



FALKLAND ISLANDS

Currency Ordinance 1987

(ORDINANCE No. 14 OF 1987)

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FALKLAND ISLANDS

Currency Ordinance 1987

AN ORDINANCE To provide for the currency of the Falkland Islands and all matters related thereto.

*[DATE OF COMMENCEMENT: 1ST JULY 1987]i
(Unless otherwise indicated)*

PART I PRELIMINARY

1 Short title and commencementⁱⁱ

Subject to section 4(1) of the Currency Laws (Rectification) Ordinance 1989, this Ordinance may be cited as the Currency Ordinance 1987 and shall come into force on such day as the Governor shall by Order published in the Gazette appoint and the Governor may appoint different days for the coming into force of different provisions.

[The Currency Laws (Rectification) Ordinance 1989 was enacted to remedy an error made in bringing the Currency Ordinance into force without first revoking the application of United Kingdom coinage legislation to the Falkland Islands. Section 4(1) provided that, despite the Currency Ordinance 1987 (Commencement) Order 1987, those provisions of the Currency Ordinance relating to the coinage of the Falkland Islands (sections 2-11, 13, 23 and 24) should not come into force until the Royal Proclamation of 1 November 1989 revoking the application of the United Kingdom coinage legislation had come into force in the Falkland Islands. The Proclamation came into force on 31 January 1990. Section 5 of the Ordinance exempted from liability any person who had acted in reliance on the 1987 Ordinance prior to the coming into force of the Currency Laws (Rectification) Ordinance 1989. The Currency Laws (Rectification) Ordinance is not included in this publication, as is considered to be spent.]

[S. 4(2)/Ord. 23/1989/w.e.f. 22/12/1989 and Revision w.e.f. 31/07/2017.]

2 Interpretation

In this Ordinance, unless the context otherwise requires-

"**Commissioners**" means the Commissioners of Currency appointed under section 5;

“**currency officer**” means a Commissioner or any person appointed under section 5A;

"**financial year**" means any period of twelve months beginning on 1st July in any year;

"**Fund**" means the Currency Fund established by section 13;

"**notes and coins**" means, respectively, currency notes issued and coins issued or deemed to have been issued under this Ordinance.

[S. 4/Ord. 7/2025/w.e.f. 24/07/2025]

PART II FALKLAND ISLANDS CURRENCY

3 Unit of currency

The unit of currency of the Falkland Islands shall be the Falkland Islands pound, which shall be divided into one hundred pence.

4 Parity with sterling

The Falkland Islands pound shall have parity with the pound sterling.

5 Commissioners of Currency

(1) There shall be not less than two and not more than three Commissioners of Currency, one of whom shall be the Financial Secretary and the other or others being a person or persons for the time being discharging the functions of such public office or offices in the Falkland Islands as the Governor shall from time to time appoint.

(2) Any duty devolving, and any power conferred, on the Commissioners may be discharged or exercised by any two of them acting together.

(3) The Commissioners shall meet as often as they shall consider necessary for the performance of their functions.

[S. 9/Ord. 6/2014/w.e.f. 1/7/2014.]

5A Currency officers

(1) The Commissioners are currency officers for purposes of this Ordinance.

(2) The Commissioners must appoint not less than three other persons approved by the Governor to be currency officers.

(3) Currency officers perform functions assigned to them in regulations made under this Ordinance.

[S. 5/Ord. 7/2025/w.e.f. 24/07/2025]

6 Issue of currency

(1) The Commissioners, on behalf of the Government of the Falkland Islands, shall have the sole right to issue currency notes and coins and documents or tokens having the appearance of notes or coins.

(2) Any person who contravenes subsection (1) commits an offence and is liable on conviction to imprisonment for a term not exceeding seven years or to a fine not exceeding £10,000 or to both such imprisonment and fine.

(3) No currency notes or coins other than the currency notes and coins issued by the Commissioners shall be legal tender in the Falkland Islands.

(4) The Commissioners shall-

- (a) arrange for the printing of notes which shall be of such denominations and of such size, form and design and printed from such plates and on such paper and authenticated in such manner as may, from time to time, be prescribed;
- (b) issue, reissue, withdraw and, at their discretion, exchange notes at Stanley and at such offices and agencies elsewhere in the Falkland Islands as they may establish;
- (c) arrange for the security of such notes and all matters relating thereto prior to their issue or reissue and after their withdrawal and whenever otherwise under the control of the Commissioners.

[S. 6/Ord. 7/2025/w.e.f. 24/07/2025]

(5) The Commissioners shall-

- (a) arrange for the minting of coins which shall be of such denominations and of such weight, form and design and made of such metal or metals as may, from time to time, be prescribed;
- (b) issue, reissue, withdraw and, at their discretion, exchange coins at Stanley and at such offices and agencies elsewhere in the Falkland Islands as they may establish;
- (c) arrange for the security of such coins and all matters relating thereto prior to their issue or reissue and after their withdrawal and whenever otherwise under the control of the Commissioners.

(6) The Commissioners may charge such surcharge as they may decide from any person desiring to purchase any coin which has been issued by the Commissioners for commemorative purposes.

[S. 6/Ord. 7/2025/w.e.f. 24/07/2025]

7 Saving of currency issues

Currency notes issued under the Currency Notes Ordinance, Cap. 15 and coins issued under Royal Proclamations prior to the coming into force of this Ordinance shall in all respects be deemed to have been lawfully issued under, and to comply with all the requirements of this Ordinance.

8 Contracts, transactions and documents in the Falkland Islands to be in Falkland Islands currency

(1) Every contract, sale, payment, bill, note, instrument and security for money and every transaction, dealing, matter and thing whatsoever relating to money or involving the payment of or the liability to pay any money shall in the Falkland Islands be deemed to be made, executed, entered into, done and had, in and in relation to currency issued by the Commissioners:

Provided that this section shall not affect any obligation to pay any money in any country other than the Falkland Islands.

(2) In any law in force in the Falkland Islands at the time of the coming into force of this section, and in any subsidiary legislation made under any such law, any reference to currency shall be construed as a reference to currency issued by the Commissioners; and any reference to a sum of money shall be construed as a reference to the sum expressed in currency issued by the Commissioners.

(3) Nothing in subsection (1) applies to or in respect of any payment made under any law which requires the payment to be made in a currency other than currency issued by the Commissioners.

[S. 2(b)/Ord. 14/2006/w.e.f. 5/6/2006.]

9 Legal tender

(1) Subject to subsection (2), a tender of money is a legal tender if it is made in notes and coins that —

- (a) have been issued by the Commissioners under this Ordinance;
- (b) have not been illegally dealt with as specified in subsection (3); and
- (c) have not been called in under section 10.

(2) Notes and coins issued under this Ordinance are legal tender —

- (a) in the case of notes, for the payment of the amount tendered;
- (b) in the case of coins that have a denomination of £1 or more, for the payment of the amount tendered;
- (c) in the case of coins that have a denomination exceeding 10 pence but less than £1, for the payment of an amount not exceeding £10;
- (d) in the case of coins that have a denomination of 10 pence or less, for the payment of an amount not exceeding £5.

[S 4/Ord. 6/2019/w.e.f. 30/4/2019.] [S. 7/Ord. 7/2025/w.e.f. 24/07/2025]

(3) For the purposes of this Ordinance a note or a coin shall be deemed to have been illegally dealt with if it has been impaired, diminished or lightened otherwise than by fair wear and tear, or has been defaced by having any name, word, device or number stamped or engraved thereon, whether it has or has not been thereby diminished or lightened.

10 Calling in of notes and coins

(1) The Governor may, by notice in the Gazette, declare that any notes or coins shall, with effect from such day or days as may be specified in the notice, cease to be legal tender in the Falkland Islands and provide for any matters incidental to the calling in of such notes or coins:

Provided that the holders of any such notes or coins shall be entitled at any time to claim payment of the value thereof from the Commissioners or, where a transfer in respect thereof has been made to the Consolidated Fund under subsection (2), from the Consolidated Fund.

(2) When any notes or coins cease to be legal tender under subsection (1) an amount equivalent to the face value of any such notes or coins remaining in circulation five years after they have so ceased to be legal tender shall be transferred from the Fund to the Consolidated Fund and the said amount shall be written off the liabilities of the Fund.

(3) Where coins are presented for payment under the proviso to subsection (1) more than five years after they have ceased to be legal tender, the Commissioners may levy a handling charge of such amount as they may, from time to time, determine.

11 Certain coins and notes not redeemable

No person shall be entitled to recover from the Commissioners the value of any lost, stolen, mutilated or imperfect note or coin, or of any note or coin which has been illegally dealt with, and the circumstances and conditions under which such value may be refunded as an act of grace shall be within the absolute discretion of the Commissioners.

12 Conversion of Falkland Islands pounds into sterling and vice versa

(1) The Commissioners may buy or sell sterling against the Falkland Islands pound at the parity specified in section 4.

(2) The Commissioners may not buy or sell sterling of an amount less than or greater than an amount as may be prescribed.

(3) The greater amount prescribed under subsection (2) is the maximum that may be bought from or sold to a person in a year.

(4) The Commissioners may charge —

(a) a commission for buying or selling sterling at such rate or rates, as prescribed, or such greater or lesser margins as are permitted by international monetary agreements which apply to or have been extended to the Falkland Islands, as may be prescribed; and

(b) the cost of any disbursements incurred by the Commissioners or their agents in connection with such transactions.

(5) The Commissioners must publish or cause to be published at the Treasury or at the offices of their agents the rates referred to in subsection (4) at which they are prepared to deal against sterling with the public.

[S. 8/Ord. 7/2025/w.e.f. 24/07/2025]

**PART III
CURRENCY FUND**

13 Currency Fund

(1) There shall be established a fund to be called the "Currency Fund" into which shall be paid, and upon which shall be charged, all amounts respectively due to and payable by the Commissioners or the Fund under the provisions of this Ordinance.

(2) A proportion of the assets of the Fund, being not less than such proportion as the Commissioners shall, with the approval of the Governor acting in his discretion, from time to time determine, being not less than twenty per centum of the demand liabilities of the Fund, shall be in liquid form, that is to say-

- (a) held in United Kingdom notes and coins or in the form of balances on current account or at short notice with such banks in London as may from time to time be approved by the Commissioners for the purpose of this subsection or held in the form of United Kingdom Treasury Bills:

Provided that a balance not exceeding ten per centum of the assets of the Fund may be held on a current account denominated in sterling with a bank in the Falkland Islands; or

- (b) lent out at call or for short term in such manner, or invested in such readily realizable securities, as may from time to time be approved by the Secretary of State; or
- (c) partly as is provided in paragraph (a) and partly as in paragraph (b).

[S. 9/Ord. 7/2025/w.e.f. 24/07/2025]

(3) The remainder of the assets of the Fund shall be invested either in securities issued or guaranteed by the Government of the United Kingdom or in stocks issued by local authorities in the United Kingdom within the meaning of the Local Government Act 1972, and in either case maturing within seven years:

Provided that for the purposes of calculation of the assets of the Fund in all matters pertaining to this Ordinance, the value of the gold or silver content of coins issued or deemed to be issued under this Ordinance and remaining in circulation may at the discretion of the Governor in Council be regarded as an asset of the Fund and shall be calculated by reference to the latest known London market price for gold or silver bullion; but the value so calculated shall not exceed the face value of all the said coins.

(4) For the purpose of this section and of section 18 demand liabilities of the Fund means currency notes and coins in circulation other than such currency notes and coins as are no longer legal tender and in respect of which a transfer to the Consolidated Fund has been made under section 10(2).

14 Commissioners' power in relation to Currency Fund

The Commissioners on behalf of the Fund may-

- (a) with the approval of the Governor open and maintain accounts with such banks or other depositaries and appoint such correspondents or agents outside the Falkland Islands as may be necessary for the effective operation and management of the Fund;
- (b) buy and sell Treasury Bills and other securities of the Government of the United Kingdom and stocks issued by local authorities in the United Kingdom.

15 Restrictions on power of the Commissioners

The Commissioners may not-

- (a) subject to section 13(2)(b) grant advances of any kind;
- (b) open accounts for, or accept deposits from, any person;
- (c) buy or sell any currency other than the Falkland Islands pound or sterling, or invest in securities denominated in any currency other than sterling.

16 General Reserve of the Fund

There shall be a General Reserve of the Fund (hereinafter referred to as the "General Reserve") to which shall be allocated any amounts that may become available by virtue of sections 18 and 24.

17 Determination of surplus of Fund

(1) The surplus of the Fund for any financial year shall be determined by calculating the amount of all dividends, interest or other revenue derived from investments of the Fund or from the employment in any manner of the moneys of the Fund and all commissions paid to the Commissioners in accordance with section 12 and deducting therefrom all expenses incurred by the Commissioners and their agents for the purposes of this Ordinance together with such provision for contingencies as the Commissioners, with the approval of the Governor acting in his discretion, may determine.

(2) Notwithstanding the provisions of subsection (1), the Governor with the approval of the Secretary of State may direct that any expenditure of an exceptional nature shall be a charge upon the General Reserve and shall be excluded from the calculation of the surplus of the Fund.

18 Distribution of surplus of Fund

The surplus of the Fund for each financial year shall be calculated in accordance with section 17 and shall be distributed as follows:

- (a) so long as the General Reserve amounts to less than ten per centum of the demand liabilities of the Fund at the end of the financial year in which such surplus was earned, there shall be allocated to the General Reserve all such surplus or such lesser amount as shall make the General Reserve equivalent to ten per centum of those liabilities;
- (b) after appropriate allocations have been made to the General Reserve in accordance with paragraph (a), the surplus shall be next applied to the payment to the Consolidated Fund of any amounts transferred to the Fund in accordance with section 20;

- (c) any remaining surplus shall be transferred to the Consolidated Fund provided that the Governor may direct that further allocation to the General Reserve may be made out of such remaining surplus;
- (d) if at the end of any financial year the General Reserve exceeds ten per centum of the liabilities of the Fund the Commissioners, with the approval of the Governor acting in his discretion, may direct that the amount in excess of ten per centum shall be transferred in whole or in part to the Consolidated Fund.

19 Valuation of Fund securities

(1) The value of securities held in the name or on behalf of the Fund shall, for the purposes of this Ordinance, be calculated by reference to the latest known market price of such securities:

Provided that where no such price is available the value of the securities concerned shall be calculated in such manner as, with the concurrence of the Principal Auditor, may seem reasonable to the Commissioners.

(2) Except to the extent that any provision is made for the depreciation of investments in determining the surplus of the Fund in accordance with section 17, any alteration during the period of six months ending on 31st December or 30th June in any year in the value of the securities held in the name or on behalf of the Fund, together with any capital profit or loss resulting from the sale or maturity of such securities during such period, shall represent as the case may be an accrual to or a charge upon the General Reserve and shall not be deemed to be a surplus or a deficit for the purposes of a calculation of the surplus of the Fund in accordance with section 17.

20 Government to balance the Fund

If at any time the total assets of the Fund shall be less than the total liabilities of the Fund, notwithstanding any other provisions of this Ordinance the Governor shall cause to be transferred to the Fund from the Consolidated Fund an amount in pounds sterling sufficient to correct the deficiency.

PART IV MISCELLANEOUS

21 Annual statement of state of Fund

(1) The Commissioners shall within three months after the end of each financial year submit to the Governor and the Secretary of State a statement and report of their transactions during the year, including a balance sheet as at the last day of the financial year and an income and expenditure account.

(2) ...

[S. 10/Ord. 7/2025/w.e.f. 24/07/2025]

(3) The Commissioners shall likewise submit yearly, as soon after the end of each financial year as is practicable, a statement of the assets and liabilities of the Fund together with a list of the securities held by the Fund.

[S. 2(c)/Ord. 14/2006/w.e.f. 5/6/2006.]

(4) ...

[S. 10/Ord. 7/2025/w.e.f. 24/07/2025]

22 Regulations

The Governor may make regulations prescribing —

- (a) records to be kept by Commissioners;
- (b) the security of notes and coins;
- (c) the issue, reissue, withdrawal and exchange of notes and coins;
- (d) anything which by this Ordinance is to be prescribed; and
- (e) any other matter required for the better carrying into effect of this Ordinance.

[S. 2(d)/Ord. 14/2006/w.e.f. 5/6/2006.] [S. 11/Ord. 7/2025/w.e.f. 24/07/2025]

23 Exemption from income tax

The Fund shall be exempt from the provisions of any law in force from time to time relating to income tax; and shall not be liable for payment of stamp duty or any other tax in respect of its notes and coins.

24 Transitional arrangements

On the day on which this Ordinance comes into force-

- (a) the assets and liabilities of the Note Security Fund established under the Currency Notes Ordinance, Cap. 15 shall be transferred to the Fund; and
- (b) an amount equal to the amount by which the value of cash and securities in the said Note Security Fund together with the value of the gold and silver content of coins in issue and any transfers to the Fund from the Consolidated Fund exceeds the face value of the total currency in circulation on that day shall be transferred to the General Reserve;
- (c) in the event that the assets of the Fund as detailed above do not exceed the total currency in circulation the Governor may, with the approval of the Secretary of State, deem the Currency Commissioners to have complied with the relevant requirements of this Ordinance to such extent and for such period of time as he shall consider expedient.

ⁱ Date of commencement in so far as provisions relate to coins: 31st January 1990

ⁱⁱ