#### 13 ANNUAL REGIONAL OPERATIONS MANAGERS CONFERENCE 24-26 APRIL 2018

#### CENTRAL BANK OF TRINIDAD AND TOBAGO

#### Improving the Efficiency of Currency Operations

#### Sonia Raphael Assistant Manager Banking Operations

The Coinage Reform Project - part of the Central Bank of Trinidad and Tobago's 2016/17- 2020/21 strategic objectives.

Objective – Improve efficiency through the elimination of the one cent coin the change in metal composition of the 5, 10 and 25 cent coins

#### **Reduce minting costs:-**

Change in coin composition from pure alloy to steel core with alloy overlay.

	Denomination	0.01	0.05	0.1	0.25
OLD COMPOSITION	Cost per '000 (TTD)	197.18	315.07	187.96	362.40
2015 Data	Seigniorage per coin	-0.19	-0.27	-0.09	-0.11
NEW COMPOSITION	Cost per '000 (TTD)		116.55	100.30	143.55
2017 Data	Seigniorage per coin		-0.07	0.00	0.11

#### Coinage Reform Project 2016-2017

- New plated-steel-core coins issued- July 2017
- Cease issuance of one cent -July 2017
- \* Coin redemption July 2017
- \* Rounding Guidelines- August 2017

#### **COMMUNICATION INITIATIVES**

Key stakeholders-

- \* Commercial Banks
- Businesses (Chambers of Commerce, Supermarkets Assoc. etc.)
- \* Public KYM and Coin Outreach Programmes

#### **EXPERIENCES**

Public's fear of merchant response

- \* Price increases
- \* Unfair advantage

Merchant's fear of public resistance

Confrontation

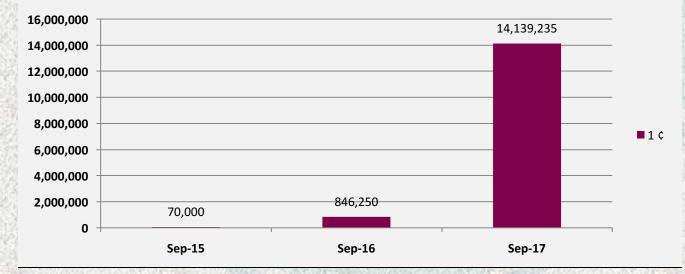
**Commercial Banks - Uniform approach to accounting for rounding difference** 

Quantity of New TT Coins Issued into Circulation ('000)

Denomination	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
1C	49,735	52,080	51,770	51,225	52,175	22,900
5c	16,499	17,877	17,367	18,978	18,611	9,796
10C	16,736	18,936	18,032	20,640	20,680	9,792
25c	25,524	31,359	30,861	32,445	32,743	13,787

#### **Coin Redemption**

#### DATA on Redemption (I cent only)



#### 1¢ Redemptions

#### **Central Bank Internal Initiatives**

 DONATION TO CHARITY DRIVE - We Care donation to the Diabetes Association of Trinidad and Tobago (DATT)



\* Contract staff - over the counter coin redemption by the public

#### 2017-2018

Elimination of the 1 cent coin

Redemption Notice – Gazette – March 29, 2018 Demonetisation – July 3, 2018 Rounding Regulations – July 3, 2018

 Destruction and sale for metal value of alloy coins

Destruction and sale for metal value of alloy coins:

- \* RFP issued Nov 2017
- \* Award of Tender to Arrandene March 2018
- \* Volume of coins identified for sale
- \* Project to commence May 2018

Additional benefit of initiatives Coin cycle improvements

- Reduction in issuance
- Increased redemptions of other denominations

	5 ¢	10 ¢	25 ¢
Sep-15	111,000	212,000	480,000
Sep-16	255,600	412,000	987,000
Sep-17	745,637	1,050,398	2,382,313

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## Questions?