(cd) of the 1971 Act is that the variation from the standard weight of *any* coin struck by the Royal Mint (not just gold coins of a denomination mentioned in Schedule 1 to the Act) shall be measured in accordance with provision made by proclamation. Under section 3 of the 1971 Act, Her Majesty has the power, exercisable by proclamation, to determine various attributes of coins struck by the Royal Mint, including permitted variations from standard weights. This allows, for example, a weight of sample in excess of one kilogram to be specified in the proclamation relating to the one kilogram coins.

FINANCIAL EFFECTS OF THE BILL

11. The Bill will not entail any public expenditure.

EFFECTS OF THE BILL ON PUBLIC SERVICE MANPOWER

12. There are no public sector manpower implications arising from the Bill.

SUMMARY OF THE IMPACT ASSESSMENT

13. The Bill does not create any new burdens on business, charities or the voluntary sector.

COMMENCEMENT

14. The Bill will come into force at the end of the period of 2 months beginning with the day on which it is passed.

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