

## Dual Display Guidelines

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Guideline: NECC/0005/06

Version 3.0  
29<sup>th</sup> March 2007

## 1. Objective

The guidelines outline the parameters governing the reporting of prices, values and monetary amounts of goods and services offered to the consumer, in both Maltese lira and euro and how such provision of information can be achieved.

The aim of these guidelines is to facilitate a smooth changeover of the monetary unit from Maltese lira to the euro on €-day by:

- facilitating the familiarisation of the consumer to the new currency;
- assisting consumer protection in the new currency through comparable pricing;
- assisting preparedness of organisations in dealing with the new currency;
- establishing dual display of prices which will provide the consumer with transparent information that can be easily visually detected and understood.

The guidelines also define the period of voluntary dual display preceding the mandatory period. The voluntary period is managed through the Legal Notice on Dual Display and Euro Pricing (LN 4 of 2007). The FAIR Initiative provides direct support to organisations carrying out dual display during the voluntary period. However, participation in the FAIR Initiative requires that any dual display during the voluntary period shall be performed according to this guideline.

## 2. Definitions

For the purposes of these guidelines, the following terms shall have the following meaning:

<b>Central parity rate</b>	–	The exchange rate between the national currency and the euro which applies while a Member State participates in ERM II.
<b>Conversion table</b>	–	The official comparison table of standard denominations of monetary amounts expressed in the main currency relative to the other currency, published and distributed by the NECC.
<b>Dual display</b>	–	A ‘dual display’ of a price or other monetary amount is the simultaneous display of an amount in the national currency unit and the euro
<b>€-day</b>	–	The date when Malta enters the <u>euro zone</u> , i.e. the euro banknotes and coins become legal tender and are placed in circulation in Malta.
<b>End consumer</b>	–	Any person or group of persons located in Malta (resident or visiting) using/requesting a good or a service at a price or who need(s) to know a monetary amount or value to which he/she(they) is (are) owed or may be required to pay.
<b>Euro area</b>	–	See <u>euro zone</u> .

<b>Euro zone</b>	-	The Member States of the European Union where the euro is their national currency.
<b>Irrevocably fixed conversion rate</b>	-	The unalterable and irrevocably fixed conversion rate between the national currency of the Member State and the euro. It is adopted for the national currency of the Member State by the <u>European Council</u> according to the first sentence of Article 109I of the Treaty establishing the European Community.
<b>Monetary amounts</b>	-	All forms of cash based monetary obligations and amounts to be accounted for, like amounts at which tangible assets are valued, amounts in legislative provisions, sales offers, etc.
<b>Price</b>	-	The final purchase price paid by the end consumer.
<b>Rate</b>	-	The central parity rate or the irrevocably fixed conversion rate, once the latter is in force.
<b>FAIR</b>	-	The "Fair-pricing Agreements In Retailing" initiative is a voluntary commitment by organisations to adhere to a code of conduct regarding pricing, dual display, fair pricing, training and adequate preparedness for the changeover.
<b>Business to business</b>	-	Interactions between organisations registered in Malta. For example, self-employed persons, companies, non-profit organisations

### 3. Applicability

3.1 These guidelines shall apply, in full, for the duration of the dual display period be it voluntary or mandatory. Dual display becomes mandatory from 1<sup>st</sup> July 2007 (or at the date the irrevocable fixed rate is established, if later). and lasts until 30<sup>th</sup> June 2008. Dual display requirements during the voluntary period (1<sup>st</sup> January 2007 to 30<sup>th</sup> June 2007) are managed through the Legal Notice on Dual Display and Euro Pricing (LN 4/2007). After the end of the mandatory period of dual display, all organisations will be expected to revert back to mono display (i.e. prices and monetary values specified in euro only). A three month period (1<sup>st</sup> July 2008 to 30<sup>th</sup> September 2008) will be recommended for the implementation of changes to revert back to mono display in euro.

Operators who are already displaying monetary amounts in both currencies will have to adhere to the provisions of these guidelines.

Government implemented dual display for all government entities in the early stages of the voluntary period through a two-staged roll-out plan, which was completed at the end of March 2007.

An operator may implement alternative forms of dual display (for example, provision of conversion tables) where the cost of modification is justifiably too high or the equipment used cannot be modified. Nonetheless, a request for concession must be submitted to the Euro Observatory before this alternative solution is adopted.

3.2 Dual display shall be applicable to all governmental entities, businesses, non-profit organisations or other entities where monetary amounts, prices or values are stated and/or displayed in goods and services offered to the end consumer. Thus, dual display will not be necessary for organisations and departments where monetary display is used exclusively at business-to-business level.

3.3 The following list contains examples where dual display shall apply (this list is not exhaustive):

- on offers, price lists, quotes, estimates, bills, invoices and receipts;
- fares for transport – air, land and sea;
- consumer loans, employee payslips, pension statements and social benefit related statements;
- listed securities, statement of holdings, revaluation statements for investment services, bank statements, tariffs and scale of charges by banks, insurance quotes, reminders and policies (life and non-life);
- on any form of promotion in electronic form or otherwise, including advertisements, posters, press, media communications, billboards, Website information (targeted at the local market), brochures, shop windows, kiosks where a sales price is indicated. However, in the case of TV advertising, where both price information and contact information are displayed for relatively short periods of time and where dual display may confuse the consumer, dual display may be excluded. The adherence to this requirement is the responsibility of the organisation that publishes the media (printed or otherwise);
- periodicals, magazines and newspapers and catalogues;
- vouchers, coupons, postage stamps ;
- at the payment and account balance levels for on-line transactions (excluding telephony based), payment and billing gateways;
- all types of contracts signed or drawn up during the mandatory period of dual display;
- where legislation obliges the display of monetary amounts to the consumer.

3.4 NECC shall supply all retailers with stickers promoting the national euro helpline (Linja Ewro 154) and with an SMS number that shall automatically convert a value from Maltese lira to euro.

3.5 Dual display is meant for information purposes only. Dual display before €-day does not, in any way, imply any form of obligation or encourage or promote whatsoever the acceptance of payments in euro. Tourists and visitors shall be made aware of this via the distribution of leaflets at ports of entry into Malta.

3.6 Where goods and/or services are imported and are already marked in euro by the overseas manufacturer or exporter and such a euro mark is clearly distinguishable as being relevant to a country other than Malta, this euro mark does not constitute dual display. As such, the euro mark will not be construed as the euro equivalent value in relation to the Maltese lira price. During the period of mandatory dual display, such goods and/or services need to have the euro marking clearly distinguishable from the euro value that is present for dual display purposes. However, if there is no country-specific indication, the euro value will be considered as applicable for dual display purposes in Malta, and as such Legal Notice 4 of 2007 will apply.

## 4. Principle(s)

These guidelines are based upon the principles of effective communication and transparency in the dual display of prices, values and monetary amounts of goods and services in Maltese lira and euro. The guidelines are also based upon the principle of minimal cost for implementation of dual display.

## 5. Guidelines

### 5.1 Conversion and rounding of monetary amounts

For translating the counter values in dual display:

- i) All dual display shall be based upon the 'rate' and no smoothing of counter values can be performed;
- ii) The 'rate' shall be applied in terms of Maltese lira with six significant figures<sup>1</sup>. For example, under dual display, an object costing Lm5.00 would be priced at €11.65 (assuming a 'rate' of €1 = Lm0.429300). Similarly translations of monetary amounts from euro to the Maltese lira should be applied using the 'rate';
- iii) Rounding of prices, values and other monetary amounts is subject to the provisions of Legal Notice 4 of 2007.

Table 1, below, indicates key events during the dual display of prices period as a further guide.

*Table 1*

Event	Milestone	Legal currency	Rate	Comment
Start of voluntary dual display	January 2007	Maltese lira	Central parity rate	Regulated by L.N.4/2007
Establishment of irrevocably fixed conversion rate by the EU Council	July 2007	Maltese lira	Irrevocably fixed conversion rate	Assuming a decision by the EU Council for Malta to join the euro area by 1 <sup>st</sup> January 2008
Start of mandatory dual display period	1 <sup>st</sup> July 2007 (or at the date the IFCR is established, if later)	Maltese lira	Irrevocably fixed conversion rate	Assuming establishment of IFCR
€-day	1 <sup>st</sup> January 2008	Euro	Irrevocably fixed conversion rate	
End of mandatory dual display period	30 <sup>th</sup> June 2008	Euro	Irrevocably fixed conversion rate	
End date of voluntary dual	30 <sup>th</sup> September 2008	Euro	Not applicable	Mono display in euro is expected

<sup>1</sup> Article 4(1) of EC Regulation 1103/97

Event	Milestone	Legal currency	Rate	Comment
display				by all Maltese body corporates after this date

## 5.2 Method of dual display of prices of goods and services

5.2.1 Dual displays should be such as to enable a consumer to read and understand prices and other monetary amounts easily and correctly and to be able to compare them to the national currency. During the period of mandatory dual display (up to €-day), credit institutions will accept deposits of euro banknotes at the irrevocably fixed rate and without any charges when such notes are deposited into Maltese lira or euro denominated accounts by their customers who are local business operators (excluding foreign exchange bureaux and other financial institutions and intermediaries). This ensures that the euro amount displayed is the euro price paid, where the outlets accept euro notes as payment.

5.2.2 For clarity of dual displays:

- a) the provisions of Legal Notice 283 of 2002 (Consumer Affairs (Price Indication) Regulations) shall also apply;
- b) the price amount to be paid (i.e. in the primary currency) must be distinguishable from the counter-value that is displayed for information purposes<sup>2</sup>;
- c) dual displays of prices and other monetary amounts should not be overloaded with excessive numbers of figures. As a general rule and unless otherwise specified in these guidelines:
  - dual displays of prices on products, services and price lists may be limited to the final price (that is inclusive of taxes) which the end consumer has to pay;
  - dual displays on receipts, invoices, etc from retail outlets and on other financial statements may be limited to the total amount (inclusive of taxes where relevant);
- d) During the mandatory period of dual display, dual display is mandatory in relation to the sale of any good or service. In the case of services, the operator may achieve this through affixing a dual display price list prominently at their point of sale.

5.2.3 All prices which are currently displayed to three decimal places in Maltese lira should be displayed with this level of accuracy in euro for dual display purposes.

## 5.3 Forms of dual display for special cases

### 5.3.1 Machine or mechanical displays

Machine or mechanical displays which display printed figures may not be easily or cost-effectively convertible to allow for dual display as they are inherently fixed. In this case, a conversion table, as indicated in Example 1, should be clearly made available or provided to the consumer at the point of sale.

<sup>2</sup> Article 2, section 2(a) (i) of EC recommendation 98/287/EC

*Example 1*

**ASSUMPTION: The central parity rate of €1 = Lm0.429300 is applied**

Lm	euro
0.01	0.02
0.02	0.05
0.05	0.12
0.10	0.23
0.25	0.58
0.50	1.16
0.75	1.75
1.00	2.33
10.00	23.29

**Prior to €day**

euro	Lm
0.01	0.004
0.02	0.01
0.05	0.02
0.10	0.04
0.25	0.11
0.50	0.21
0.75	0.32
1.00	0.43
10.00	4.29

**Post €day**

### 5.3.2 Bar coded items


Bar coded items may present a special circumstance in that they involve reference to a database, and conversion of the database to include euro may present rounding problems if this is referenced at item level.

It is recommended therefore that the reference price be maintained in Maltese lira until €day and a big bang conversion undertaken so that all prices are based in euro as from €day.

Individually bar coded items which include a price value will need to be dual priced at least at shelf level basis, as indicated in the example below.

*Example 2*

**ASSUMPTION: The central parity rate of €1 = Lm0.429300 is applied**

 01234 555 011123 Lm 0.25 500 grams	"Item name on shelf"  Lm0.25    €0.58
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### 5.3.3 Item level pricing using dual currency price guns

Dual currency price guns do not generally provide the feature of showing one of the displayed monetary values more prominently than the other. It is sufficient for the item labels to show

both the Lm and euro values with equal prominence. This will therefore not require a re-labelling of stock upon euro adoption to ensure the usual reverse of prominence.

#### **5.3.4 Electronic dual display**

Where machines using electronic displays are software driven, modifications may be possible to show amounts in both Maltese lira and euro. However, in cases where modifications:

- i) are hardware related and the cost of modification is not in proportion to the benefit that is gained; or
- ii) are software related but where the cost of software modification is not in proportion to the benefit that is gained;

a conversion table, should be clearly displayed or provided to the consumer at the location where the electronic display is produced. Such cases include weighing scale labels and digital price displays where a sales price can only be shown in mono-display.

#### **5.3.5 Point of Sale (POS) systems and Fiscal cash registers**

Point of sale (POS) systems (excluding EPOS systems) need to be modified to provide for dual display.

In principle, dual display should be provided for during the mandatory period. Fiscal cash registers that are euro-compliant i.e. that can be configured to dual display without software modification and which are/will be implementing dual display shall do so in adherence to these guidelines. Where software modification may be required, it is up to the owner to decide whether to go ahead with the software modification or to adopt an alternative implementation (e.g. provision of conversion tables with receipts).

In any case, only the final total amount to be paid (inclusive of taxes) for a list of items is expected to be dual displayed.

In all cases, the prominent amount to be displayed as from €-day shall be in euro.

#### **5.3.6 Computer print-outs, including bills and statements**

The importance of each particular print-out should be examined with the customer in mind but where the print-out takes the form of a customer statement, including utility, telephony and other bills, payroll slips, etc. sent to customers by post or electronically, only the final totals must be shown in both currencies.



## Example 3

**ASSUMPTION: The central parity rate of €1 = Lm0.429300 is applied**

<b>AAA Company PLC Statement of account:</b>	
Mr. XXX	<b>Date:</b> 1 <sup>st</sup> March 2007
	<b>Balance</b> Lm10.20
	€23.76
Values displayed in euro are based on the rate €1=Lm0.429300 and are for information purposes only	

The text statement shown in Example 3 above should be used prior to euro adoption in all visual or printed media to inform the consumer that the euro value(s) shown do not constitute any obligation to pay for the goods and/or services in euro. The actual rate used must be the applicable rate at the time of issue (either the central parity rate or the irrevocably fixed conversion rate). Where space is limited, and the above statement will not fit on the document, a shorter version should be included instead:

“Euro values are for information purposes only”

On adoption of the euro, and up until the end of the mandatory period of dual display, the equivalent text statements become applicable (assuming the irrevocably fixed conversion rate is established as 0.429300):

“Values displayed in Maltese lira are based on the rate of €1=Lm0.429300 and are for information purposes only”

“Maltese lira values are for information purposes only”

Where the organisation is justified to use alternative implementations of dual display on print-outs, the end consumer must have the means to easily arrive at the equivalent euro value (or vice versa), such as through the provision of conversion tables along with the print-outs.

Note that 'EUR' can be used alternatively to the € symbol, where the printer cannot support the printing of the € symbol.

### 5.3.7 Price lists

Similarly, dual display in price lists should take the end consumer into consideration. Dual display is expected in such cases on an item by item basis. Where a product is sold per unit weight or volume (e.g. per kilo), the price per unit needs to be displayed in both Maltese lira and euro. Any additional charges or tariffs e.g. in restaurant price lists, should also be indicated in both Maltese lira and euro.

### **5.3.8 Vending machines**

Vending machines must display the list of prices of the goods and/or services sold in both Maltese lira and euro.

### **5.3.9 Invoicing by handwritten receipts**

Invoicing by handwritten receipts, using receipt pads, may involve quoting the total sum in the main currency only. However a conversion table is to be made available to the consumer or the other currency handwritten on the receipt upon request.

### **5.3.10 Banking services**

Banks shall implement dual display with respect to the following transactions in Maltese lira carried out across their counters:

- (i) Maltese lira deposits of cash/cheques into current and savings accounts;
- (ii) Maltese lira cash withdrawals from savings accounts;
- (iii) Closure of Maltese lira current and savings accounts;

Additionally, dual display shall also be expected for:

- (i) ATM Fast Cash screen displays on the withdrawal of Maltese lira cash;
- (ii) Tariffs and scale of charges from six months before the adoption of the euro (at the start of the pre-entry period) and for six months following adoption;
- (iii) Final balance on all bank statements including credit card statements;
- (iv) Price tariffs and other monetary amounts displayed on Bank web-sites (excluding internet banking).

### **5.3.11 Insurance policies**

In the case of life insurance policies, dual display shall apply on the premium amount due and on the capital sum and the annuity insured. In the case of non-life insurance policies, dual display shall apply on the premium amount due and the sums insured.

Dual display shall also apply to any contractual changes which will affect the premium amount and the sums insured.

### **5.3.12 Mail order catalogues**

Catalogues may present a variety of prices for each item offered including special offers and credit terms.

Organisations offering their goods and services through such catalogues must comply with the provisions for dual display by inserting a list of all the catalogue prices in both Maltese lira and euro.

Catalogues printed following the commencement of the mandatory dual display period shall display prices in both Maltese lira and euro.

### **5.3.13 Sector Specific Requirements**

#### **Taxis and public transport**

Taxi drivers must prominently display the conversion table in the taxi cab.

In the case of public transport, given that prices are pre-established, a list of all possible public transport fares in both Maltese lira and euro, along with the 'rate' are to be prominently displayed. In both cases of land and sea transport, tickets are expected to indicate the price in both currencies.

#### **Gaming services**

Organisations accepting payments for gaming services (including gambling) or providing other services related to gaming must have the 'rate' and the price list in both currencies prominently displayed at the point of sale or on gaming machines.

#### **Fuel stations**

Dual display of fuel prices (per litre) will be applicable to fuel pumps frequented by the general public. It is recommended for the dual equivalent monetary value to be displayed on an adhesive label close to the primary value. The fuel price needs to be displayed to the same precision for both the primary and secondary amounts, i.e. if mils are specified for the Maltese lira amount, then the equivalent euro amount will need to be displayed to a fraction of a euro cent. Where a pump dispenses more than one grade of fuel, dual display shall apply to each grade price (e.g. diesel, unleaded, petrol). In addition, conversion tables need to be displayed prominently to allow end consumers to easily convert total amounts and prices per litre from a distance.

### **5.3.14 Presentation of financial statements**

Dual display is applicable to all Maltese lira denominated financial statements that are published during the period of dual display appearing in the general media. It is only necessary for dual display to be applied to key financial information, for example, at profit/loss & balance sheet account level.

### **5.3.15 FS3 employee income declarations**

FS3 income declarations generated by employers for the year 2007 and issued during the first quarter of 2008 will be reported in Maltese lira as per NECC guideline NECC/0009/06. As this issue of FS3 documents includes presentation to the employee during the mandatory period of dual display, the FS3 will show the total net pay in dual display (i.e. with a euro counter-value).

### **5.4 Payments in euro**

Where an organisation is also accepting payment for goods or services in euro they are required to apply the 'rate' without any cash-handling or exchange charges. Concurrently, such organisations will be able to deposit euro notes into their euro denominated accounts free of any deposit charges that may normally be applicable to foreign currency deposits.

From the beginning of the mandatory period of dual display, organisations accepting payments in euro will be able to deposit the related euro notes directly into their Maltese lira business accounts at the irrevocably fixed conversion rate, without the addition of any bank charges.