



**GUIDELINES ON THE TREATMENT OF UNFIT, MUTILATED, DEFACED  
AND FRAUDULENTLY TAMPERED GENUINE BANKNOTES  
BY COMMERCIAL BANKS**

**1. Unfit banknotes**

All unfit banknotes that have the following characteristics should not be reissued to the public but instead deposited in BNM:

No.	Feature	Definition
1	Soiling	General or localized spread of dirt or liquid on the surface of the banknote.
2	Limpness	Excessive folding that result in a breakdown of the structure and limpness of the banknote.
3	Crumples (shrinkage of a polymer banknote)	Multiple random folds across the entire banknote that strongly affect the visual appearance of the banknote (including shrinkage of polymer) banknote due to excessive exposure to heat.)
4	Ink wear	Ink wear on part or whole of the banknote, for example, if it has been washed or is subjected to abrasive chemical agent.
5	Tears	Tears of any size or direction of more than 5mm on any part of the note.
6	Holes	Banknotes exhibiting at least one visible hole greater than 5mm (staple and pinholes are acceptable).
7	Repairs	Parts of the same banknote joined together by tape or glue.
8	Corner folds	Permanent and irreparable corner folds leading to a reduction in length of more than 5mm or a reduction in width of more than 5mm.

No.	Feature	Definition
9	Burnt / Termite infested	Damage caused by burning or termites of any size or direction of more than 5 mm.
10	Composed banknote	Banknotes divided into several parts and only some are joined together or parts of different banknotes are joined together.
11	Missing security feature	Any one or more security feature missing or is defective.
12	Defaced	Banknotes containing words, signs, symbols and drawings inscribed deliberately on the surface.

For details, please refer to the *Guidelines on Quality Standards for Malaysian Currency* issued by BNM.

## 2. Mutilated banknotes

Mutilated banknotes mean banknotes which have been damaged or the appearance of which have changed, by accidental contact with water, oil, paint, ink or similar substance or a portion or portions having become missing provided that such portion or portions as may be presented may be established beyond all reasonable doubt to have been originally a portion or portions of a single currency note.

'Mutilated banknotes' that require assessment for compensation by BNM should be presented at BNM branches or Head Office.

The following guidelines for the assessment of mutilated banknotes should be observed:-

### 2.1. Full value

2.1.1 BNM will compensate full value to any piece of banknote which has more than two third (2/3) of the original size.

## **2.2. Half value**

2.2.1 BNM will compensate half value to any piece of banknote which has half (1/2) or more than half, but less than two thirds (2/3) in size.

## **2.3. No value**

2.3.1 BNM will not compensate any value to any piece of note which is less than half (1/2) in size of the original note.

2.3.2 All significantly mutilated banknotes submitted by the public for which the Bank will not grant compensation shall be returned to them.

## **3. Defaced banknotes**

Defaced banknotes are banknotes that contain words, signs, symbols and drawings or caricatures that are either written or inscribed on the surface deliberately.

The following guidelines for the assessment of defaced banknotes should be observed:-

### **3.1. Full value**

3.1.1 BNM will compensate full value to any piece of banknotes, which has minor defacing.

### **3.2. No value**

3.2.1 BNM will not compensate any value to any piece of banknote which is defaced in any significant way, i.e. markings done on the portrait of the Yang DiPertuan Agong, writing political slogans or using the banknote as a writing pad or invitation card.

#### **4. Doubtful cases**

Any doubtful cases where an assessment is difficult to make due to poor condition of the note (e.g. a piece of badly burnt note or damaged note where the size of the note is difficult to determine) should be referred to Bank Negara Malaysia for assessment.

#### **5. Fraudulently tampered genuine banknote**

BNM will not compensate any value to a piece of genuine banknote whose original feature(s) and/or denomination has been altered, removed or tampered with (in whole or in part), and they are replaced by suspected counterfeit portion(s) or feature(s), or feature(s) taken from other genuine banknote.

#### **6. Counterfeit banknote**

BNM will not compensate any value for a counterfeit banknote.

#### **7. Reference**

For further details, please refer to the Guidelines on Quality Standards for Malaysian Currency as published in [www.bnm.gov.my](http://www.bnm.gov.my).

Jabatan Pengurusan dan Operasi Matawang  
Bank Negara Malaysia