



Canada Gazette

[Home](#)> [Publications](#)> [ARCHIVED — Vol. 148 \(2014\)](#)> [ARCHIVED — July 2, 2014](#)

> ARCHIVED — Order Amending Part 1 of the Schedule to the Act

ARCHIVED — Vol. 148, No. 14 — July 2, 2014

[This Web page has been archived on the Web.](#)

Archived Content

Information identified as archived is provided for reference, research or recordkeeping purposes. It is not subject to the Government of Canada Web Standards and has not been altered or updated since it was archived. Please contact us to request a format other than those available.

Registration

SOR/2014-165 June 19, 2014

ROYAL CANADIAN MINT ACT

Order Amending Part 1 of the Schedule to the Act

P.C. 2014-817 June 18, 2014

His Excellency the Governor General in Council, on the recommendation of the Minister of Finance, pursuant to section 6.1 ([see footnote a](#)) of the *Royal Canadian Mint Act* ([see footnote b](#)), amends Part 1 of the schedule to that Act by adding the following after the reference “Two thousand five hundred dollars”:

One thousand two hundred and fifty dollars

One thousand dollars

REGULATORY IMPACT ANALYSIS STATEMENT

(This statement is not part of the orders.)

Background

In addition to Canadian circulation coins, the Royal Canadian Mint (the Mint), produces non-circulation, collectible (numismatic) coins made from a range of alloys and precious metals. These collectible coins of various sizes and values often carry denominations not seen on circulation coins, reflecting the value of the metal used (i.e. gold, silver or platinum coins). The Mint has the capacity to produce a wide range of coins with varying diameters, weights and compositions. Pursuant to section 6 of the *Royal Canadian Mint Act* (the Act), the Governor in Council may authorize the issue of non-circulation coins of a denomination listed in Part 1 of the schedule. Pursuant to section 6.1 of the Act, the Governor in Council may, by order, amend Part 1 to the schedule by adding or deleting a denomination of a non-circulation coin. In the past, convention has been that the Mint has presented both orders at the same time, in the same package. This ensures that any business planning the Mint does around the production and release of numismatic coins is not conducted without existing confirmation of their approved authority to subsequently issue the coins.

Issues

The Mint is not authorized to produce or issue one thousand dollar (\$1,000) denomination coins or one thousand two hundred and fifty dollar (\$1,250) denomination coins. Customer feedback indicates that the gap between the currently authorized \$500 and \$2,500 denominations for non-circulation (numismatic) coins is too

large for consistency in collectors' experience. Market research has identified demand for new products, requiring the addition of \$1,000 and \$1,250 denominations.

Objectives

The Mint's objective is to increase profitability and meet customer needs with the introduction of products with these new denominations.

Description

A first order adds two new denominations (\$1,000 and \$1,250) to Part 1 of the schedule to the Act. A second order allows the Mint to issue and produce numismatic coins with these denominations.

"One-for-One" Rule

These orders do not impose new administrative costs on business. Therefore, the "One-for-One" Rule does not apply.

Small business lens

These orders do not impose new administrative costs on business. Therefore, the small business lens does not apply.

Rationale

The amendments to the Act would permit the Mint to produce and issue numismatic coins with new denominations that would better meet market demand and broaden the commercial appeal of large denomination collectible coins. Currently, there is a considerable gap between the \$500 denomination permitted by the Act and the next permitted denomination of \$2,500.

The Mint is committed to ensuring that customers' needs are understood via extensive market research. One of the needs identified was to fill the gap between the existing denominations of \$500 and \$2,500, allowing for a better alignment of denominations vis-à-vis their precious metal value.

These denomination changes would satisfy two of the Royal Canadian Mint's (RCM) Strategic Objectives:

1. Strategic Objective No. 1: Profitability

- a. Increase the RCM's brand awareness and relevancy by creating greater targeted product and marketing offers, customer interaction and emotional connection through its products and services, and through initiatives, such as increased e-marketing and broader social media presence; and
- b. Deliver an increasing number of new numismatic products to drive Numismatic and Collectibles business line revenue and profit.

2. Strategic Objective No. 2: Customer satisfaction

- a. To meet or exceed customers' expectations for quality, service and value.

Strategic Objective No. 1: Profitability

The production of the additional denominations could yield additional revenues from customers interested in the new denominations, though it is too early to determine revenues at this time. However, given the success of the Numismatic and Collectibles business line at the Mint in the last five years, the introduction of these numismatic coins increases the broad scope of products for the Mint's customer base.

In 2012, Numismatic and Collectibles revenue increased by 56% to \$145.1 million, the highest in the Mint's history. In 2013, the volume of coins produced increased by 16.7% to 4.2 million pieces compared to 3.6 million coins in 2012. The Mint issued 201 numismatic coins of which 70 were sold out by the end of the year compared to 136 numismatic coins and 60 sell outs in 2012.

Strategic Objective No. 2: Customer Satisfaction

Denominations for numismatic coins are determined based on the coin's alloy, diameter and weight. For example, the larger the diameter of the coin and the content of precious metal, i.e. gold, silver, platinum, the

higher the denomination will be in order to assign a minimum face value to the coin. To further this example, the denomination of \$2,500 appears on a numismatic gold coin with a weight of one kilogram and with a diameter of 101.2 millimeters.

The Mint has identified, via customer feedback, that the link between numismatic coin sizes, weight and denomination is important. This link provides the customer with a minimum face value for the coin they purchased assuring them of a sound investment.

Thus, the existing denominations would not be suitable for the proposed new numismatic products as the diameter and weight of the coins would be too large for a \$500 denomination and too small for a \$2,500 denomination. This is explained as follows:

- A \$500 denomination is generally assigned to a gold numismatic coin with a weight of 156.05 grams and a diameter of 60 millimetres;
- A \$1,000 denomination would be assigned to a new numismatic coin with a weight of 312.1 grams and a diameter of 68 millimetres;
- A \$1,250 denomination would be assigned to a new numismatic coin with a weight of 500 grams and a diameter of 85.5 millimetres; and
- A \$2,500 denomination is generally assigned to a gold numismatic coin with a weight of 1,000 grams and a diameter of 102.1 millimetres.

The addition of these new denominations would provide new and interesting products and ensure that the face value of these new products is aligned with the coin's alloy, diameter and weight.

As a large range of numismatic coins are already produced by the Mint, the incremental costs of producing new denominations would be minimal. No new capital or resources are required.

Because the new denominations would only affect noncirculation coins, it would not be noticeable to the general public and would not impact additional industries using Canadian coinage (e.g. vending machines).

Consultation

There was no formal consultation held. However, based on recent market demands for more numismatic products using new denominations, the addition of the new \$1,000 and \$1,250 is anticipated to be well received and would have no impact on day-to-day transactions.

Implementation, enforcement and service standards

The Mint will begin business plans for the new denominations, which will include deciding how many such coins will be issued and other variables such as the size of coins, alloys, designs, etc. that will need to be determined before a coin is marketed and sold, and a revenue forecast can be created. Pursuant to the Act, the new numismatic coin designs would require the approval of the Minister responsible for the Royal Canadian Mint prior to their release.

Contact

Simon Kamel
General Counsel
Acting Vice-President, Corporate and Legal Affairs and Corporate Secretary
Corporate and Legal Affairs
Royal Canadian Mint
320 Sussex Drive
Ottawa, Ontario
K1A 0G8
Telephone: 613-993-1732
Fax: 613-990-4665
Email: kamel@mint.ca

[Footnote a](#)

S.C. 1999, c. 4, s. 3

[Footnote b](#)

R.S., c. R-9

