



Central Bank of Solomon Islands celebrates Silver Jubilee



The Solomon Islands \$2 note is a polymerisation of the previous paper note.

MODERN TECHNOLOGY combines with traditional imagery to adorn a new \$2 polymer banknote issued by the Central Bank of Solomon Islands.

Released on 21 June to commemorate the Central Bank's 25th Anniversary, the polymer note is similar in design to the Solomons' current paper note. A complex clear window has been included to increase the security level.

The complex window incorporates a transitory emboss '2' and '2 DOLLARS' text and ranges from full transparency to varying opacity with the Sanford Pacific Eagle.

An image of decorative shell rings, once used as currency in some parts of the Islands, appears on both sides of the note. When held to the light, the rings are perfectly aligned.

The design on the note features local arts and crafts of the Solomon Islands – the face of the note showing the national coat of arms and woodcarvings. Stylised frigate birds, porpoises and angelfish complete the front detail. Central to the back design are images of men and children driving fish into shallow water to be speared.

A note of thanks



CURRENCY CONFERENCE CHAIRMAN, Richard G. Haycock (pictured), voices his thanks for the support, information, friendship and debate offered by delegates at the recent conference in Barcelona.



I am very happy to report on the success of our recent Currency Conference in Barcelona.

We had record-breaking attendance with over 400 delegates representing 88 countries, and I wish to thank our presenters, delegates and sponsors for their support and important participation in helping us reach this level of success.

We have been receiving some very interesting suggestions and comments from our delegate questionnaire regarding ways to improve the Conference, as well as comments regarding the valuable presentations offered.

Some of the key industry issues presented concerned Antti Heinonen's Euro Update, as well as Urpo Levo's presentation regarding the cash changeover in Finland, and Interpol's role in protecting the Euro. The banknote circulation experiences of Central Banks again elevated the paper versus polymer question with several presentations presenting the benefits of each. Other relevant topics included banknote security features and new technologies, as well as future U.S. currency design by Tom Ferguson and the Federal Reserve Banks long term direction for currency services by Bill Stone. Again, we extend our sincere thanks to all of our presenters for their valuable contributions.

We will be issuing a "Call for Papers" to Central Banks and Printing Works for the 2002 Currency Conference soon, which is planned for October 6-9, 2002 in Honolulu. Our conference date immediately follows the IMF World Bank Group meeting, and I understand that other important seminars/meetings are planned in Hawaii immediately following the Currency Conference. For more information we invite you to visit our website: www.currencyconference.com, or contact Mrs. Victoria Alanis at the Conference Office- Tel: +1 817-801-6757, Fax: +1 817-801-3239, e-mail: currencyconf@hotmail.com or currencyconference@home.com.

We hope to see you in Hawaii!

Best regards,

Richard G. Haycock, Chairman
Currency Conference

Polymer Analysis: an overview of the Currency Conference

THE RECENT BARCELONA

Currency Conference presented an excellent opportunity for the industry to discuss key currency issues in an open forum.

Presentations over the three days were diverse, ranging from the role of Interpol, to innovations in security printing technology – including polymer banknotes.

Translating Australia's experience with polymer notes to other countries

Two questions that have been raised at previous conferences were whether the increased durability Australia achieved with its move to polymer notes could be translated to other countries and whether the cost/benefit break even point for a move to polymer notes would be reached before a country would need to introduce a new series of notes to stay ahead of counterfeiters. Mr Les Coventry, Head of Note Issue at the Reserve Bank of Australia (RBA), addressed these issues.

In his presentation, Mr Coventry spoke of Australia's experience to illustrate the potential benefits that other countries could possibly get with a move to polymer substrate.



Hotel Ray Juan Carlos 1, the location of the Currency Conference 2001.



Pre dinner drinks were enjoyed by all.

These benefits included improved durability and new and innovative security features.

Mr Coventry's paper used a simple model to illustrate the potential savings that can accrue due to added durability. This model clearly showed that the benefits are greatest and occur very quickly for notes with relatively short lives. Mr Coventry reported data from a number of other countries, which showed that most countries have a predominance of low to mid range denomination paper notes with circulation lifespans of between six months and two years. This was very similar to the situation in Australia when Australia had paper notes. Mr Coventry also outlined the specifications of Australia's previous paper notes. These are similar to those of other countries using quality mould made watermarked security paper. As a result, in line with the Australian experience, the payback period for other countries for a move to polymer should also be quite short – less than two years for most countries and well within the usual life cycle of a series of notes.

In summary, Mr Coventry clearly demonstrated the scale and speed of achieving the benefits of the added durability of polymer notes

and that there is no reason why many other countries could not also benefit from polymer. His presentation generated much interest.

The Australian scene

The dramatic re-engineering of currency note processing and distribution arrangements in Australia were discussed by Mr Peter Carlin, Senior Manager, Currency Operations, RBA.

Facilitating the changes are the significantly increased durability and security of the polymer currency in circulation. As a result, the RBA does not believe it has to process notes as frequently to keep the circulation clean and free of counterfeits. Therefore, the RBA has closed all branch cash processing centres and established a single national processing centre at Note Printing Australia. This has been a further catalyst to reducing the role the RBA plays in cash distribution arrangements. It has also delivered considerable cost savings and enabled the RBA, commercial banks and armoured car companies to introduce a sound platform to introduce further efficiencies to the processing and distribution arrangements.

The complete presentations can be found at www.ipca.au.com



A spectacular show by Flamenco dancers was provided on the last evening of the Currency Conference.

Processing Polymer on a Global Scale



Keith Richbell
Managing Director
Travelex Currency Services

HANDLING IN EXCESS OF 360 million notes per annum, Travelex Currency Services' highly automated cash operations lead the market in note processing automation.

IPCA editor Saskia Wegman (IPCA) spoke with Keith Richbell (KR), Managing Director, Travelex Currency Services, about the company's experiences with polymer currency.

IPCA: The name Travelex is widely associated with a worldwide network of retail locations and corporate foreign exchange services, but is Travelex also involved in other activities?

KR: Yes, definitely. Our recent GBP 440m acquisition of Thomas Cook Global and Financial Services highlights our position as a major provider of travellers' cheques and global financial services.

In fact, Travelex is now the world's second largest (and oldest) issuer of travellers' cheques and, through Travelex Currency Services, one of the world's largest providers of outsourced currency services – servicing banks, financial institutions and major players in the travel industry.

IPCA: With such large note handling services, have you experienced any processing differences between paper and polymer currency?

KR: We have good reason to prefer polymer notes. While the higher quality and durability of polymer notes have clear advantages for central banks, the stand out features for Travelex are the security and machine processing capability.

In comparison to traditional notes, which deteriorate quicker, the unique substrate of the polymer note enables us to optimise our levels of automation – reducing costs and enhancing overall profitability. In addition, the probability of losses due to counterfeits is significantly lowered by the security features incorporated.



Currency sorting machine used by Travelex.

IPCA: What are your thoughts on the introduction of the paper-based Euro in 2002?

KR: As a business with major operations in Europe, it is of course frustrating that the new Euro notes are not polymer based.

We consider this to be an opportunity lost by the ECB, but we feel that the 'political' barriers will be overcome in the next few years as pressure from banks, retailers and consumers lobby for the benefits of polymer.

KR: Aesthetically appealing and significantly more practical, the polymer note gets our vote!



For further information on the Travelex Group, please visit www.travelex.com

Intergraf International Security Printers' Conference and Exhibition 2001

On the 26th, 27th and the 28th of September, the International Security Printers' Conference and the Suppliers' Exhibition will be held in beautiful Sorrento, Italy, attracting industry specialists, R&D experts, international law enforcement authorities and financial communities from around the globe. The industry delegates will participate in public information sessions and product exhibitions.

The programme includes sessions covering:

- security materials
- brand protection
- security features
- digital technology
- OVD's
- Euro banknotes.

For more information, an invitation brochure and a registration form, log on to the Intergraf website at: www.intergraf.org

Commonly asked questions

Q. How do polymer notes react to soiling, water, mould and humidity?

A. The soiling resistance of polymer notes is far superior to that of paper notes. The surface of a polymer substrate is non-absorbent with a protective coating applied on each side over the printing. Consequently, polymer notes are impermeable to natural oils, sweat, humidity, liquids, dirt, mould and grimes. This makes the notes much cleaner, even after long periods in circulation and thus there is a lower propensity for bacterial growth. The substrate does not have fibres that break down with folding etc, which means that they do not go limp like paper notes.

Q. What can be said about the drying process during printing of polymer banknotes?

A. The non porous and non fibrous nature of polymer substrate means there is less absorption into the substrate. This can lead to longer drying times for some of the inks. However, it was found that intaglio drying times are similar to those of paper. The offset and letterpress inks might require extra time for curing (depending on the formulation) and currently seven days are allowed for the offset and three days for the letterpress print to dry. The overcoating process protects all the preceding printing stages by the application of two layers of overcoating ink and only requires one day to cure.



Printed sheets after the offset printing process waiting to be sent to the strong room to cure.

Q. What is a DOVD and how can it be incorporated in a polymer note?

A. A diffractive optically variable device (DOVD) is a mechanism which splits visible light into its spectral colours. The most common form on banknotes is the 2-dimensional diffraction grating, which gives high diffractive properties and clear images. Lens type effects can also be created where structures, which are difficult to copy, can be derived, such as Catpix® (catastrophe pixels). These are optically variable and structurally stable.



A dynamic Catpix® DOVD.

The optical effects of a DOVD are enhanced when applied to polymer substrates, because of the polymers' flat smooth surface. The polymer note technology also allows incorporation of the DOVD into a clear window such that it can be seen from both sides: in addition to increasing its visual effectiveness to the general public, it is also more difficult to simulate.

Q. Is the level of spoilage higher when printing on polymer than when printing on paper?

A. Printing on polymer substrate requires a high level of printing expertise and the majority of the security printers should satisfy this criterion. We found that if all the printing processes are controlled properly then the incidence of spoilage will be similar compared to printing on paper. Of course there is one extra process - overcoating - however there is a minimal spoilage generated by this process.

International Events Calendar

2001

Intergraf – XVIII International Security Printers' Conference and VIII Exhibition
26-28 September, Sorrento, Italy
www.intergraf.org

IMF

28 September – 1 October, Washington, USA
www.imf.org

East Asia Economic Summit

29-31 October, Hong Kong SAR
www.weforum.org

Pisec 2001

6-8 November, Florence, Italy
www.pisec-europe.com

Pacific Rim 2001

11-18 November, Thailand
e-mail: XVPRBPC@bot.or.th

India Economic Summit

2-4 December, New Delhi, India
www.weforum.org

2002

Interpol 2002 Conference – 10th International Conference on Currency Counterfeiting and 5th International Conference on Fraudulent documents 8-12 April, Amsterdam, Netherlands
www.ipc2002.org

IMF

1-3 October, Washington, USA
www.imf.org

IMF World Bank Group Meeting

October, Honolulu, Hawaii

Currency Conference 2002

6-9 October, Honolulu, Hawaii
www.currencyconference.com

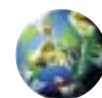
2003

IMF – Dubai World Trade Centre
23-25 September, Dubai, United Arab Emirates
www.dubai2003.org

Editor's Note

Back issues of IPCA and further information can be found on the IPCA website: www.ipca.au.com

Your questions, comments and feedback are always welcome, including any information on industry events for inclusion into the international events calendar.



IPCA

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