

S.I. 2014 No. 22

Central Bank of Barbados Act
Cap. 323C

**CENTRAL BANK OF BARBADOS (REDEMPTION
OF THE ONE CENT COIN) (MISCELLANEOUS)
REGULATIONS, 2014**

The Board of Directors of the Central Bank of Barbados in exercise of the powers conferred on it by sections 5(a), 10(4) and 21(5) of the *Central Bank of Barbados Act* makes the following Regulations:

1. These Regulations may be cited as the *Central Bank of Barbados (Redemption of the One Cent Coin) (Miscellaneous) Regulations, 2014*.

2. In these Regulations,

“Bank” means the Central Bank of Barbados;

“buyer” means a person obtaining goods or services in Barbados in exchange for valuable consideration;

“cash” means paper currency and coins issued by the Bank;

“licensee” means an entity that is licensed to carry on banking business under the *Financial Institutions Act*, Cap. 324A of the Laws of Barbados;

“round” means the lesser or greater adjustment of a final cash amount to the nearest five cents or multiple thereof in accordance with the *Schedule*;

“vendor” means a person carrying on the business of the provision of goods or services in Barbados in exchange for valuable consideration.

3. Subject to regulation 4, the Bank or a licensee shall indefinitely redeem one cent coins that have at any time been issued by the Bank as legal tender in Barbados.

4. (1) One cent coins shall be redeemed at face value and shall only be accepted for redemption where they are recognizable as one cent coins issued by the Bank.

(2) Where one cent coins are not presented for deposit into an account, they may only be redeemed where they are presented in multiples of at least five.

5. The Bank or a licensee may establish fixed days and times on and at which one cent coins may be redeemed.

6. With effect from the 7th day of May 2014, for all final cash payments and final transactions handled in cash where the sum total due does not end in 5 cents or a whole number multiple thereof, the final amount payable shall be determined and the obligation to make payment shall be discharged in accordance with the rules on rounding set out in the *Schedule*.

7. The difference between a sum total due not ending in 5 cents or a whole number multiple thereof and the sum to be paid in cash pursuant to regulation 6 hereof shall be deemed a rounding difference and the rounding difference shall not be deemed to constitute a pecuniary advantage or loss.

8. An obligation to make payment which is discharged in cash using the rules on rounding set out in the *Schedule* shall be regarded as finally and financially settled.

9. Where in any transaction to be settled in cash a buyer has one cent coins available and can tender the final payment required, the exact amount payable shall be accepted by the vendor and there shall be no obligation to round.

10. Where the exact cash amount is not tendered by the buyer, the vendor shall apply the rounding rules and shall be discharged from any obligation to return change over the amount payable after the rounding difference has been applied.

11. All fees, taxes or duties shall be tabulated to the exact amount required by law or by contract prior to the rounding of any cash payment thereof.

12. Any payment made by cheque or through electronic means shall not be rounded and shall be settled to the exact amount of the payment required.

13. Any person who contravenes these Regulations is guilty of an offence and is liable on summary conviction to a fine of \$500 or to imprisonment for 3 months or to both.

14. These regulations shall come into effect on the 7th day of May 2014.

SCHEDULE

(Regulation 6, 8)

RULES ON ROUNDING

1. The following rules shall be applied when rounding final cash payments:

- (a) Where the payment is of a value that falls within Column 1, the final payment shall be rounded up to the nearest multiple of five cents.
- (b) Where the payment is of a value that falls within Column 2, the final payment shall be rounded down to the nearest multiple of five cents.

STATUTORY INSTRUMENT

Column 1	Column 2
ROUNDING UP TO THE NEAREST MULTIPLE OF FIVE CENTS	ROUNDING DOWN TO THE NEAREST MULTIPLE OF FIVE CENTS
A payment of \$1.03 shall be rounded to \$1.05	A payment of \$1.01 shall be rounded to \$1.00
A payment of \$1.04 shall be rounded to \$1.05	A payment of \$1.02 shall be rounded to \$1.00
A payment of \$1.08 shall be rounded to \$1.10	A payment of \$1.06 shall be rounded to \$1.05
A payment of \$1.09 shall be rounded to \$1.10	A payment of \$1.07 shall be rounded to \$1.05

2. The table provides practical examples of how the rules on rounding shall operate.

3. For the avoidance of doubt the methodology outlined in paragraph 1 and the Table above shall apply in the same manner to any final cash payments lesser or greater than the amounts shown therein.

Made by the Board of Directors of the Central Bank of Barbados this 24th day of April 2014.

CLEVISTON HAYNES
Governor (Ag.)