

CURRENCY NEWS™

THE BANKNOTE CONFERENCE 2018 – TUESDAY

SPECIAL ISSUE

Bigger and Better the Ever



‘Everything’s big in Texas’, they say, and this year’s delegation to the Banknote Conference in Dallas is no exception.

Since its inception, the conference had always been in Washington, DC. However, after their first year of organizing the conference in 2016, Currency Research (CR) made the decision to move the event to Texas for 2018.

‘The main reason for moving it to Dallas,’ explains CR President Marci Chavez, ‘is the BEP’s Fort Worth Facility. The DC tour has always been so popular and we wanted to provide a new experience at the BEP’s largest facility, located in Fort Worth. It will be a real treat for the delegates. Not to mention that Dallas is a great cosmopolitan city to welcome our international delegation.’

With close to 720 delegates this year, Banknote 2018 promises a varied educational experience, focusing on ‘Securing Banknotes for the Future’ through technology and innovation. New pre-conference program additions included an Ideation Workshop, where university professors and central banks shared their early research and development, providing a window into the new possibilities in security features, printing, and inspection. The International Banknote Designers Association (IBDA) held a well attended and informative workshop based on ‘Making Banknotes Work for People.’

Also new this year is an expanded program around the Banknote Series and Commemorative Banknote Displays in the exhibit hall. CR has set up a Banknote Discussion Center alongside the displays where central banks will share their experiences and strategies in the development of their new banknote series and commemorative note projects. The Discussion Center provides a more intimate setting to encourage in-depth and productive discussions for the duration of the conference.

CR, along with the input of its Banknote Conference Advisory Group, has refreshed the general session program. Six focused technical topics of high interest to the industry have been selected, and presenters will deep-dive into discussion on these topics. The primary sponsors will also deliver their technical presentations during the general sessions – sharing their newest developments and technical strategies.

Finally, CR has also organised the first Banknote Conference State Printworks Summit, which will be held on Thursday, after the close of the conference. Going forward, the summit will be a regular feature for the Banknote Conference in an effort to bring a more global group of printing works together than anywhere else in the industry.

Leading the organisation of this summit is Shaun Ferrari, CR Managing Director for Americas & the Caribbean, who remarked, ‘the Banknote Conference attracts the world’s state printing works – so why not encourage and support them to share and discuss their unique and common interests, challenges and strategies.’

This week is about ‘securing banknotes for the future,’ concludes Marci. ‘This is our intention and our mission in organizing this conference for the industry.’

Iceberg Note Sets New Standards

The ‘Iceberg Note’, the most recent specimen note by Louisenthal, displays the company’s latest state-of-the-art security features and, it says, represents a new level of design competence as well as setting new standards in design integration and security.

The Iceberg Note comes in three different variations. In addition to a multitone and highlight watermark, each note displays either the three-dimensional *Galaxy*® security thread with a new flip effect, or the *varifeye*® *ColourChange* stripe and *RollingStar*® security thread, or the new security feature by Louisenthal, namely the *varifeye*® *ColourChange* patch combined with a *RollingStar* security thread.

The *varifeye*® *ColourChange* Patch combines thin-film and micro-mirror technologies, creating an intense colour change from gold in reflection to blue in transmission – both in the windows on the front and reverse.



Ambient light is reflected almost in its entirety, allowing even inexperienced observers to recognize the micromirror, colourshift and 3D security features easily when the banknote is tilted, even in poor light.

According to Louisenthal, all security and print features are closely linked to each other and support the arctic theme on the note through their polar world motifs. The front and back are thematically linked through the window and foil features, which enable front to back verification. The repetition of these elements helps to clearly identify the motifs and connects them to each other, thus creating communicating security features with optimum recognition.

Ukraine Converts Notes to ZincSecure™

Today at 1.30 the National Bank of Ukraine (NBU) will share with delegates news of the replacement of two of its low denomination banknotes – the 5 and 10 Ukrainian Hryvnia (UAH 5 and UAH 10) – with zinc-based coins made from ZincSecure™.

Of late, the NBU has been on a spree to replace banknotes with coins. Out of the current nine banknotes, it plans to replace a further two of the lower denomination banknotes – the UAH 1 and UAH 2.

The nickel-plated ZincSecure coins are being supplied by US-based coin blank manufacturer Jarden Zinc Products. Whilst the NBU plans for coins and banknotes to co-circulate, note production will be discontinued.

Coins have a longer life compared to banknotes, which is advantageous to the producer mints and central banks. The typical life of a banknote is 1-1.5 years whereas coins will last for 20 years or more. This significant difference in lifetimes means that coins require far fewer replacements and will cost the central banks much less compared to banknotes. According to a comparative estimate by Jarden Zinc Products, over a 20-year lifetime, a single currency coin in ZincSecure could save as much as \$370 million compared with a banknote of the same value.

The security provided by ZincSecure sets it apart from the usual choice of plated steel for lower value coins and higher cost alloys for higher denominations, says Jarden Zinc. A significant advantage is the unique electromagnetic signature (EMS), a key security parameter, that it provides compared to other coinage materials. The availability of a wide range of ZincSecure alloy compositions, each with a different EMS, gives customers a variety of choices. It also eliminates the risk of cross-border usage of different currencies. This, claims the company, differentiates ZincSecure from other coin materials such as plated steel or high-cost solid alloy.

Another advantage is the seigniorage value ZincSecure brings to the central bank. It falls in a niche space where it manages to avoid being a financial burden to the currency manufacturer and at the same time does an excellent job at maintaining high security due to its unique features.

IACA Currency Awards – the Winners Are...

Yesterday saw the presentation of the International Association of Currency Affairs (IACA) 2018 Technical Excellence in Currency Awards.

Out of 24 nominations, a shortlist of five was drawn up by the IACA Awards Committee for each of the two categories of Best New Currency Innovation and Best New Currency Feature or Product. These were then put to a ballot of IACA members.

In the Best New Currency Feature or Product category, the finalists were:

- **Reserve Bank of Australia** – Transparent IR
- **Komori Currency** – the Komori Currency NV32 combination multi-process numbering and varnishing press
- **Louisenthal** – *RollingStar® LEAD*
- **Banco de México** – GOGOL (development and implementation of a digital certification security scheme for Mexican banknotes)
- **Oberthur Fiduciaire** – *AVALON®*

The winner was Komori for the Currency NV32. This is designed to overprint and also number and varnish banknotes on one or both sides of the sheet in one pass through the press at up to 12,000 sheets per hour, utilising the company's unique double diameter cylinder configuration.

The Modular Equipment Design (MED) concept enables printers to specify a configuration to match their individual specifications, thereby broadening the scope of banknote design and security features. A typical example would be two different varnishes on the front and one varnish on the reverse after numbering.

According to Komori, accompanying benefits to include reduced floorspace, reduction in labour requirements, floor level operation and short make-ready.



A happy team from Komori celebrating their success in the IACA awards.

The finalists for the Best New Currency Innovation were:

- **Crane Currency** – *MOTION SURFACE™*
- **The Royal Mint** – High Security Feature
- **De la Rue** – *DLR Analytics™*
- **Cash Processing Solutions** – high-resolution colour camera system
- **Note Printing Australia** – Foil Detector.

The winner was Crane Currency, which launched MOTION SURFACE late last year on the Kyrgyz Republic 2,000 Som commemorative banknote.



The feature is an advance on its MOTION RAPID thread – based on the same micro-lens technology platform, but in a miniaturised form and applied to the surface of the note in the form of a stripe as opposed to being integrated as a thread. It is much thinner than its thread counterparts and can be applied, in a similar manner to foil stripes, in printworks.

A key benefit of this new version is the larger display area, which gives designers more options and flexibility to integrate the micro-optic security features with the print design, thereby enhancing public engagement and interest. And with more pixels per area than the most advanced smartphone, super high definition and stunning visual effects can be created.

IACA's Excellence in Currency Awards program, which is sponsored by *Currency News™*, was introduced in 2007 and has grown to encompass three separate series. In addition to yesterday's Excellence in Technology Awards, they include the Excellence in Currency Awards (presented at the Currency Conference) and the Excellence in Coins awards (presented at the Coin Conference).

New Inks, New Colours, New Security for Safeguard®

It is well understood that polymer extends the lifetime of a banknote, says De La Rue. Using the aggregated and anonymised data from *DLR Analytics*® (see page 4), it can be seen that even with the differences between central bank policies, circulating environments and fitness standards, there is an overall durability improvement.



Iridescent inks used on Safeguard®.

But security remains key too, and – according to De La Rue – the remarkable versatility of its *Safeguard*® polymer enables various security elements to be embedded within the actual layers of the substrate print, as it is being created, while ensuring that it remains fit for manufacture and purpose.

The outcome is a wide range of bespoke prints, elaborate designs and vibrant colour effects that are built into the substrate,

including the following, which De La Rue is demonstrating for the first time at the conference.

Illuminate uses a combination of inks, including matte and iridescent inks, to inject vivid colour and unique texture into the polymer window, with designs no longer limited by the muted colours of previous generations of polymer.



Rotate is a design technique that creates a fully registered image on both sides of the polymer note. The two images' outlines are aligned front and back; however, within the design itself there are some notable distinctions. It's not until you rotate the note that you discover that the design on each side is not identical.

Integrate is the next generation of watermarking for polymer. Integrate injects colour directly into the different print layers of the substrate itself. This allows for different depths of colour and shade to emerge through the note, depending on where the colour has been applied within it, and to which layer of the substrate.

AGFA and KBA-NotaSys Intensify Partnership

AGFA Graphics – a leader in design, authentication and prepress software for security documents – and KBA-NotaSys – the market leader in technologies for banknote production – have announced that they will further intensify their cooperation in the development of KBA-NotaSys' banknote specific design software ONE.

The two companies have been working together already since 2001, with the first version of the ONE software suite launched shortly afterwards. The technology is used by a large group of banknote printers and designers around the world. It is based on AGFA's highly successful *Fortuna* software but includes specific modules that were developed by KBA-NotaSys.

The result of the further intensified cooperation will be the launch of a completely new design software suite which will now be fully developed by the specialists at AGFA and further enhanced with new features to fit with future market demands.

Hervé Guillerey, Head of Banknote Design and Innovation at KBA-NotaSys, comments: 'We are proud and pleased to continue and even deepen our relationship with AGFA, with the current ONE suite we already offer a world-leading product to the market, and we are convinced that the new software will get even stronger feedback from our users.'

'This strategic partnership is a perfect fit for both of us', adds Andy Grant, Global Head of Software at AGFA. 'Partnering is about sharing knowledge and experience needed to come to the best solutions for the banknote printers to answer specifications and expectations.'

The new version is expected to be launched in the first quarter of 2019. But banknote designers will be able to get their first hands-on experience with some of the new functionalities at the International Banknote Designers Conference in Lisbon, Portugal, this September.

New Chairman and Board for ICA

The International Currency Association (ICA) has a new Chairman and Board, following its AGM held on Sunday.

Wolfram Seidemann of Giesecke+Devrient Currency Technology is the new Chairman, replacing Barna Barabas of JURA, who has stepped down but remains a Board member.

Eric Boissonnas of KBA-NotaSys continues as Vice Chairman and Peter Muehlfelder of KURZ as Treasurer.

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Wolfram Seidemann.

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DLR Analytics V1.3 Free to Central Banks

De La Rue has announced that *DLR Analytics™*, its cash cycle analytics software tool, is now free to all central banks – up to v1.3 (the current live version).

DLR Analytics was launched last year, following a successful pilot of 15 central banks. 70 issuing authorities have now signed-up and the number of users continues to grow.

DLR Analytics gives central banks the tools they need to make evidence-based decisions for a better-managed, more efficient and more cost effective cash cycle. The service has demonstrated that aggregated data, such as the total number of banknotes issued per month, can be used to answer some of the more commonly asked questions, such as ‘what will happen if I change my clean note policy?’

Sorter data is not always needed, although it may play a role in specific applications. In fact, the DLR Analytics approach has advantages, such as being able to provide banknote lifetime calculations within hours, whereas sorter analytics data collection may need to run for several years before a

statistically robust value is returned.

Users of DLR Analytics join the Cash Cycle Partnership, which is a community who contribute data to an aggregated and anonymised dataset that they can then use to see how they compare to regional and global norms.

This year 29 central bankers came together for the first annual global seminar, and multiple central banks dialled into a series of monthly webinars, covering topics such as what is happening to the value of cash in circulation, what is happening to banknote issuance patterns around the world, the importance of circulation velocity and how decisions by central banks have impacted factors such as banknote demand.

Having recognised the value that this service has brought to central banks, De La Rue is delighted to announce that, going forward, it will continue to offer this standard version of DLR Analytics free to all central banks and multiple users within that central bank.

Board for ICA (continued)

Three new Board members have been elected – Phil Holland of Komori Currency Technology, Malcom McDowell of Note Printing Australia and Jean-Yves Ray of SICPA.

In addition to the above, Martin Sutherland of De La Rue and Dieter Merkle of Schuler are also Board members.

The ICA was founded in 2016 as a voice for cash, promoting its continuing role as part of diverse, open and inclusive payments eco-system.

Key objectives include fostering innovation to keep currency as a preferred payment and store of value choice, creating open and transparent communication platforms, maintain confidence in currency and the broader supply chain, and anticipating the functionalities of cash for the future.

These are underpinned by *Cash Matters®*, its social media campaign designed to bring the benefits of cash to a wider audience.

Commenting on his election, Wolfram said: ‘thank you to all members for this mandate and I am very committed to drive forward the objectives of the ICA and its initiatives. The ICA has a great agenda to create value for all its members, and I am very happy to help move that forward. There is a great team and excellent support from all members of the ICA to make this a success. I have to thank Barna for his hard work over the last 12 months and look forward to building on his work and that of the members’.

