SASANA SYMPOSIUM 2025

STRUCTURAL REFORMS

BUILDING A RESILIENT MALAYSIA

Workshop

EVERYTHING YOU NEED TO KNOW ABOUT OUR BANKNOTES AND COINS

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Speaker Biography

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GHAZARI AMRI SANUSI
Currency Department
Bank Negara Malaysia

Ghazari joined Bank Negara Malaysia in 2001 and has taken on a variety of roles, culminating in his current role as the Head of Malaysia Mint. During this time, he worked on numerous key projects including the development of the Bank's Automated Cash Centre, and spearheaded the development and issuance of 3rd series Malaysian coins, launched in 2012.

Ghazari also honed his project management skills on attachment with the Financial Education Centre Project Management Office overseeing the development and construction of the Asia School of Business, established by the Bank in collaboration with MIT Sloan School of Management.

He then led the development of strategies for the Transformation of the Malaysian Currency Ecosystem Project before moving on to head the Mint Modernisation Project Management Office as the Project Director.

Ghazari is an enthusiastic and able communicator and frequently speaks at conferences and on panels on the transformation of the currency landscape in Malaysia, most recently at TEMAN Conference in 2023.

Presentation overview

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1

Overview of BNM's mandates on currency



2

Overview of cash demand in Malaysia



3

About Malaysian banknotes and coins

Part I

Overview of BNM's mandates on currency

Mandates on currency

BNM is the sole authority empowered to issue Malaysian currency notes and coins

Currency Management

Central Bank of Malaysia Act 2009

Sets out the primary function of the Bank as the sole issuer of currency notes and coins in Malaysia.

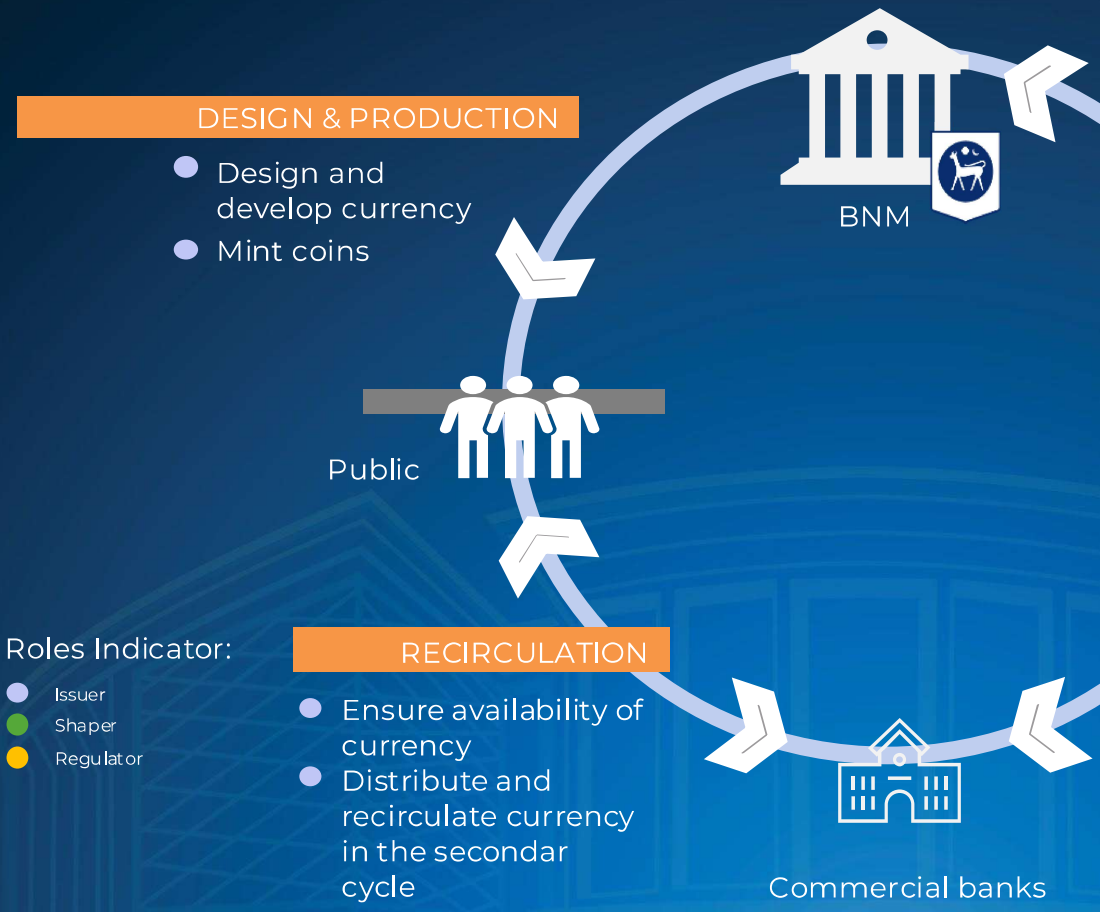
Currency Act 2020

Sets out a comprehensive regulatory and operational frameworks for the management of currency operations.

Availability	Quality	Integrity	Resilience	Cost Efficiency
Ensure **sufficient supply** of Malaysian currency	Maintain **quality** of Malaysian currency	Maintain **integrity** of Malaysian currency	Ensure **operational resilience** of currency ecosystem	Ensure **cost-efficient** currency operations

Mandates on currency

BNM serves as the issuer, shaper and regulator of the country's currency ecosystem



DESIGN & PRODUCTION

- Design and develop currency
- Mint coins

POLICY & CONTROL

- Policy development
- Supervision, oversight and enforcement

ISSUANCE & DISTRIBUTION

- Maintain strategic and logistics depots
- Arrange transport from suppliers to the Bank's strategic depots
- Ensure quality and authenticity of currency
- Redemption of invalid currency
- Destruction of unfit currency

RECIRCULATION

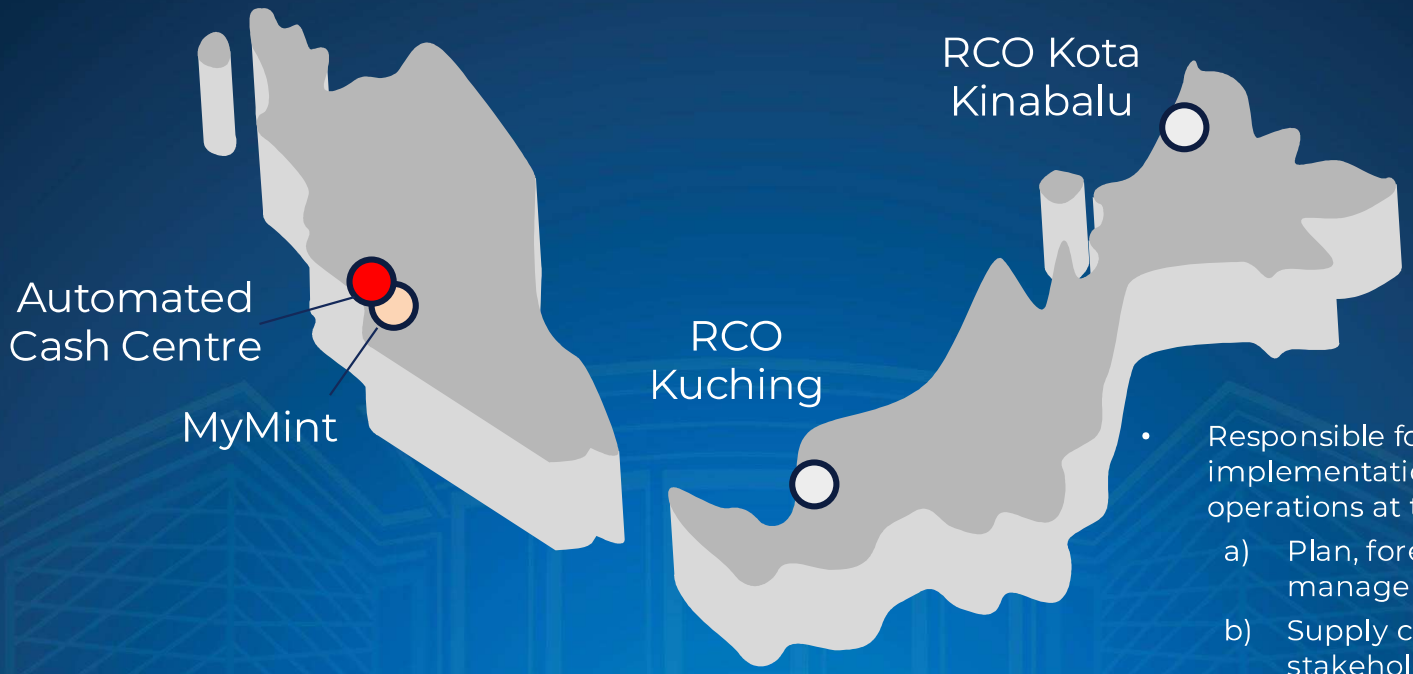
- Ensure availability of currency
- Distribute and recirculate currency in the secondar cycle

Roles Indicator:

- Issuer
- Shaper
- Regulator

Mandates on currency

BNM serves the nation through a wholesale-currency management model



- Responsible for the strategic implementation of currency operations at the regional level
  - a) Plan, forecast and manage inventory
  - b) Supply currency to stakeholders
  - c) Ensure integrity/security of currency

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Did you know?

BNM issues three types of legal-tender currency products to fulfil its mandates

Circulation



Bullion



Commemorative



Legal tender - any currency that a government officially recognises as a valid form of payment for goods, services and debts

Part II

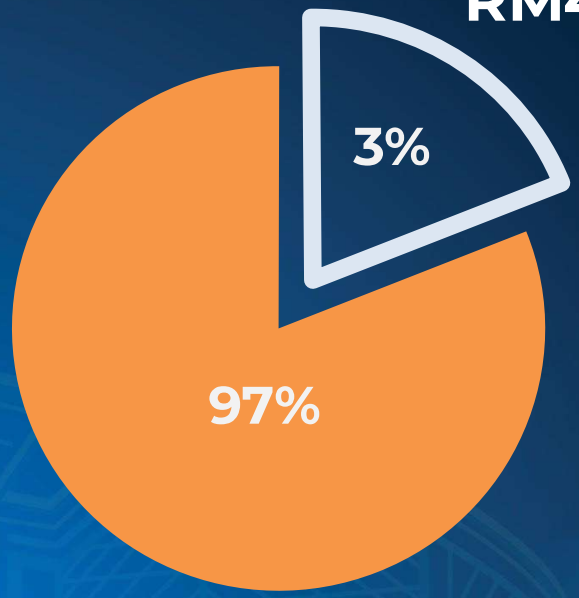
Overview of cash demand in Malaysia

Cash demand in Malaysia

Cash demand remains resilient, even as e-payments continue to expand



Annual CIC Value and Growth



RM4.3B
Coins

RM168.3B
Banknotes

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Cash demand in Malaysia

Cash remains essential, for several reasons

01 Consumer preference

02 Financial inclusion

03 Small business and informal sector

04 Cultural and economic factors

05 Reliability during disruptions



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Part III

Everything you need to know about Malaysian banknotes and coins

Malaysia's past currency series

Remains legal tender for all transactions, except those that have been demonetised

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Banknotes



1st Series Banknotes
(1967-1982)



2nd Series Banknotes
(1982 – 1996)



3rd Series Banknotes
(1996-2012)

Coins



1st Series Coins
(1967 – 1989)



2nd Series Coins
(1989 – 2012)

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Did you know?

Demonetised banknotes and coins can be exchanged at FIs for their full face value









Malaysia's existing currency series

Themed Distinctively Malaysia, reflects the diversity and richness of Malaysia's identity



4th Series Banknotes
(2012 – present)



3rd Series Coins
(2012 – present)

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Did you know?

Malaysia issues both paper and polymer banknotes



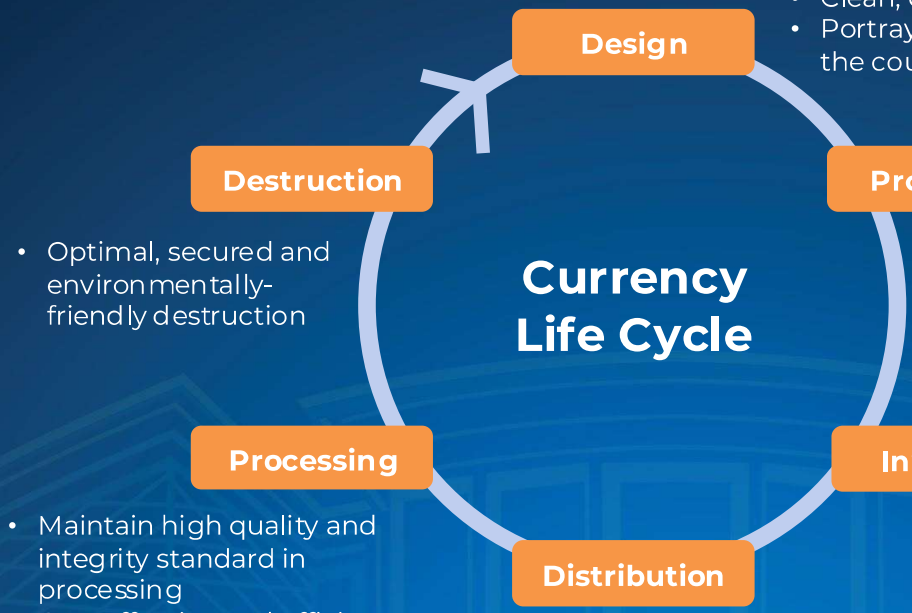
Unlike ordinary paper made from wood pulp, banknotes are typically made from cotton fibers.



Polymer banknotes are made from a synthetic polymer material, biaxially oriented polypropylene (BOPP). Our RM1 polymer banknotes last around four times longer than RM1 paper banknotes, making it a more durable and cost effective option

Snapshot of everything you need to know

From 'birth' to 'death' of banknotes and coins, and everything in-between



- Effective and optimal security features
- Clean, durable and user-friendly
- Portray a good and appropriate image of the country

- Best quality at competitive prices
- Short procurement cycle

- Efficient and secure inventory system
- Maintain optimal inventory level

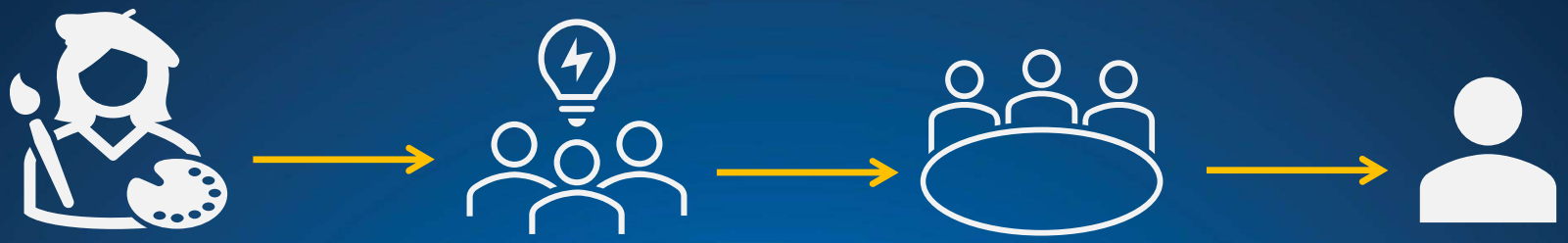
- Availability of currency at reasonable cost
- Efficient re-circulation of currency

- Maintain high quality and integrity standard in processing
- Cost effective and efficient processing

- Optimal, secured and environmentally-friendly destruction

How does the design process work?

BNM follows a structured design process



Banknotes/
Coin Designer

Notes and
Coins Advisory
Committee
(NCAC)

Management
Committee

Minister of
Finance

How often does BNM introduce a new currency series?

BNM follows international best practices, typically every 12-15 years

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Pre-currency issuance

Consultation with Advisory Committees and industry engagement*

Consultation with experts and relevant stakeholders on design elements, denomination structure and security features.

Evaluation of latest currency technology

Assess the appropriateness of latest currency technology to be embedded into our currency. This will enable us to stay ahead of counterfeiters.

Appointment of banknotes and coin blank suppliers

Appointment of credible banknotes printers and coin blank suppliers via a fair and competitive open tender approach.

Calibration of cash acceptance devices*

Process of calibration of cash acceptance machines nationwide involves financial institutions, registered currency processors, vending machines owners and machine suppliers.

* Process applicable for issuance of new currency series

Post-currency issuance

Currency inventory management

Maintain adequate currency stock to meet normal and seasonal demand.

Distribution of currency

Usage of cost-effective measures e.g. circulation of fit notes and coins to distribute currency.

Processing of currency

Processing and segregation of unfit currency to ensure only authentic and good quality currency are recirculated into the system.

Destruction of currency

Destruction and disposal of currency waste using environmentally friendly methods.

How much currency is issued into circulation?

BNM issues based on projected demand and prevailing economic activities

BANK NEGARA MALAYSIA

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024 RM million	2023 RM million Restated
ASSETS			
Gold and Foreign Financial Assets	3	489,309	487,960
International Monetary Fund Reserve Position and Holdings of Special Drawing Rights	4	30,821	32,905
Malaysian Government Papers	5	12,805	13,009
Deposits with Financial Institutions	6	-	1,202
Loans and Advances	7	26,310	24,234
Land and Buildings	8	4,598	4,610
Other Assets	9	57,697	67,822
Total Assets		**621,540**	**631,742**
LIABILITIES AND CAPITAL			
Currency in Circulation		170,720	161,816
Deposits from: Financial Institutions		131,918	176,659
Federal Government		5,233	3,526
Others	10	79,866	40,075
Bank Negara Papers	11	12,431	29,235
Allocation of Special Drawing Rights	4	28,185	29,738
Other Liabilities	12	3,121	3,268
Total Liabilities		431,474	444,317
Capital	13	100	100
General Reserve Fund	14	28,888	28,888
Risk Reserve	15	147,896	151,251
Unappropriated Profits	16	13,182	7,186
Total Capital and Reserves		190,066	187,425
Total Liabilities and Capital		**621,540**	**631,742**

01 **Forecasting model**

02 **Monitoring indicators**

Where are Malaysia's banknotes and coin blanks produced?

Depends, as BNM procures through an open tender process



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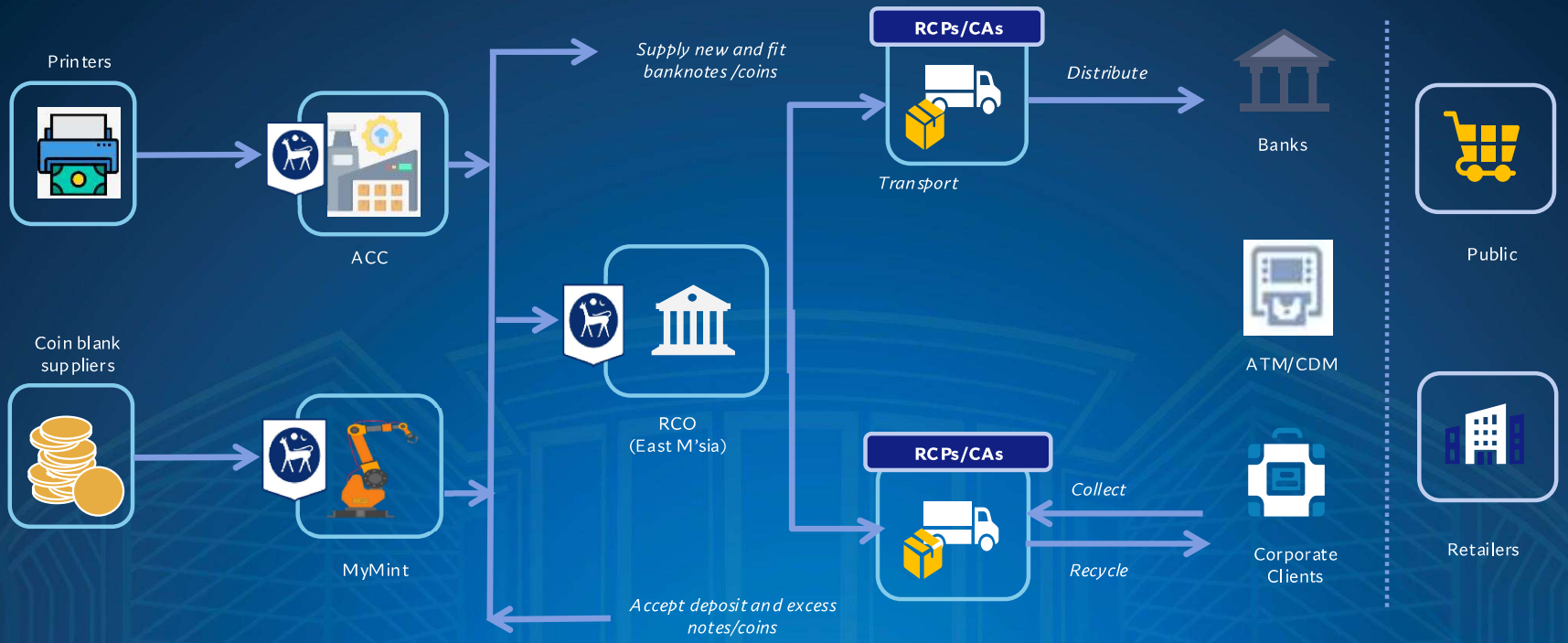
How are banknotes and coins transported securely?

BNM employs a multi-modal logistics strategy, depending on product and its destination



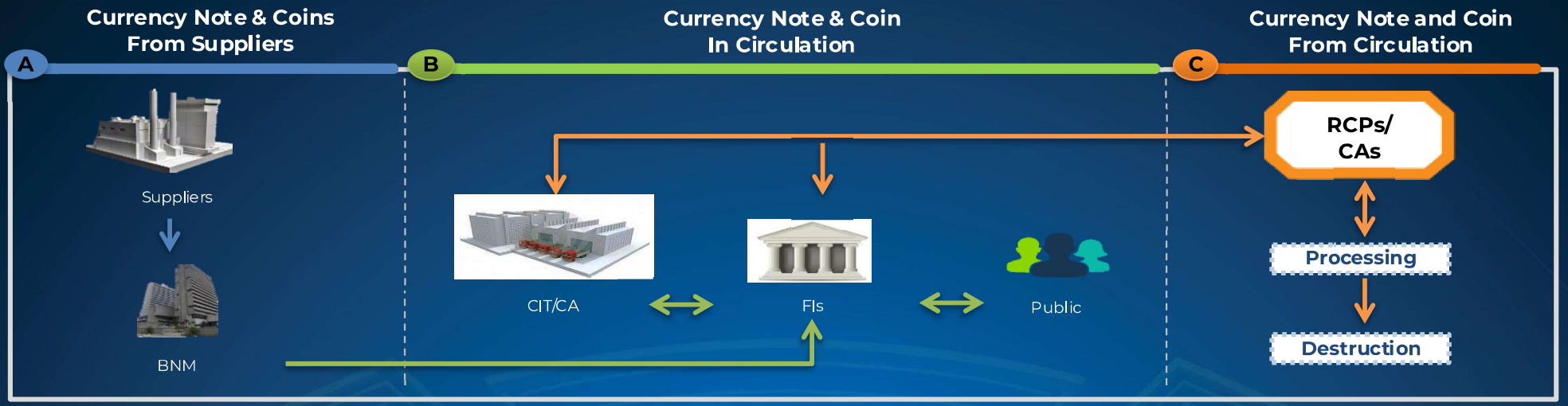
How does BNM distribute banknotes and coins to public?

BNM works with FIs and industry partners through secondary distribution channels



How is consistent banknote and coin quality maintained?

BNM enforces rigorous quality inspections at multiple stages of the currency lifecycle



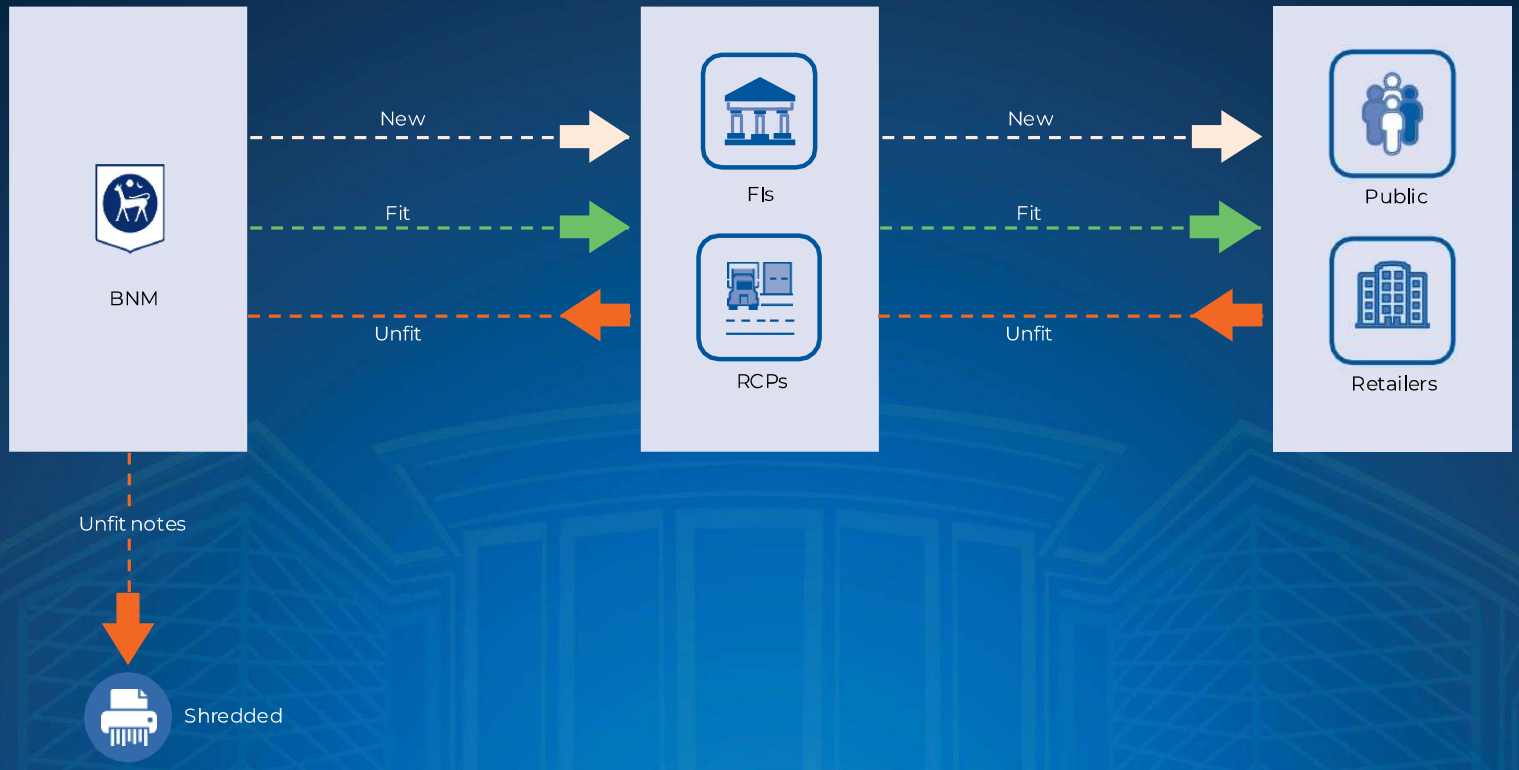
- All banknotes and coins to comply with the specified standards before acceptance by the Bank
- All deliveries accompanied by a certificate of quality
- Banknotes to pass quality test before issuance

- Periodic quality inspection on currency notes processed by currency processors
- Quarterly quality inspections

- All banknotes deposited by FIs will be processed
  - to ensure only good quality banknotes are in circulation by shredding unfit banknotes
  - to maintain the integrity of banknotes in circulation by removing counterfeits

What happens to fit banknotes or coins?

BNM recirculates fit banknotes/coins for public consumption to promote sustainability



Note: FIs – Financial Institutions
RCPs – Registered Currency Processors

What happens to unfit banknotes?

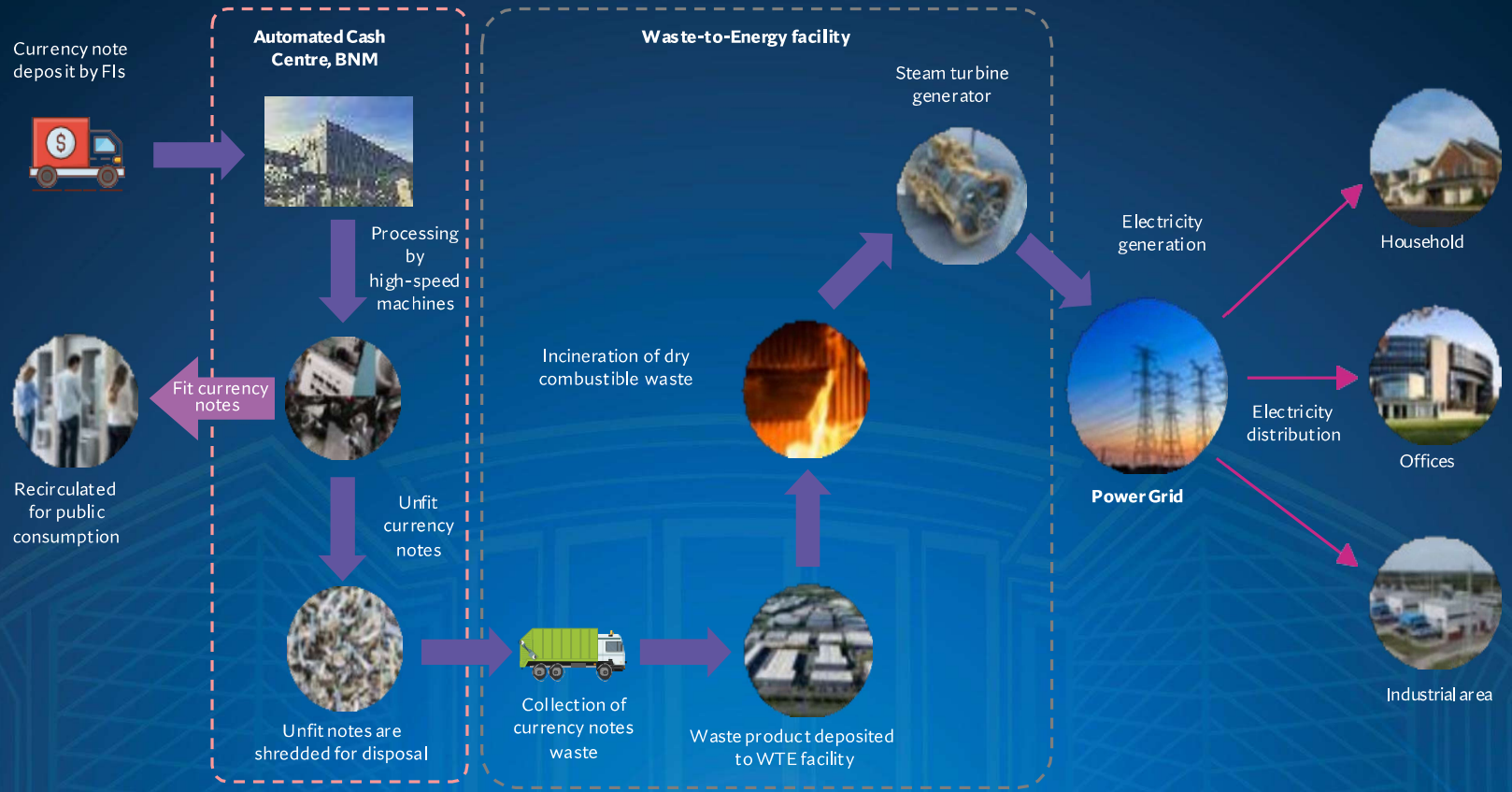
BNM shreds unfit banknotes into confetti-like pieces





How does BNM dispose of the shredded banknotes?

BNM utilises waste-to-energy method to generate energy



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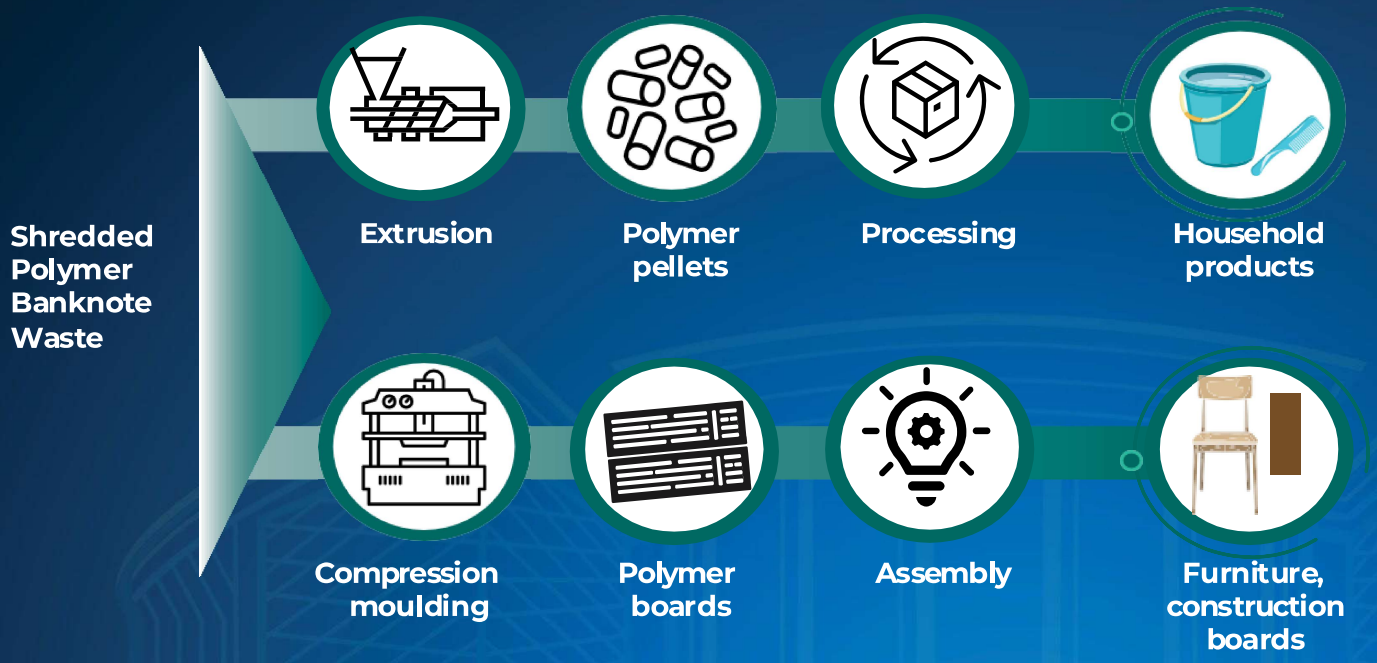
How does BNM dispose of the shredded banknotes?

BNM has completed a POC to recycle polymer banknotes into polymer boards and pellets







What are other key sustainability initiatives by BNM?

BNM adopts multiple strategies for sustainable currency operations

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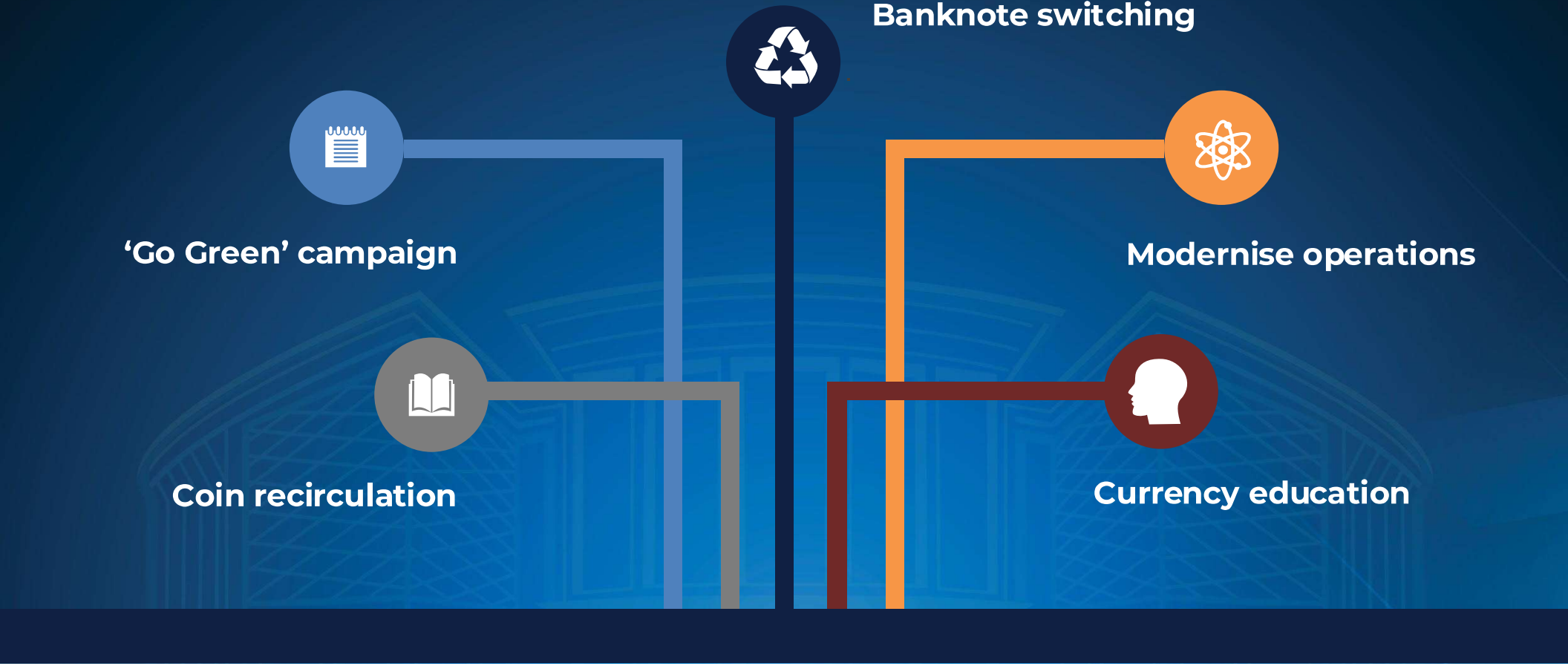

How can we be certain that Malaysia's currency is secure?

Malaysia maintains a low counterfeiting index compared to benchmarked countries

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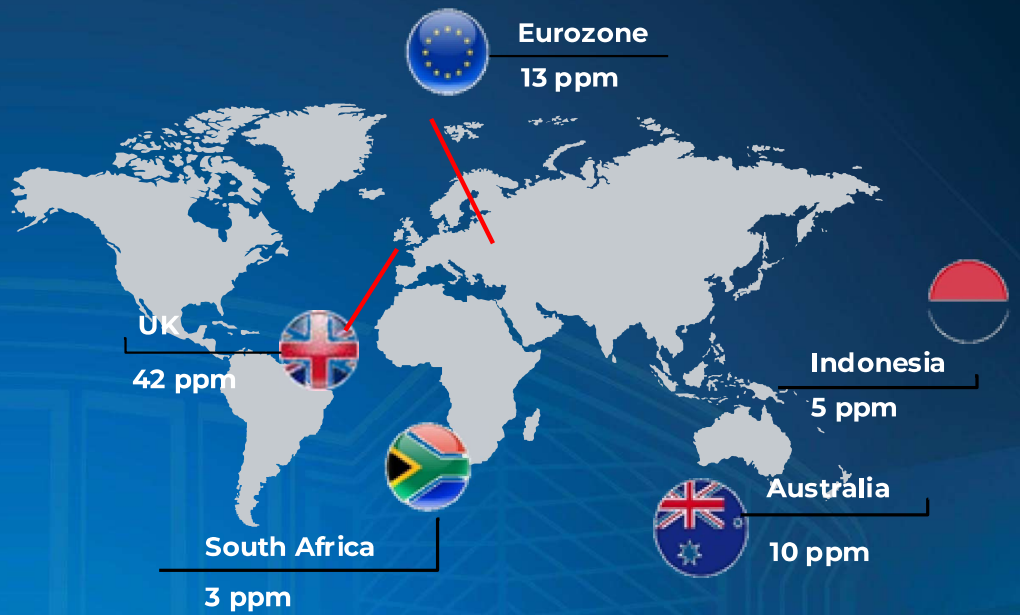
Malaysia's counterfeiting index

Counterfeit index of benchmarked countries



How can I verify if a Malaysian banknote is genuine?

Use "Feel-Look-Tilt-Check" method

Feel	Look	Tilt	Check
			
Touch the raised printing effect	Observe watermark portrait, perfect see-through register and clear window against white light	Tilt the note to observe image and colour change	Inspect security features using simple and easily accessible tools e.g. UV light device, magnifying glass

What is the best way to identify a genuine banknote?

Identify common security features



Genuine	Sharp and clear watermark portrait, with the numeral 100 clearly visible	Perfect formation of the numeral 100 on the obverse with the same numeral on the reverse	Hibiscus flower motifs inside the thread appear to move when tilted	Clear, continuous dark-coloured line security thread	Surface feels coarse
Counterfeit	Non-visible watermark	Imperfect registration of numeral 100 on the obverse with the same numeral on the reverse	Stationary and blurry hibiscus flower motifs	Non-visible security thread	Surface feels smooth



What should I do if I encounter unfit or defaced currency?

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Bring to any FI for exchange

Straightforward Cases

Submit the Currency
Bring your unfit/defaced currency to any FI

24h

Assessment by FI
Unfit/defaced currency will be evaluated by FI to determine its condition based on the guidelines provided by BNM

Provide Information
Fill out the form provided by the FI with the required details

Keep the Receipt
Request proof of exchange receipt from FI

Redemption
Once processed, the value of the currency will be refunded into your bank account

Doubtful Cases

Submit the Currency
Bring your unfit/defaced currency to any FI

Assessment by FI
Preliminary evaluation will be conducted by FI to determine its condition before forwarding the unfit/defaced currency to BNM

Provide Information
Fill out the form provided by the FI with the required details.

Keep the Receipt
Request proof of exchange receipt from FI

21 days

Assessment by BNM
Unfit/defaced currency will be sent to Bank Negara Malaysia (BNM) for assessment

Redemption
Once processed, the value of the currency will be refunded into your bank account

What is an example of a straightforward case?

Assessment can be done by FIs, refund typically with 24 hours

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01



Banknote size is 2/3 or more of the original size

02



The defaced banknote does not contain any mark on the portrait of Seri Paduka Baginda Yang Di-Pertuan Agong or writing depicting political slogans

03



The banknote is not damaged due to scratching or writing of words, numbers etc

What is an example of a doubtful case?

Assessment will be done by BNM, refund typically within 21 working days

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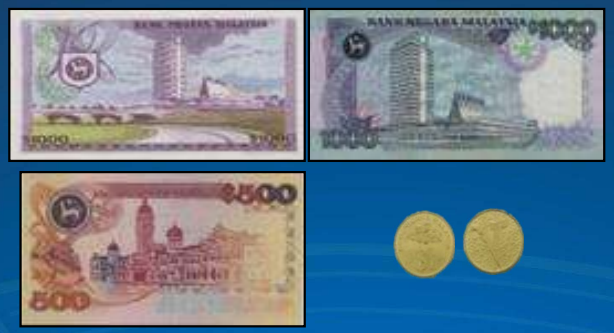
01



Banknote with no clear currency value

02



Demonetised currency

03



Banknote damaged by termites, dye-stained or burnt.

04



Tampered / unfit currency coin

How can I help?

Maximise the use of currency and keep our currency in good shape

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1 **Fit banknotes** are good quality currency notes which meet the acceptable quality standard for recirculation.

- Support the use of fit banknotes.
- Use fit banknotes for your duit raya / angpau gifting – it's a small (but meaningful) step toward a greener world.
- Let's play our part in protecting the environment.

2 **Unfit currency**, whether defaced, mutilated or otherwise damaged, may still hold value.



Don't throw those damaged banknotes away.



Take the opportunity to exchange them at any FIs



FIs will replace your unfit currency at the same value as long as it is still identifiable and meets the criteria for exchange.

3 **Many coins (~ 30% in circulation) remain stagnant** outside of the currency ecosystem - in cars, jars etc - rather than actively circulating

- Coin deposits are accepted by all commercial banks with cash operations, irrespective of CODMs availability.
- Get those coins moving. **Use** them in your daily transactions or **deposit** them at the nearest FIs!

Where can I get more information?

Follow our social media



Thank You

Contact Us:

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