

Bernama : One Sen Coins To Be Phased Out For Over-the-counter Payments From April

Written by Administrator
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KUALA LUMPUR, Nov 13 (Bernama) -- The government will phase out the one sen coins for the over-the-counter (OTC) payments to cut handling costs and effect greater convenience via a rounding mechanism from April 1, 2008.

Domestic Trade and Consumer Affairs Minister, Datuk Mohamed Shafie Apdal, said under the mechanism, OTC payments would be rounded up to the nearest multiple of five sen and it would apply to the total amount of a bill and not on individual items.

"The total amount of the bill that ends in one, two, six and seven sen will be rounded down and three, four, eight and nine sen will be rounded up to the nearest multiple of five sen," he told a press conference on the implementation of the rounding mechanism here Tuesday.

For example, a bill amounting to RM82.01 sen will be rounded to RM82.00 and a bill totalling RM82.04 will be rounded to RM82.05.

"The one sen coins will continue to be legal tender but the total amount produced each year will be reduced," he said.

Shafie said Bank Negara Malaysia (BNM) produced 360 million pieces of one-sen coin per annum but of these, only about one percent came back to the central bank.

"So far, the amount in circulation is about 4.4 billion pieces.

"BNM is expected to save RM14 million annually in minting costs with the phasing-out of one sen coins for over-the-counter payments," he said.

He said the move would greatly benefit consumers and sellers as counter transactions would

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be faster.

"What's important is that it will reduce economic wastage," he said.

Shafie urged sellers to display the mechanism table at their outlets to ensure that the customers understand the mechanism and were appropriately informed.

"The implementation is applicable to all over-the-counter payments either in cash or non-cash. However, it will not be applicable to online transactions," he said.

All information on the mechanism could be obtained at the ministry's website at www.kpdnhep.gov.my or BNM's website at www.bnm.gov.my.

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