

## GOLD BULLION COINS

### AN INTERNATIONAL GUIDE

The **Gold Bars Worldwide** website incorporates extensive information on gold bullion coins issued by government institutions.

This section – for investors – offers a worldwide overview.

#### WHAT ARE GOLD BULLION COINS?

The coins are called gold “bullion” coins to emphasize that they are issued primarily for gold investors.

Standard features:

- **Issued at prices that are not fixed but based on the prevailing value of their fine gold content.** This enables the coins to be traded by dealers and investors as gold investment products at prices that reflect the international gold price.
- **Mass-produced in large quantities.** This normally ensures that the premiums at which they are traded above the value of their fine gold content are relatively stable.
- **Legal tender coins in their country of issue.** Like all coins, their technical specifications are guaranteed by national Acts and regulations.
- **Nominal or no face values.** Whether issued with or without monetary face values, their market value is directly related to the value of their fine gold content.

Most gold bullion coins, issued around the world, are denominated in **troy ounces**.

Some countries, however, issue notable gold bullion coins that are denominated in **grams**. For example, the bullion coins issued in irregular gram weights in Turkey and the United Kingdom, and the 10 kg and 1 kg bullion coins issued in Australia.

#### HISTORICAL DEVELOPMENT

The **Krugerrand** (South Africa), the first ounce-denominated gold bullion coin, was launched in mass-produced quantities in 1970.

During the 1960s, the ounce-denominated bullion coin concept had been developed by South Africa’s gold producers, whose annual gold output accounted for 70% of the world’s annual gold mine output at that time.

Anticipating the abandonment of the Gold Standard, which finally came to an end in 1971, and the removal of restrictions inhibiting the private ownership of gold in many countries, their objective was to make it easy to invest in gold in the form of gold coins.

In this context, they proposed the minting of a gold “bullion” coin that would contain exactly **one troy ounce** of fine gold - for issue at a price directly related to the prevailing value of its fine gold content.



Krugerrand  
South Africa

Gold bullion coins are minted for gold investors – for purchase in small or large quantities.



Australian Kangaroo  
Australia

Gold bullion coins are issued by many countries for the international market.



American Eagle  
USA

The fine gold content of bullion coins is guaranteed by national Acts and regulations.



For a period of 9 years (1970 -1979), the Krugerrand was the only ounce-denominated gold bullion coin available to the international market.

However, its worldwide success stimulated many countries to issue their own ounce-denominated bullion coins, especially when international sanctions were widely applied against South Africa and the Krugerrand between 1985 and the early 1990s.



Gold bullion coins are traded on the basis of their fine gold content.

Historical launch dates:

Year First Issued	Country	Name	Current Range	Gold Purity %	Face Value* 1 oz
1970	South Africa	Krugerrand	1, 1/2, 1/4, 1/10 oz	91.67	None
1979	Canada	Maple Leaf	1, 1/2, 1/4, 1/10, 1/20 oz	99.99	C\$50
1981	Mexico	Libertad	1, 1/2, 1/4, 1/10 oz	90	None
1982	China	Panda	1, 1/2, 1/4, 1/10, 1/20 oz	99.9	Yuan 500
1986	USA	American Eagle	1, 1/2, 1/4, 1/10 oz	91.67	US\$50
1987	Australia	Australian Kangaroo#	1, 1/2, 1/4, 1/10 oz 1 kg	99.99	A\$100
1987	United Kingdom	Britannia	1, 1/2 oz, 1/4 oz, 1/10 oz	99.99**	£100
1989	Austria	Vienna Philharmonic	1, 1/2, 1/4, 1/10 oz	99.99	Euro 100
1996	Australia	Australian Lunar Series	10, 2, 1, 1/2, 1/4, 1/10, 1/20 oz 10 kg, 1 kg	99.99	A\$100
2006	USA	American Buffalo	1 oz	99.99	US\$50

Source: National mints. Note: Ounce-denominated bullion coins, issued by other countries, will be included over time. # Formerly known as "The Australian Nugget": renamed "Australian Kangaroo" in 2008. \* Refers to current face values. \*\*Gold purity of the Britannia was increased from 91.666% to 99.99% in January 2013.

**FINE GOLD WEIGHTS**

Gold bullion coins, denominated in ounces, are normally issued in 4 sizes, containing specified weights of fine gold:

1 oz, 1/2 oz, 1/4 oz, 1/10 oz

However, some mints also issue 1/20 oz bullion coins, while The Perth Mint (Australia) includes 10 kg and 1 kg bullion coins within its standard range.

The **1 oz bullion coin** is by far the most important, accounting for over 80% of the total amount of gold used in the manufacture of ounce-denominated bullion coins.

The reason for this is that 1 oz coins normally have a lower percentage **premium** (mark-up) above the value of their fine gold content – and usually a smaller **spread** (the difference between the buying and selling price).

The South African Mint was the first to issue the smaller 1/2 oz, 1/4 oz and 1/10 oz coins in 1980 and China Gold Coin Incorporation the 1/20 oz coin in 1983. The Perth Mint (Australia) has minted 1 kg coins since 1991 and 10 kg coins since 2006.

**PURITIES**

The gold purities of bullion coins, issued around the world, vary.

They can contain 99.99%, 99.9%, 91.67% or 90% gold.



Krugerrand  
South Africa

Ounce-denominated gold bullion coins are normally issued in 4 sizes.



Australian Kangaroo  
Australia

The most popular ounce-denominated gold bullion coin is the 1 oz.



It can be noted that the weight, as recorded on a coin (e.g. "1 oz"), reflects the weight of fine gold content, not the gross weight.

For example, a 22 carat (91.67%) bullion coin, containing 1 oz of fine gold, has a gross weight that is significantly more than 1 oz, as the coin includes an additional **alloy content**, usually copper or silver, to make the coin more durable.

**DIAMETERS – 1 OZ**

The dimensions of 1 oz bullion coins, featured in this section, vary.

The diameters range from 30.0 mm (Maple Leaf) up to 39.34 mm (Australian Lunar).

Country	Name	Diameter – 1 oz mm
Australia	Australian Lunar	39.34
Austria	Vienna Philharmonic	37.0
Mexico	Libertad	34.50
South Africa	Krugerrand	32.77
USA	American Buffalo	32.70
USA	American Eagle	32.70
United Kingdom	Britannia	32.69
Australia	Australian Kangaroo	32.60
China	Panda	32
Canada	Maple Leaf	30.0

Source: National mints. Note: In some cases, the diameters are referred to as "standard", in others as "maximum".

**DECORATIVE DESIGNS**

All gold bullion coins incorporate an attractive decorative design on their reverse side.

While most have a permanent design, some have designs that are changed each year to provide a supplementary collectable dimension.

For example, Australian Kangaroo, Australian Lunar and Chinese Panda bullion coins (and the Britannia in most years since 1997).

**INTERNATIONAL DISTRIBUTION**

Since 1970, approximately 250 million gold bullion coins (3,500 tonnes of fine gold) have been issued.

They are traded in many countries, including the following:

Region	Country
North America	USA, Canada, Mexico
Europe	European Union
Middle East	Turkey, Iran, UAE
Far East	China, Hong Kong, Japan, South Korea
Australasia	Australia, New Zealand
Africa	South Africa
CIS	Russia, Ukraine

It can be noted that, while some countries exempt designated gold bullion coins from import duties and sales taxes (e.g. European Union), other countries levy import duty, sales or other taxes (e.g. many States in the USA, Russia and Japan).



Maple Leaf  
Canada

The gold purity of bullion coins ranges between 90% and 99.99%.

The Maple Leaf was the first bullion coin to be issued at a purity of 99.99%.



The dimensions of 1 oz bullion coins vary.

The Australian Lunar has the largest diameter.



Vienna Philharmonic  
Austria

Gold bullion coins are traded in many countries.

Approximately 250 million coins (3,500 tonnes of fine gold) have been issued around the world since 1970.



EXAMPLES OF GOLD BULLION COINS

AUSTRALIAN KANGAROO

Obverse



1 oz

Reverse – 2014



1 oz



1/2 oz



1/4 oz



1/10 oz

KRUGERRAND

Obverse



1 oz

Reverse



1 oz



1/2 oz



1/4 oz



1/10 oz

The Perth Mint manufactures Australia's gold bullion coins, while GoldCorp Australia is responsible for their international sale and marketing.

Both are subsidiaries of Gold Corporation, an autonomous institution that is owned by the Government of Western Australia.

Rand Refinery is responsible for manufacturing the blanks for Krugerrand gold bullion coins, as well as for undertaking their sale and marketing worldwide.

The South African Mint, owned by the Reserve Bank of South Africa, is responsible for minting Krugerrand gold bullion coins.





FURTHER EXAMPLES OF 1 OZ GOLD BULLION COINS

AMERICAN BUFFALO



Obverse



Reverse

United States Mint

AMERICAN EAGLE



Obverse



Reverse

United States Mint

BRITANNIA



Obverse



Reverse - 1999

The Royal Mint



**LIBERTAD**



Obverse



Reverse

Mexican Mint

**MAPLE LEAF**



Obverse



Reverse

Royal Canadian Mint

**PANDA**



Obverse



Reverse - 2014

China Gold Coin Incorporation



VIENNA PHILHARMONIC



Obverse



Reverse

Austrian Mint

AUSTRALIAN LUNAR SERIES



Obverse



Reverse - 2014

Year of the Horse

The Perth Mint  
Australia

Australian Lunar gold bullion coins illustrate each year the animal appropriate to the year in the Chinese lunar calendar.

Australian Lunar, Australian Kangaroo and Chinese Panda bullion coins are distinctive as their surfaces incorporate **frosting** – the milky or cameo effect that is normally confined to *proof* coins.



Rand Refinery  
South Africa

Circular blanks are stamped out from strips of rolled gold for minting into gold bullion coins.



**GOLD BULLION COINS – DENOMINATED IN GRAMS**

Some countries issue gram-denominated bullion coins that contain irregular amounts of fine gold (e.g. 32.154 g), while others issue gram-denominated bullion coins that contain regular amounts (e.g. 1 kg).

For example:

The **Turkish State Mint**, the world's largest manufacturer of gold bullion coins over the decade 2000 – 2010, mints a range of five *Ziynets* and five *Meskuks* that contain irregular amounts of fine gold, ranging from 1.607 g to 32.154 g.

The **Royal Mint** (United Kingdom) mints a range of three *Sovereigns* that contain irregular amounts of fine gold, ranging from 1.8305 g to 7.3223 g.

The **Austrian Mint** mints a range of restrikes of historical Austrian gold coins. The restrike of the *1 Dukat* (dated 1915), which accounts for approximately 85% of the Mint's annual sales of restrikes, contains an irregular amount of 3.4424 g of fine gold.

The **Perth Mint** (Australia) mints *Australian Kangaroos* and *Australian Lunars* that contain 1 kg of fine gold.

It can be noted that, during the period of the **Gold Standard**, many countries issued gold coins, which contained irregular amounts of fine gold, at face values as recorded on the coins or in legislation.

Millions of these historical coins are still in circulation and are purchased by some investors as "bullion" coins, when offered by dealers at low premiums above the prevailing value of their fine gold content.

Historical launch dates of gram-denominated bullion coins featured in this section:

Year First Issued*	Country	Name	Gross Weight Grams	Fine Gold Content Grams	Gold Purity %
1817	United Kingdom	Sovereign	3 current sizes Largest: 7.98805 Smallest: 1.977	Largest: 7.3223 Smallest: 1.8305	91.666
1898	Turkey	Ziynet**	5 sizes Largest: 35.080 Smallest: 1.754	Largest: 32.15432 Smallest: 1.60771	91.66
1944	Turkey	Meskuk**	5 sizes Largest: 36.082 Smallest: 1.804	Largest: 33.07354 Smallest: 1.65365	91.66
1915#	Austria	Dukat	2 sizes 3.4908 13.9635	3.4424 13.7696	98.6
1991##	Australia	Australian Kangaroo	1 size 1,000.1	1 kg	99.99
2000	Australia	Australian Lunar	2 sizes 1,000.1 10,001	1 kg 10 kg	99.99

Source: National mints. \*Refers to the year when the first size was issued. \*\*Gross weights for Ziynets and Meskuks are "normal" weights – the fine gold content weights are derived figures. # 1 and 4 Dukat restrikes have always been dated 1915. The restrikes are not legal tender coins, but as they are authorized by the European Union, the coins are not subject to VAT. ## Issued as The Australian Nugget with a kangaroo design.

**ZIYNET**



Obverse

Reverse

Turkish State Mint

The 1/4 lira (1.607 g fine) Ziynet is Turkey's most popular gold bullion coin

Millions are issued each year.



Turkish State Mint  
Istanbul





**MESKUK**



Obverse



Reverse

33.070 g fine  
Turkish State Mint

**DUKAT**



Obverse



Reverse

1 Dukat – 3.4424 g fine  
Austrian Mint

**AUSTRALIAN KANGAROO**



Reverse  
1 kg fine  
The Perth Mint  
Australia

**AUSTRALIAN LUNAR SERIES**



Reverse - 2014  
1 kg fine  
The Perth Mint  
Australia



**INVESTORS**

If you are planning to buy gold bullion coins for the first time, it is important to select a reputable dealer that sells and buys them back at competitive prices.

Although no gold-related association, mint or marketing agent can guarantee the reliability of any dealer, some publish (with a prominent disclaimer) a list of active dealers.

For example, the **World Gold Council** includes the names of gold dealers in over 25 countries on its website: [www.gold.org](http://www.gold.org)

Some mints and marketing agents also publish a list of dealers on their websites:

- **Rand Refinery Limited:** [www.randrefinery.com](http://www.randrefinery.com)
- **The Perth Mint:** [www.perthmint.com.au](http://www.perthmint.com.au)
- **United States Mint:** [www.usmint.gov](http://www.usmint.gov)

**PRICING**

When bullion coins are sold by a dealer, the **premium** above the value of fine gold content normally includes the following costs: refining, coin manufacture, delivery of the coin to the dealer and dealer overheads.

The premium may also be affected by the extent to which the coin is available on the market, and whether the gold price is stable or volatile.

For example, when the gold price is volatile, the coin's premium above the value of its gold content can be higher and the spread can be wider. The reason for this is that dealers are exposed to greater risk during these times and are obliged to increase their spreads.

It can be noted that, in countries where duties, sales or other taxes are applied to gold bullion coins, some dealers incorporate them **within their quoted spreads**, while others record them **separately**.

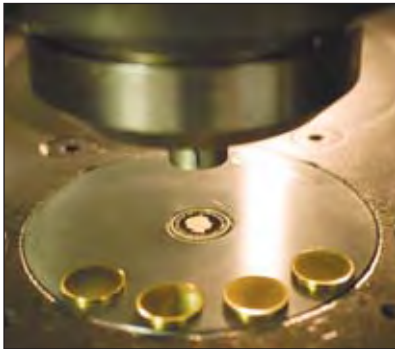
If you should wish to transfer your bullion coins to other countries, it can be borne in mind that restrictions, import duties and taxes may apply.

**BASIC CHECKLIST FOR NEW INVESTORS**

<b>Dealer</b>	Does the dealer have a good reputation?
<b>Pricing</b>	What is the current gold price?
	What is the quoted price to buy the coin?
	Calculate the % premium (mark-up) of the coin above the current value of its fine gold content.
	What is the quoted price if you were to sell back the coin?
	Calculate the "spread" – the difference between the purchase and sell-back price of the coin.
<b>Storage – if applicable</b>	Are the coins allocated or unallocated?
	What are the storage costs?
<b>Delivery – if applicable</b>	What is the delivery and insurance cost?
<b>Other Costs</b>	Are there any other transaction-related costs? For example, taxes.



In recent years, over 150 tonnes of gold bullion coins have been minted for the international market each year.



The Perth Mint  
Australia

Gold bullion coins are minted to precise specifications in accordance with national Acts and regulations.



Krugerrand  
South Africa

Bullion coins are often packed in tubes. A tube of 1 oz coins usually contains 10 coins.





Historical advertisements.

For many investors in many countries, the gold bullion coin has offered an easy way to own gold.

Notably, in North America, Europe, Turkey (and region) and the Far East.

**Sources of Gold Bullion Coin Photographs**

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- Krugerrand: ©Rand Refinery
- Maple Leaf: ©Royal Canadian Mint
- American Buffalo: ©United States Mint
- American Eagle: ©United States Mint
- Australian Kangaroo: ©The Perth Mint
- Australian Lunar Series: ©The Perth Mint
- Britannia: ©The Royal Mint

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This website's gold bullion coin information program has been initiated with funding support from

**World Gold Council  
Rand Refinery (South Africa)  
The Perth Mint (Australia)**

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