

BANKING ISSUANCE



Comptroller of the Currency
Administrator of National Banks

Type: Banking Circular

Subject: Sale of Commemorative Coins

TO: Chief Executive Officer of All National Banks, Deputy Comptrollers/Regional Administrators,
and Examining Personnel

Purpose

This banking circular provides general guidelines for national banks which are considering purchasing and reselling or acting as agent in the sale of commemorative coins minted by the Bureau of the Mint for the U.S. Department of the Treasury.

Policy

BC-58 (REV) dated 11/3/81 states that national banks are prohibited from buying or selling coins the value of which is not based on metallic content. The Circular makes it clear that banks may not speculate by purchasing coins, such as rare coins, the value of which is based upon such factors as rarity, age, condition, a mistake in the minting or other intangible factors.

Commemorative coins are minted by the Bureau of the Mint for the U.S. Department of the Treasury. The coins commemorate events such as George Washington's birthday, the Olympic Games and other events of national importance. The fixed price of such coins is based upon the cost of the metal, production, distribution and, in the case of the Olympic coins, a surcharge earmarked for contribution to the U.S. Olympic Committee.

National banks may take such commemorative coins on a consignment basis and act as selling agent for the Department of the Treasury. National banks may also choose to purchase an inventory of commemorative coins for resale to their customers.

Prudence and care should be exercised by Boards of Directors in formulating policies and procedures when purchasing commemorative coins. Dollar limits on coin inventories should be consistent with safe and sound banking practices.

BANKING ISSUANCE



Comptroller of the Currency
Administrator of National Banks

Type: Banking Circular

Subject: Sale of Commemorative Coins

Accounting

Commemorative coins purchased by a national bank should be recorded as "Other Assets". The bank's books should reflect the lower of cost or market value with adjustments made monthly. This is consistent with the accounting treatment stated in BC-58(Rev).

Originating Office

Chief National Bank Examiner's Office, Commercial Examinations Division (202) 874-5190.

John F. Downey
Chief National Bank Examiner