

GUIDELINES

on Quality Standards for Malaysian Currency




BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

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introduction

Section 20 of the Central Bank of Malaysia Act 1958 (CBA) gives Bank Negara Malaysia the legal mandate to issue Malaysian currency (banknotes and coins). In addition to ensuring sufficient supply, Bank Negara Malaysia is also responsible to maintain the integrity and quality of the Malaysian currency in circulation. To achieve this, it is critical that the condition of the Malaysian currency in circulation must be maintained at the desired level. Banknotes and coins of good condition can be easily and reliably checked for genuineness. As they inevitably deteriorate over time during circulation, unfit currency should be promptly identified and replaced by new or fit banknotes and coins.



Guidelines on Quality Standards for Malaysian Currency are established to provide a clear and acceptable criteria and standard for determining the quality of currency in circulation

objective

definitions

Fit Currency

'Fit Currency' means a banknote or coin that meets the quality criteria and standards to be kept in circulation

Unfit Currency

'Unfit Currency' means a banknote or coin that has the characteristic(s) which render it unsuitable to be kept in circulation

coin quality standards

A Malaysian banknote is considered fit for recirculation if it meets all of the following criteria:

- Genuine, not counterfeit
- Free from holes, tears, tape or missing banknote portion
- Has uniform brightness and is free from excessive soiling
- Free from ink wear, particularly on the portrait of the Seri Paduka Baginda Yang di-Pertuan Agong
- Free from defacing

A Malaysian coin is considered fit for recirculation if it meets all of the following criteria:

- Genuine, not counterfeit
- Free from soiling or discoloration (often by the effect of chemical reaction, burning, dirt or age)
- Free from defects (eg., holes, dents, cuts or missing coin portion)
- Is not a freak coin

banknote quality standards

Malaysian banknotes shall be kept in circulation only if they are evaluated as fit according to the defined criteria. The fitness check is to be carried out by visual inspection of the individual banknotes. A genuine Malaysian banknote is considered unfit for recirculation if it has **any one** of the defined criteria.

minimum manual (visual) fitness sorting criteria of banknotes for recirculation

List of Criteria for Banknotes Unfit for Recirculation

No.	Feature	Definition	Illustration	
			Appendix	Page
1.	Soiling	General or localized spread of dirt or liquid on the surface of the banknote	I	12-15
2.	Limpness	Excessive folding that result in a breakdown of the structure and limpness of the banknote	II	16
3.	Crumples (shrinkage of a polymer banknote)	Multiple random folds across the entire banknote that strongly affect the visual appearance of the banknote (including shrinkage of polymer banknote due to excessive exposure to heat)	III	17
4.	Defaced	Banknotes containing words, signs, symbols and drawings inscribed deliberately on the surface	IV	18
5.	Ink wear	Ink wear on part or whole of the banknote, for example, if it has been washed or is subjected to abrasive chemical agent	V	19
6.	Tears	Tears of any size or direction of more than 5mm on any part of the note	VI	20
7.	Holes	Banknotes exhibiting at least one visible hole greater than 5mm (staple and pinholes are acceptable)	VII	21
8.	Repairs	Parts of the same banknote joined together by tape or glue	VIII	22
9.	Corner folds	Permanent and irreparable corner folds leading to a reduction in length of more than 5mm or a reduction in width of more than 5mm	IX	23
10.	Burnt / Termite infested	Damage caused by burning or termites of any size or direction of more than 5 mm	X	24
11.	Composed banknote	Banknotes divided into several parts and only some are joined together or parts of different banknotes are joined together	XI	25
12.	Missing security feature	Any one or more security feature missing or is defective through manual (visual) inspection	XII	26

Malaysian coins shall be kept in circulation only if they are evaluated as fit according to the defined criteria. The fitness check is to be carried out by visual inspection of the individual coins. A genuine coin is considered unfit for recirculation if it has **any one** of the defined criteria.

minimum manual (visual) fitness sorting criteria of coins for recirculation

List of Criteria for Coins Unfit for Recirculation

No.	Feature	Definition	Illustration	
			Appendix	Page
1.	Corroded	Destroyed or washed permanently by chemical agent on part or entire surface	XIII	28
2.	Hole	Coins exhibiting at least one visible hole on any part of the surface	XIV	29
3.	Dented	Coin damaged by hitting but not broken	XV	30
4.	Broken	Coin fractured into pieces	XVI	31
5.	Cut	An opening of any length using a sharp tool, for example, a knife or a pair of scissors	XVII	32
6.	Burnt	Damage caused by burning which can result in discoloration and may alter the appearance of the coin	XVIII	33
7.	Stained / Dirty	Change in colour of coin caused by wear and tear or dirt (eg. a black coin)	XIX	34
8.	Freak coin	A markedly unusual or abnormal coin at the time of production	XX	35

Assessment

of Mutilated / Defaced Banknotes and Mutilated Coins

Defaced Banknote

A banknote containing words, signs, symbols, drawings and caricatures which are either written or inscribed on its surface deliberately.

- Full value shall be awarded to any piece of banknote which has minor defacing
- No value shall be awarded to any piece of banknote which is defaced in any significant way (that is, markings done on the portrait of the Seri Paduka Baginda Yang di-Pertuan Agong, writings depicting political slogan and religious element or using the banknote as an invitation card/writing pad)

Mutilated Banknote

Value shall be given to any torn, burnt and termite infested banknotes subject to the following conditions:

- Full value shall be awarded to any piece of banknote which is more than two-thirds ($\frac{2}{3}$) in size of the original banknote
- Half value shall be awarded to any piece of banknote which is more than half ($\frac{1}{2}$) but less than two-thirds ($\frac{2}{3}$) in size of the original banknote
- No value shall be awarded to any piece of banknote which is less than half ($\frac{1}{2}$) in size of the original banknote

Mutilated Coin

Face value shall be given if the following conditions are fulfilled:

- The coin is genuine
- Its design is recognizable
- Mutilation or defacement is caused by accident or abrasion



illustrations
of banknotes
unfit for
recirculation

unfit banknote
appendix I:
Soiling

General or localized spread
of dirt or liquid across the
entire banknote



unfit banknote
appendix I:
Soiling

General or localized spread
of dirt or liquid across the
entire banknote



unfit banknote
appendix I :
Soiling

General or localized spread
of dirt or liquid across the
entire banknote



unfit banknote
appendix I :
Soiling

General or localized spread
of dirt or liquid across the
entire banknote



unfit banknote

appendix II :

Limpiness

Excessive folding resulting in a breakdown of the structure of banknotes



unfit banknote

appendix III :

Crumple / Shrinkage

Multiple random folds across a banknote that strongly affect the visual appearance (crumpling)



Shrinkage of a polymer banknote due to excessive exposure to heat



unfit banknote

appendix IV :

Defaced

Writing / scribbling on a banknote



unfit banknote

appendix V :

Ink Wear

Ink wear on a banknote



unfit banknote
appendix VI :

Tears

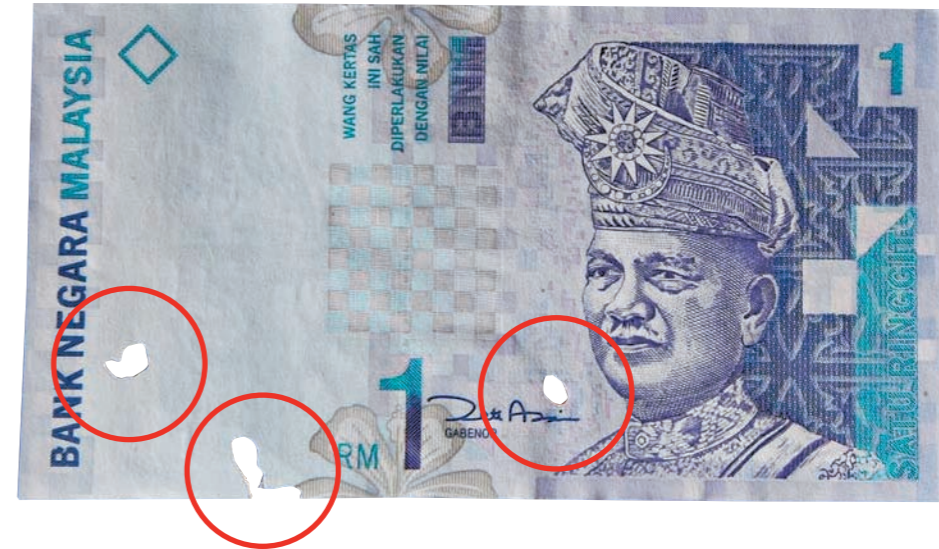
Tear of any size or direction on a banknote



unfit banknote
appendix VII :

Holes

Holes on a banknote



unfit banknote
appendix VIII :

Repairs

Repairs using tape on a banknote



unfit banknote
appendix IX :

Corner Folds

Folded and permanent line on a banknote



unfit banknote
appendix X :

Burnt / Termite Infested

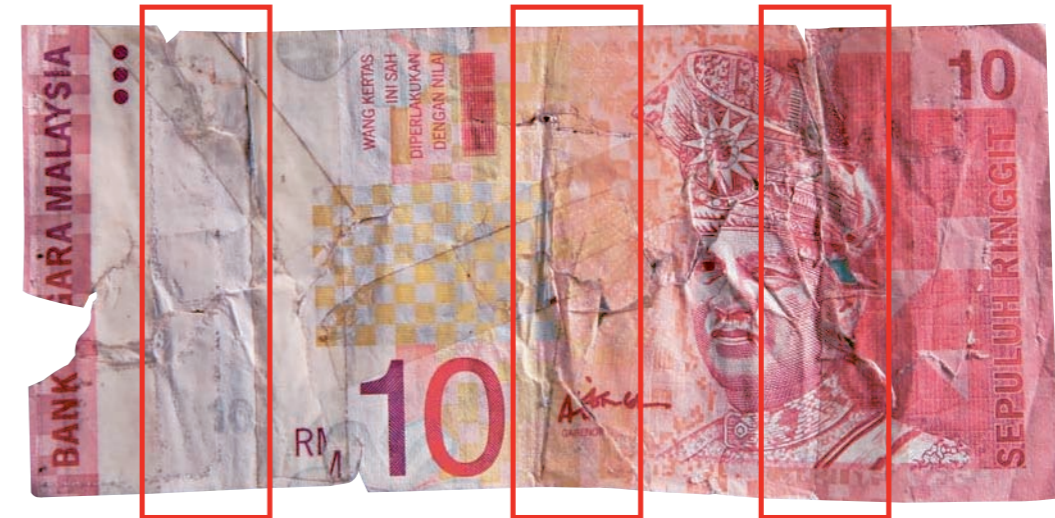
Burnt or infested by termites of any size or direction



unfit banknote
appendix XI :

Composed Banknote

Composition of two or more different banknotes using tape to create a single banknote



unfit banknote

appendix XII:

Missing Security Features

Loss of a security feature (e.g. LEAD strip) on a banknote



illustrations of coins **unfit** for recirculation



unfit coins
appendix XIII:

Corroded

Destroyed or washed permanently by chemical agent on part or entire surface



unfit coins
appendix XIV:

Hole

Coins exhibiting at least one visible hole on any part of the surface



unfit coins
appendix XV:

Dented

Coins damaged by hitting but not broken



unfit coins
appendix XVI:

Broken

Coins fractured into pieces



unfit coins
appendix XVII:

Cut

An opening of any length using a sharp tool, for example, a knife or a pair of scissors



unfit coins
appendix XVIII:

Burnt

Damage caused by burning which can result in discoloration and may alter the appearance of the coin



unfit coins
appendix XIX:

Stained / Dirty

Change in colour of coins caused by wear and tear, dirt, for example black coins



unfit coins
appendix XX:

Freak

A markedly unusual or abnormal coin at the time of production



Treatment of Banknotes and Coins Unfit for Circulation

Unfit banknotes and coins may be **exchanged** at any financial institutions.

For further information, kindly contact Bank Negara Malaysia at the following:

Jabatan Pengurusan & Operasi Matawang
Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur

Telephone : 03-26988044 ext. 7284 / 7307 / 8252 / 8278

Facsimile : 03-26913410 / 03-26915859

Website : www.bnm.gov.my

or

BNMTELELINK

Telephone : 1-300-88-5465

Facsimile : 03-21741515 / 03-21741616

E-Mail : bnmtelelink@bnm.gov.my

or

at any Bank Negara Malaysia Branch in Kuala Terengganu, Pulau Pinang, Johor Bahru, Kuching and Kota Kinabalu.



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