

**News Release – February 29, 2018** Toronto, Ontario - Canada

## **\$1,000 BILLS AND OTHER NEW CHANGES IN CANADIAN MONEY STATUS – Better Call the Coin Dealer!**

Since the Government of Canada announcement in the 2018 budget that certain Bank of Canada notes will lose their “legal tender” status there’s been a bit of concern and confusion amongst the general public and collectors. Jared Stapleton at Metro Coin & Banknote would like to ease some of those fears. First a bit of background on the proposed changes.

On the Bank of Canada’s website, it states that there is a plan to remove the legal tender “designation from certain bank notes that are no longer being produced—the \$1, \$2, \$25, \$500 and \$1,000 notes—and they would be officially taken out of circulation.” This does not mean they will become worthless. If this is approved, “you will still be able to take it (any of these notes) to your financial institution or eventually send it to the Bank of Canada to redeem its face value.”



It has been speculated that the target is mainly the approximately seven hundred thousand \$1000 banknotes still in circulation, as those are known to be used in money laundering and this action would make it more difficult to use them anonymously. Also this move by the government is an attempt to make counterfeiting and tax evasion more difficult.

In today’s retail environment, the targeted notes of \$1, \$2, \$25, \$500 and \$1,000 are rarely used in transactions. There are also many merchants that have signs at the cash indicating that they will not accept larger denominations of \$50 or \$100. So, the government is essentially saying, that since these notes are already no longer being used in cash transactions and rarely seen, then let’s formally remove their status as legal tender.



Collectors of Canadian banknotes do not have to worry about the legal tender status. The bills will retain their face value and, “in many instances such as the example of a 1935 \$25 note, that are mentioned in the government’s communication, will still have a collector premium easily

many times the face value” said Jared Stapleton, former President of the Canadian Paper Money Society. However, many notes privately issued by banks are no longer redeemable, yet regularly trade among collectors for several times their face value. It is important not to confuse “legal tender status” with whether or not the bills are redeemable. They are still redeemable at the Bank of Canada but in most cases are worth more to collectors.

For the \$1000 banknotes, if you are hiding away a note from 1935, 1937 or the rare 1954 Devil’s Face variety, then you are sitting on a nice collectable item, and these always sell over face value. “A 1954 Devil’s Face \$1000 sold recently at the Toronto Coin Expo by Geoffrey Bell Auction for \$3600, a nice sum over face value”, said Jared Stapleton. Not all banknotes have a collectable value. A banknote’s value is primarily determined by the serial number, signatures, year and condition. “A common circulated \$1000 note from 1988 would only be worth the face value, but if you have a 1988 \$1000 with the EKX in the serial number, this will command a premium over face value”, said Stapleton.



In short, if you’re a collector, carry on. If you’re not a collector, but have some of these banknotes and you want to safely convert them into cash, you are encouraged to stop at our store, Metro Coin & Banknote, at 722 Annette St, Toronto, Ontario (416-604-9410) and we’ll be happy to help. You may even come away with a premium on any collectable notes you have.