

[AS PASSED BY THE NATIONAL ASSEMBLY]

A

BILL

further to amend the Pakistan Coinage Act, 1906

WHEREAS it is expedient further to amend the Pakistan Coinage Act, 1906 (III of 1906), for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. **Short title and commencement.**—(1) This Act may be called the Pakistan Coinage (Amendment) Act, 2011.

(2) It shall come into force at once.

2. **Amendment of section 6, Act III of 1906.**— In the Pakistan Coinage Act, 1906 (III of 1906), hereinafter referred to as the said Act, in section 6, after the word "denominations" the words "not less than one rupee" shall be inserted.

3. **Substitution of section 13, Act III of 1906.**— In the said Act, for section 13, following shall be substituted, namely:-

13. coins when a legal tender.— (1) The coins issued under the authority of section 6 shall be legal tender in payment or on account for any sum:

Provided that the coin has not been defaced and has not lost weight so as to be less than such weight as may be prescribed in its case.

(2) All the gold or silver coins issued under this Act on or after the 1st day of January, 1976, shall continue as before to be legal tender in payment or on account for any sum:

Provided that the coin has not been defaced and has not lost more than one-fortieth of weight as specified below:—

(a) in case of gold, —

(i) 33.437 grams in the case of three thousand rupee coin issued in 1976 to commemorate the conservation of Astor Markhor;

(ii) 9 grams in the case of one thousand rupee coin issued in 1977 to commemorate the Islamic Summit Conference;

- (iii) 4.5 grams in the case of five hundred rupee coin issued in 1976 to celebrate the 100th birth anniversary of Quaid-e-Azam Muhammad Ali Jinnah; and
 - (iv) 3.64 grams in the case of five hundred rupee coin issued in 1977 to celebrate the 100th birth anniversary of Allama Iqbal; and
- (b) in case of silver, -
- (i) 28.28 grams in the case of one hundred rupee coin issued in 1976 to commemorate conservation of Western Trogon;
 - (ii) 20.44 grams in the case of one hundred rupee coin issued in 1976 to celebrate the 100th birth anniversary of Quaid-e-Azam Muhammad Ali Jinnah;
 - (iii) 20.44 grams in the case of one hundred rupee coin issued in 1977 to commemorate the Islamic Summit Conference;
 - (iv) 20.40 grams in the case of one hundred rupee coin issued in 1977 to celebrate the 100th birth anniversary of Allama Iqbal; and
 - (v) 35 grams in the case of one hundred fifty rupee coin issued in 1976 to commemorate the conservation of Gharial Crocodile.”.

4. Addition of new section 15AA, Act III of 1906.- In the said Act, after section 15A, the following new section shall be inserted, namely:-

“15AA. Decimal Coinage.-State Bank of Pakistan shall exchange coins of paisa 1, 2, 5, 10, 25 and 50, already issued by the Federal Government, till such date as notified by the State Bank of Pakistan; thereafter, these coins shall cease to be legal tender.”.

5. Omission of section 15B, Act III of 1906. - In the said Act, section 15B shall be omitted.

STATEMENT OF OBJECTS AND REASONS

In view of the comments received from general public, commercial banks, business community, State Bank of Pakistan (SBP) has recommended the elimination of decimal/ old coins. Their elimination is required for the following reasons:-

- 1) Decimal/old coins are no more transacted in daily life due to their negligible worth.
- 2) Decimal/old coins have become obsolete & lost their utility.

- 3) Decimal/old coins have lost their acceptance.
- 4) They are no more used in transactions as these coins are rarely withdrawn/deposited at bank counters.
- 5) Decimal/old coins are burdensome and difficult to carry.

Pakistan Mint has also requested for return of old/decimal coins for re-cycling/re-melting in order to save Government resources utilized for the purchase of metals for minting of Rs.1 and Rs.2 coins.

2. The Bill seeks to achieve the aforesaid objectives.

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