



Bank Note Handling Guide

FOR CASH-HANDLING SERVICE PROVIDERS
VERSION 3.0, EFFECTIVE JUNE 2019

bankofcanada.ca/banknotes

New in Version 3.0

Removal of Legal Tender Status

- Learn about the removal of legal tender status from the \$1, \$2, \$25, \$500 and \$1,000 bank notes

Verifying Security Features: Polymer Notes

- Get to know the security features of the vertical \$10 bank note as well as other current notes.

Dealing with Suspected Counterfeit Notes

- The definitions for history and no-history counterfeit notes have changed.
- Review the guidelines to ensure you are handling suspected counterfeit notes correctly (Canadian and U.S.).

Sorting Bank Notes – What's Fit vs. Unfit

- A fit bank note is a genuine, good-quality polymer note.
- Unfit notes include:
 - All paper notes, regardless of series or quality
 - Polymer notes with signs of damage or wear
 - Notes that are stuck together

Packaging Bank Notes

- Consult the checklists on how to prepare fit and unfit bundles and blocks for deposit.

Bank Note Redemption Service

- The Mutilated Notes Service has a new name. Consult the updated instructions for submitting claims.



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Introduction

This guide provides cash-handling service providers with the information they need to handle, verify, sort and prepare bank notes for deposit.



SECTION 1 Current Polymer Notes

With the release of the vertical \$10 note in 2018, the Bank of Canada's approach to issuing bank notes is changing. Rather than issuing all five denominations within a short time frame, as was done for past series, a new note will be released every few years.

This approach will allow the Bank to integrate the latest security features each time a new bank note is introduced, ensuring that Canadians can continue to use their notes with confidence.



Vertical \$10 Note
Issued November 2018



Canada 150 Commemorative \$10 Note
Issued June 2017



Frontiers series \$10 Note
Issued November 2013



Frontiers series \$100 Note
Issued November 2011



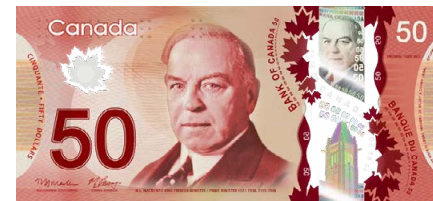
Commemorative \$20 Note
Issued September 2015



Frontiers series \$20 Note
Issued November 2012



Frontiers series \$5 Note
Issued November 2013



Frontiers series \$50 Note
Issued March 2012

SECTION 2 Removal of Legal Tender Status

\$1, \$2, \$25, \$500 and \$1,000 bank notes

Following changes announced in Budget 2018, the Government of Canada can now remove legal tender status from bank notes. As of **January 1, 2021**, Canada's \$1, \$2, \$25, \$500 and \$1,000 notes will no longer be considered legal tender. Essentially, this means that Canadians will not be able to use them in cash transactions, which could mean that financial institutions see a higher-than-normal number of these notes.

Some Canadians may choose to hold onto their bank notes. The Bank will continue to honour these notes at face value.

Why remove legal tender status?

Removing these old bank notes from circulation ensures that the notes used in transactions are current, in good condition, easy to use and hard to counterfeit. The government has indicated there are currently no plans to remove legal tender status from any other bank notes.

Redeeming these bank notes

These bank notes will not lose their face value. They can be redeemed at financial institutions or the Bank of Canada. See the [Bank Note Redemption Service](#) section of this guide for more information.

Affected bank notes



The First Series (1935)

\$1, \$2, \$25 (commemorative), \$500, \$1,000



The Bilingual Series (1937)

\$1, \$2, \$1,000

What is legal tender?

Legal tender is a technical term meaning the Government of Canada has deemed bank notes issued by the Bank of Canada to be the official money we use in our country. In legal terms, it means “the money approved in our country for paying debts.”

In Canada, legal tender consists of bank notes issued by the Bank of Canada and coins issued by the

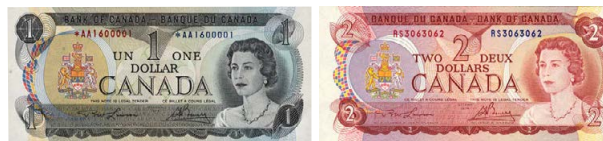
Royal Canadian Mint. The *Bank of Canada Act* gives the Bank the sole authority to issue bank notes for circulation in Canada.

Having notes and coins as legal tender doesn't force anyone to accept them as forms of payment. To settle a transaction, both the buyer and seller need to agree on the payment method, be it cash, cheque, credit, debit, etc.



The Canadian Landscape Series (1954)

\$1, \$1 (1967 commemorative note, both versions), \$2, \$1,000



The Scenes of Canada Series (1969-79)

\$1, \$2



The Birds of Canada Series (1986)

\$2, \$1,000

SECTION 3 Handling Polymer Notes

Unpacking Notes

Unpack notes with pelican cutters, letter openers, or blunt rounded scissors to avoid damaging the notes. Do not use box cutters, pen knives, exacto knives or similar cutting tools to unpack bank notes.

While polymer notes are very durable, they can tear quickly if they are nicked.



Separating Notes

Brand new notes may stick together at first, but this tendency will disappear as they circulate. Tap or shuffle new polymer notes to separate them before counting them by hand or machine.



Counting Polymer Notes by Hand

RECOMMENDED TECHNIQUE

Hold a stack of notes in one hand and use your thumb to push the top bill into your other hand.



CAUTION

Counting with the notes resting on a surface is less effective.



OTHER TIPS

- Avoid damaging notes – don't crease, crumple or staple them.
- Flatten notes by applying pressure to them or curling them in your hand.



SECTION 4 Verifying Security Features: Polymer Notes

Canada's polymer bank notes have bold security features that are easy to check and hard to counterfeit.

Feel, look and flip

Feel, look and flip is a phrase that reminds you how to check security features on all polymer bank notes.

FEEL

- The smooth, unique texture of the note. It's made from a single piece of polymer with some transparent areas.
- The raised ink

LOOK

- Through the large window, and in most cases, the secondary window (the Canada 150 note only has one large window)
- At the detailed metallic images and symbols in the large window

FLIP

- The metallic images inside the large window are repeated in the same colours and detail on the other side

Vertical \$10 Note

Some of the security features on the vertical \$10 note are enhanced compared with those on the *Frontiers* series.

POLYMER

Feel the smooth, unique texture of the note. It's made from a single piece of polymer with some transparent areas.



LARGE WINDOW / METALLIC SYMBOLS AND IMAGES

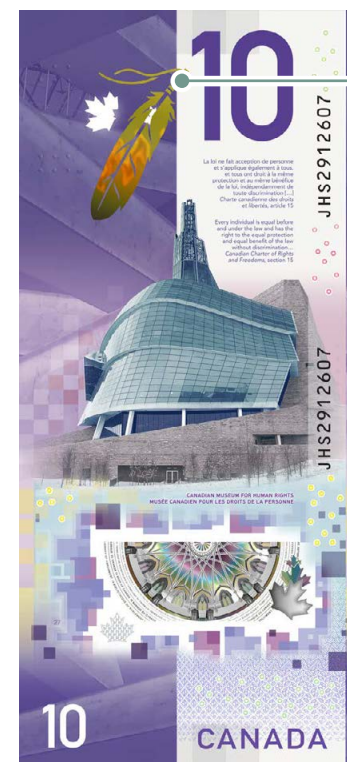
- **Look** at the metallic symbols and images in and around the large window.
- **Tilt** to see sharp colour changes in the metallic elements.
- **Flip** to see the metallic elements inside the window repeated in the same colours and detail on the other side.



RAISED INK

Feel the raised ink on:

- the word "Canada"
- the portrait, and
- the large number



COLOUR-SHIFTING EAGLE FEATHER

- **Look** at the pattern in the eagle feather.
- **Tilt** to see the pattern move up and down and the colour shift from gold to green.



Watch the [security features video](#).

SECTION 4 Verifying Security Features: Polymer Notes

Canada 150 Commemorative \$10 Note

This note was issued to mark the 150th anniversary of Confederation in 2017. It was produced only once, thus its time in circulation may be limited.

COLOUR-SHIFTING ARCH

- **Look** at the checkered pattern in the arch.
- **Tilt** to see the pattern move up and down and shift from green to blue.



RAISED INK

Feel the raised ink on **both sides** of the note.

- **Front:** on the large number, four portraits and the word “Canada”
- **Back:** on the four landscape panels and the text “Canada 1867–2017”



LARGE WINDOW / METALLIC SYMBOLS AND IMAGES

- **Look** at the metallic symbols and images in the large window.
- **Tilt** to see sharp colour changes in the metallic elements.
- **Flip** to see the metallic elements inside the window repeated in the same colours and detail on the other side.

3D MAPLE LEAVES

- **Look** at the three-dimensional maple leaves that appear to be raised.
- **Feel** them to confirm that the surface is actually flat.



Watch the security features [video](#).

SECTION 4 Verifying Security Features: Polymer Notes

Frontiers Series

POLYMER

Feel the smooth, unique texture of the note. It's made from a single piece of polymer with some transparent areas.

FROSTED MAPLE LEAF WINDOW

Look through the transparent outline.



RAISED INK

Feel the raised ink on:

- the large number,
- the shoulders of the large portrait, and
- the words “Bank of Canada” and “Banque du Canada.”

LARGE WINDOW

Look through the transparent area containing:

- a detailed metallic portrait and building,
- the word “Canada”, which is transparent and feels slightly raised, and
- small numbers matching the note's value.

METALLIC PORTRAIT AND BUILDING

Flip the note to see these images from the front repeated in the same colours and detail on the back.

SECTION 4 Verifying Security Features: Polymer Notes

Frontiers Series

All five denominations have the same security features. If you can check one note, you can check them all.



HIDDEN NUMBERS

If you've checked the security features and you're still not sure if a note is genuine, you can look at the hidden numbers in the frosted maple leaf window.

The numbers can only be seen using a small light like a pot light or the flashlight on your smartphone.

WARNING: No light source should be pointed directly at your eye at close range. Dangerous sources of light, such as the sun, laser lights and many LEDs, should never be used to view this feature.



The hidden numbers functions properly only when viewed from the front of the note.



STEP 1: Use a small light that is located about a metre away from you.



STEP 2: Bring the note right up to your eye, until it almost touches your nose.



STEP 3: Look at the light through the frosted maple leaf window.



STEP 4: See a circle of numbers matching the value of the note appear through the frosted maple leaf window.

The commemorative \$20 note (issued in 2015) has all the same security features as the notes in the *Frontiers* series. The large window contains different visual elements.



Watch [the Hidden numbers video](#) that shows you how to use this feature. There's [another video](#) that outlines all the security features for *Frontiers* series notes.

SECTION 4 Verifying Security Features: Paper Notes

Fewer and fewer paper notes from the older *Canadian Journey* series are now being used in cash transactions. Should you come across one, here's a reminder of what to look for.

METALLIC STRIPE

Tilt the note back and forth. The numbers and maple leaves change colour.



GHOST IMAGE

Hold the note up to the light and **look through** it. A small, ghost-like image of the portrait appears.



DASHES

Hold the note up to the light and **look through** it. The dashes form a solid line.

PUZZLE NUMBER

Hold the note up to the light and **look through** it. Irregular marks on the front and back of the note form a complete number.

RAISED INK

Feel the raised ink on the large number, the shoulder and the words "Bank of Canada • Banque du Canada."



All five denominations have the same security features.

NOTE: the original \$5 and \$10 notes (issued 2001–02) had different features that did not include a metallic stripe, ghost image, dashes or a puzzle number.

SECTION 5 Dealing with Suspected Counterfeit Notes

For financial institutions who are members of the Bank Note Distribution System – branches or regional distribution centres dealing with:

HISTORY COUNTERFEIT NOTES

If you receive a suspected counterfeit note and the origin can be traced (meaning an individual's name can be indirectly or directly associated to the suspect note), you must do the following:

- Do not return the note to the client. Keep it as evidence and do not scan/photocopy, write on, destroy or modify it.
- Contact local police.
- Submit the suspect counterfeit note to **local police** in a timely fashion with any information that may help a possible investigation (e.g., client information, transaction documents, photographs, videos, etc.).

NO-HISTORY COUNTERFEIT NOTES

If you receive a suspected counterfeit note with no history (meaning an individual's name cannot be indirectly or directly associated to the suspect note), you must do the following:

- If found at a branch, forward the suspect note to your local regional distribution centre (RDC).
- Daily, the RDC will enter the required details into the Note Exchange System (NES) (e.g., originating city, transit number of the branch that originally discovered the note).
- The suspect note will be packaged and secure shipped to a Bank of Canada Agency Operations Centre.

EXEMPTION: Please do not impede any ongoing police investigation. For instance, if local police request that branches in the area notify them and provide any suspect history and no-history counterfeit notes to them, branches will comply with the request.

This [RCMP form](#) should be used by financial institutions to submit suspected counterfeit notes to local police.

For other financial institutions who do not have note distribution arrangements with the Bank of Canada:

With all suspected counterfeit notes (whether the origin can be traced or not), you must do the following:

- Do not return the note to the client. Keep it as evidence and do not scan/photocopy, write on, destroy or modify it.
- Contact local police.
- Submit the suspect counterfeit note to **local police** in a timely fashion with any information that may help a possible investigation (e.g., client information, transaction documents, photographs, videos, etc.).

Commercial clients of financial institutions should visit the [Bank of Canada's website](#) for information on how to deal with suspected counterfeit notes.

History vs. No-history Counterfeits

HISTORY COUNTERFEIT:

- an individual's name can be indirectly or directly attached to the suspected counterfeit(s).
- must be submitted to local police

NO-HISTORY COUNTERFEIT:

- origin unknown; an individual's name cannot be indirectly or directly attached to the suspected counterfeit(s).
- For Bank Note Distribution System (BNDS) members only: must be submitted to local RDC and entered in NES daily
- For non-BNDS members: must be submitted to local police

What About U.S. and Foreign Notes?

For all suspect U.S. and foreign counterfeit notes (history and no-history), the Bank advises you to contact and have local police collect the notes. The Bank of Canada's distribution system cannot accept nor process U.S. or foreign counterfeits.

SECTION 6 Sorting Bank Notes

Genuine bank notes can be classified as either fit, unfit, contaminated or mutilated. Here's how to handle each type of note.

Fit Bank Notes

A fit bank note is: a genuine, good-quality polymer note.

All fit notes should be recirculated.

Unfit Bank Notes

Unfit bank notes should be returned to the Bank of Canada for destruction. They include:

A. ALL PAPER NOTES, REGARDLESS OF SERIES OR QUALITY, FOR EXAMPLE:



B. POLYMER NOTES WITH ANY OF THE FOLLOWING SIGNS OF DAMAGE OR WEAR: DAMAGED NOTES



NOTES WITH INK WEAR



Ink or metallic images appear worn or cracked.

Print is faded and text elements are difficult to read.

C. POLYMER NOTES THAT ARE STUCK TOGETHER

- This can affect anywhere from a few notes to a full bundle of 100 notes; the level of stickiness may also vary.
- Due to their sticky condition, automated machine processing is an issue (e.g. in note counters, high speed processing systems, etc.).

SECTION 7 Packaging Bank Notes

Preparing bundles



CHECKLIST ON HOW TO PREPARE BUNDLES

☐ Separate fit and unfit notes.

FIT DEPOSITS	UNFIT DEPOSITS
<p>Fit bundles should only contain fit polymer notes:</p> <ul style="list-style-type: none">• Only deposit bundles of 100 notes.• Bundles should only contain one denomination.	<p>Unfit bundles of 100 notes should only include unfit notes of the same denomination.</p> <ul style="list-style-type: none">• Only deposit bundles of 100 notes (except for \$1, \$2, \$25, \$500 and \$1,000 and notes that are stuck together—these can be deposited in any quantity).• Unfit paper and unfit polymer notes of the same denomination can be mixed in the same bundle.

☐ Ensure that the ends of the bundles are even before you strap them.

☐ Wrap a white, self-sealing strap around the middle of each bundle. Straps should be:

- 25-40 mm wide by 200-220 mm long.
- Self-sealing by means of an adhesive or mechanical bonding (care must be taken to ensure that the adhesive or mechanical bonding does not adhere to the notes).
- A material that is resistant to tearing and/or breakage but can easily be cut with scissors.

☐ Clearly stamp each strap in dark ink with:

- Name of financial institution
- Branch transit number and location
- Teller ID
- Deposit date

REMEMBER: Facing notes is not required when preparing note bundles.

NOTE: Any proposed modifications to the strap material used by financial institutions or RDCs must be communicated in advance to the Bank. It will review prior to implementing any changes.

SECTION 7 Packaging Bank Notes

Preparing blocks

Use as few elastics as required to firmly secure the parcels.



Too many elastics



Elastics wrapped around the ends of the parcel could damage the notes.

Elastic instead of strap



Missing strap

CHECKLIST ON HOW TO PREPARE BLOCKS

FIT DEPOSITS

For \$5, \$10 and \$20 notes:

- It is mandatory to assemble blocks of 1,000 notes of the same denomination.

For \$50 and \$100 notes:

- At a minimum, assemble bundles of 100 notes of the same denomination.

UNFIT DEPOSITS

For \$5, \$10, \$20, \$50 and \$100 notes:

- At a minimum, assemble bundles of 100 unfit notes of the same denomination.

For \$1, \$2, \$25, \$500, \$1,000 and sticky notes:

- Any quantity (bundles of 100 where possible)

- ☐ Each block must include no more than 10 bundles of notes of the same denomination.
- ☐ Place all bundles neatly into blocks.
- ☐ Place wide elastic bands around the parcels as shown in the picture.

Packaging bank notes



CHECKLIST ON HOW TO PACKAGE NOTES

- ☐ **Package fit and unfit notes in separate bags.** Different denominations can be mixed in the same bag as long as fit and unfit notes remain separate and are not packaged together.

NOTE: Notes that are stuck together should be packaged separately from regular unfit notes.

- ☐ **Use appropriately sized, tamper-evident plastic bags** for all deposits to prevent notes from shifting in transit, which could cause bundles to break and damage the straps and bank notes.

- ☐ **For regional distribution centres:** Each tamper evident plastic bag should contain a maximum of 12 blocks (12 x 1,000 notes) and be sealed tightly around the notes to prevent movement and damage during handling and transportation. These can then be placed in a canvas flight bag. The number of pieces in a flight bag must be kept to a maximum of 24 blocks (24 x 1,000 notes) and secured with an identifiable and tamper-evident seal.

- ☐ **Properly label the bags or parcels.**

SECTION 8 Bank Note Redemption Service

The Bank offers a redemption service for bank notes that fall into one of the following categories:

- Mutilated notes
- Contaminated notes
- Notes that will no longer be legal tender

All notes submitted will be examined by an experienced and specially equipped team at the Bank's laboratory. Claims involving contaminated and mutilated notes will also be assessed in accordance with the [Policy on the Redemption of Contaminated or Mutilated Canadian Bank Notes](#).

NOTE: The Bank only redeems Canadian bank notes. The service does not accept coins or notes issued by other countries.

Submitting notes on behalf of a banking client

- Submit the notes on a collection basis. The financial institution **should not reimburse the claimant up front**. The Bank will examine the notes and determine if the claimant is eligible for a reimbursement.
- Complete the [Canadian Bank Note Redemption Claim Form](#) available on the Bank's [website](#).

PLEASE NOTE: Claims submitted over \$1,000 require a signature from the claimant and confirmation that proof of identification and residence has been verified. If the form is incomplete, the Bank may contact the claimant for additional information.

Mutilated bank notes

Mutilated bank notes show signs of excessive damage from fire or water, missing pieces, or other forms of deterioration. These notes are likely too damaged or brittle to be used for payment, so they can be sent to the Bank for redemption. They will be examined to determine their value.

PACKAGING MUTILATED NOTES

- Carefully pack the bank notes in a **clear**, secure bag or container. If they are likely to fall apart, use

bubble wrap or similar packing material. Do not handle bank note fragments more than absolutely necessary, regardless of the condition of the notes.

- Place the sealed bank notes, along with the completed claim form, in an envelope or package. Do not put the claim form in the bag containing the bank notes.
- Do not put mutilated notes in the same bag as unfit notes.



Contaminated bank notes

Contaminated notes could be harmful to one's health or safety because they have come into contact with toxic substances, either liquid or solid (e.g., blood, mould, drugs, sewage, unknown substances). Do not handle contaminated notes more than is necessary.

These notes are likely unusable for payment, and can be sent to the Bank for redemption.

BEFORE YOU BEGIN

If you suspect contamination:

- Contact the [Transportation of Dangerous Goods Directorate](#) at Transport Canada to see if the notes are subject to any legislative shipping and handling requirements – for example, if they have been contaminated with sewage and are classified as “dangerous goods” under the *Transportation of Dangerous Goods Act*, 1992. For more information, contact TDG-TMD@tc.gc.ca.
- Consult the [Transportation of Dangerous Goods Regulations](#).
- To find appropriate packaging, see the [List of Vendors for Type 1A and 1B Containers for Infectious Substances](#).

Even if the notes are not subject to legislative shipping and handling requirements, we still recommend that you exercise caution and adhere to safe practices when handling them.

All hazardous or dangerous substances should be carefully labelled as such.

PACKAGING CONTAMINATED NOTES

- Place the bank notes in a sealable, **clear**, leak-proof bag. The bag should be clearly labelled “**contaminated**” and **the source of the contaminant should be specified, if possible**.
- Separate contaminated notes from any other notes to avoid contamination.
- Place the sealed notes, along with the completed claim form, in an envelope or package. Do not put the claim form in the bag containing the bank notes.

Bank notes that will no longer be legal tender

As of January 1, 2021, Canada's \$1, \$2, \$25, \$500 and \$1,000 bank notes will no longer be considered legal tender. These notes will not lose their value. Canadians can redeem them for face value at their financial institution or by submitting a claim directly to the Bank. They can also decide to keep them.

NOTE: Some notes, like the \$25 and \$500, may be worth significantly more than their face value. If a banking client presents such a note for redemption in a branch, you might suggest they consult a numismatic catalogue or obtain an evaluation to find out if notes have a different value to collectors.

PACKAGING NOTES THAT WILL NO LONGER BE LEGAL TENDER

- Place the bank notes in a sealable, **clear**, leak-proof bag.
- Place the sealed bank notes, along with the completed claim form, in an envelope or package. Do not put the claim form in the bag containing the bank notes.

Shipping options

Submit the notes along with the claim form in one of two ways:

1. To a Bank of Canada Agency Operations Centre through regularly scheduled shipments to your regional distribution centre
2. By regular or registered mail, or by courier, to:
Bank of Canada
Bank Note Redemption Service
234 Wellington Street
Ottawa, ON K1A 0G9

Bank notes are sent at your own risk, so make sure to take appropriate measures to insure against loss or theft.

SECTION 8 Bank Note Redemption Service

The Bank typically evaluates and settles straightforward claim requests within 30 to 60 business days.

Exceptions include:

- Claims that are complex, or over \$1,000
- Claim forms with incomplete information that require follow-up
- Increases in the volume of claims received

Questions about the Bank Note Redemption Service?

Email info@bankofcanada.ca or call 1 800 303-1282

Contact us

For other training materials about bank notes, visit the [Financial Institutions resource page](#) on the Bank's website.

If you have any questions about the contents of this guide, please contact the Bank of Canada:

bankofcanada.ca/banknotes • 1 800 303-1282 • info@bankofcanada.ca