# THE NATIONAL CURRENCY RE-DENOMINATION EXPERIENCE IN SEVERAL COUNTRIES – A COMPARATIVE ANALYSIS

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*ABSTRACT*

*This study covers a highly stringent subject for Romania nowadays – the re-denomination of national currency. The introduction of the "hard" Leu is the most important monetary measure within the last 50 years. The new banknotes and coins will be the last Romanian money, as starting 2012, Romania will switch to EURO. The re-denomination is a technical procedure of reducing the nominal value of the cash ensigns, which was implemented already by around 50 countries as part of an economic reform. The re-denomination does not change the substance of national currency, but it is important due to its psychological impact, both nationally and internationally. We will try to present the long term and short term benefits, the reasons for choosing the timing of the re-denomination, the technical aspects, the influence on the prices and the way in which the new currency was received. Since the re-denomination was most recently implemented in Romania and Turkey, we will focus on these cases.*

Re-denomination represents the action of decreasing the monetary value of cash ensigns, action implemented during the last 85 years by approximately 50 countries (Romania included), as part of a complex strategy of economic reform.

The first country that went for the re-denomination was Germany (1923), which, during a hyperinflation period, cut 12 zeroes. Chronologically, our country is the last on the list, with the re-denomination process starting 1st of July 2005. The national currency, "LEU", lost 4 zeroes and became RON (Romanian New LEU), which replaced the old abbreviation "ROL" (Romanian LEU).

The "LEU" expression has been kept unchanged because it is an already accustomed term. After a few years, « new » will be dropped from the name of currency and RON will be called ROL again. This method was adopted in many countries that performed re-denomination operation and simply the word "New" was added before the name of the national monetary unit, among which are Belarus, Bulgaria, Poland, Turkey, Russia (*data appendix*). In hyperinflation countries, such as Argentina, Brazil and Israel, which had to remove zeros from their currencies several times, different names have been preferred to prevent confusion between old and new money.

To facilitate the recognition of banknotes and to prevent confusion in the transition to new currencies, denominations with the same purchasing power will be printed in similar colors and designs for both issues. Practices in several countries reveal that a maximum of 6 or 7 banknote denominations is the best; otherwise some banknote denominations remain out of use.

Starting 1st of July 2005, in Romania, 6 new bank notes and 4 new coins are issued and it will be the last Romanian money until 2012, when we switch to EURO. The introduction of the RON, even though not changing the essence of the national currency, is seen by the authorities as a signal that the LEU has regained its significant economic value. During the 15 years of hyperinflation, the LEU was subject to an important depreciation, from 14.92 ROL per USD (31st of December 1989 – NBR source) to 29,500 ROL per USD in July 2005.

In Poland, the re-denomination of Zloty took place in January 1995 under the name of "the crossing out of four zeroes" and made the Polish currency convertible according to international standards. But the mathematical procedure in itself was seen by the polish as a robbery attempt by the government.

These fears were encountered mainly in former communist countries where the re-denomination was repeatedly used by the State to take away the population's savings. However, the measure proved to have long term benefits, due to a stabilized economy and low inflation.

Table 1: *Technical details regarding re-denomination Eastern and Central Europe*

| Country | Date | Double display | Parallel use | Exchange period |
|---|---|---|---|---|
| *Poland* | Jan 1995 | 24 months | 24 months | 14 years |
| *Ukraine* | Sept 1996 | 15 days | 15 days | 15 days |
| *Russia* | Jan 1998 | 13 months | 12 months | 4 years |
| *Bulgaria* | July 1999 | 6 months | 6 months | unlimited |
| *Turkey* | Jan 2005 | 12 months | 12 months | 10 years |
| ***Romania*** | **July 2005** | **16 months** | **18 months** | **3 years** |

Source: BNR

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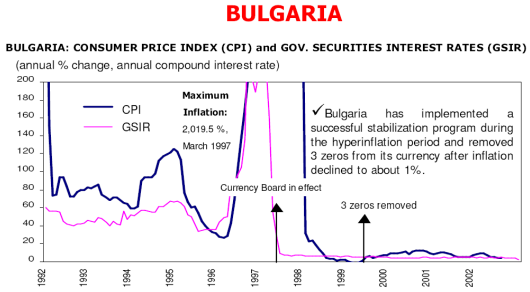
In July-August 1993, the Russian government gave citizens just a few days to trade in their Soviet-era rubles, and panic ensued. These "reforms" were "sprung" on the population without official warning, and by limiting the time period in which old bank notes could be exchanged for new ones, they outraged the population and further damaged confidence in the ruble.

During the re-denomination that took place in January 1998 (*table 1*), the new ruble (1,000 old rubles) circulated in parallel with the old one for 1 year. The declared purpose of the re-denomination was to simplify the economic activity, as it did not affect the money supply or the population savings.

The ruble's re-denomination occurred nearly a year after a similar reform in Ukraine, under which the Hryvnya was substituted for the temporary Karbovanets at the rate of 1 to 100,000 in August 1996. Both Hryvnias and Karbovanets were used in cash circulation for 15 days: September 2-16, 1996, with a gradual withdrawal of the latter (*table 1*). The use of Karbovanets for all kind of payments was stopped after September 1996 and Hryvnia became the only legal tender of payment within Ukraine. Foreign analysts greeted the implementation of monetary reform, considering the introduction of the Ukrainian currency-Hryvnia, as the starting point for stabilization of the Ukrainian economy.

On the 5th of July 1999, the Old Bulgarian Lev was replaced by a new Lev in a ratio of 1:1,000 (*figure 1*). As of that date 1,000 old Lev equaled 1 new Lev (equal to 1 Deutsche Mark, 0.51 Euro or USD 0.55). Until December 31st, 1999, all prices were stated both in new and old Lev; after that date, all prices were stated in new Lev only. The entire process was performed in order to facilitate all payments, as well as all accounting and exchange operations.

Figure 1




Annual inflation rate 1 month prior to the currency reform: June 1999 - 1.2 %

*(Source: International Monetary Fund – International Financial Statistics)*

Referring to „the hard Lev", Steve Hanke, one of the initiators of the currency board arrangement in Bulgaria is saying in an interview: „The re-denomination of the Bulgarian Lev was an absolute waste of time. Re-denomination has no effect apart from confusing people and wasting funds". However, the foreign analysts considered the measure to be useful and having positive effects in the long run.

Starting January 1st 2005, Turkey re-denominated the national currency (Lira) at a ratio of 1:1,000,000. The name of the new currency is YTL („Y" stands for Yeni - „new" - in Turkish). Old banknotes will be withdrawn from circulation as of 1 January 2006 (after this date, Central Bank will convert it to new banknotes for a period of 10 years). CBRT intends also that, during a 3 months period, to exchange the monetary supply (90-95%).

Based on a macro overview, the Turks chose a highly favorable moment for the re-denomination: economic increase above 8%, inflation reduced to 9.32% in December 2004, the launch of negotiations regarding EU joining. The psychological impact hit two areas. The new Turkish currency is comparable with the hard currencies: - 1 Euro =1.6361 YTL, 1 USD =1.3448 YTL. Secondly, the accounting and financial statements were hugely simplified, as amounts like quadrillions were reduced - the old currency unit being one of the weakest in the world. (*table 2*).

Table 2: *The highest denominations in circulation world-wide at December 31, 2004*

| Country | Denomination | Value in USD |
|---|---|---|
| Indonesia | 100,000 | 12.04 |
| Cambodia | 100,000 | 25.06 |
| Lebanon | 100,000 | 66.03 |
| Mozambique | 100,000 | 4.24 |
| Paraguay | 100,000 | 16.09 |
| Romania | 1,000,000 | 31.01 |
| Vietnam | 100,000 | 6.39 |
| **Turkey** | **20,000,000** | **15.04** |

Source: MRI Bankers' Guide to Foreign Currency, 2005

The lowest old banknote comprised of 50,000 Lira and the most valuable had 20 million Liras, which allowed buying 4 cinema tickets! The share of the highest denomination was more than 83% of the circulation. Currently, the total value of banknotes in circulation was approximately 13.5 quadrillion Turkish Liras and the number of banknotes was about 1.3 billion pieces.

## 1. WHAT IS THE REASON BEHIND THE DENOMINATION PROCESS?

The national economies might function with prices expressed in millions, but the escalating inflation generates a higher operational risk and continuous need for larger banknotes issue. Multiple zeros cause difficulties also in expressing monetary values, transactions at the cashier's office, book-keeping and statistical records, data processing software, payment systems, price tagging etc.

In Turkey, the inflationary process, which began in the 1970s forced everybody to learn digits used in astrophysics. Economic values were expressed in terms of billions, trillions and even quadrillions. The cash demand in the economy was met by new banknotes in

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larger denominations, which were put to circulation almost every two years beginning in 1981. The enormous figures with all the zeros led to a variety of problems. Due to its record-high denominations in the world, Turkish Lira lost prestige in the eyes of the general public.

As a result of the significant decline in inflation from chronically high levels, and the steadily rising confidence in the Lira, the decision to re-denominate the currency was presented as part of a tight economic program backed by the International Monetary Fund. In the light of the above-mentioned factors, removing six zeros from the national currency has in fact become a technical necessity. This move could not only ease dealing with and interpreting astronomical numbers, but should raise the credibility of the national currency.

The first Draft Bill that aimed at removing five zeros from Turkish Lira was presented to the Prime Ministry on December 25, 1998. However, "zero-dropping operation" could not be performed until 2005, due to the facts that: the programs that were put into practice with the aim of fighting against inflation, could not be implemented, and expected and realized rates of inflation could not be pulled down to reasonable levels.

In Romania, the National Bank treated the re-denomination as a part of the process of EURO implementation. The adoption of Euro will be simplified now, based on the experience we gathered. The necessity of the re-denomination before the acceptance into the EU in 2007 was questioned. However, the reason behind this action was the fact that none of the countries that recently joined EU were able to automatically replace their current currency with Euro, although intense efforts were put in place. Romania cannot "skip" these stages when joining EU. The complete change to Euro is foreseen to take place around 2012-2014 and only if Romania fulfils certain criteria. The newly implemented "RON" will therefore have a 7 to 9 years life span.

## 2. TIMING, COSTS AND BENEFITS OF THE RE-DENOMINATION OPERATION

In theory, erasing zeros from a currency is simply a numerical move. But past examples show it will not work if the economy cannot sustain the new rate.

As a negative example we quote Russia's ruble re-denomination in 1998. At that time, the ruble has been relatively steady in real terms against the dollar since the establishment of a monetary discipline by the RCB and the establishment of a rouble exchange rate corridor in July 1995. The RCB converted the corridor into a "crawling band" in July 1996. The ruble has come under considerable pressure in the wake of the Asian currency crises in 1997. Plus, Russia experienced some of the worst post-transitional inflation in East-Central Europe: 2,600 percent in 1992 and 940 percent in 1993. Inflation began to spiral downward once a tighter monetary policy took hold in 1993. Progress has been fairly steady, with price increases falling to 198 percent in 1995 and 48 percent in 1996. Inflation fell further during 1997 to 14.6 percent (*table 3*).

Table 3: *Inflation before, during and after the re-denomination in East and Central Europe*

| Country | Inflation during previous year | Inflation during denomination year | Inflation during next year |
|---|---|---|---|
| *Poland* | 32.2% | 27.8% | 19.9% |
| *Ukraine* | 376.7% | 80.3% | 15.9% |
| *Russia* | 14.6% | 27.6% | 85.7% |
| *Bulgaria* | 22.3% | 2.6% | 10.3% |
| *Turkey* | 12% | 8%* | 4%* |
| ***Romania*** | **9.3%** | **7%*** | **5%*** |

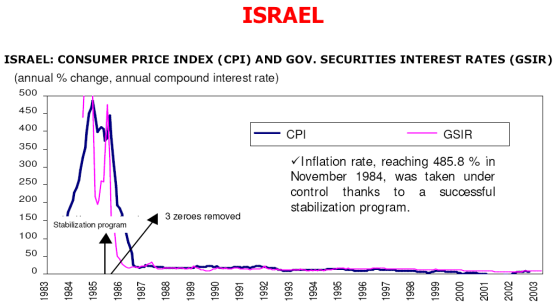
*estimated
Source: BNR, National Banks

The ruble was re-denominated in January 1998 with 1,000 old rubles equaling one new ruble. This re-denomination was expected to increase confidence in the ruble. But, the government's inability to service mountainous debt obligations forced currency devaluation a little over six months. The Central Bank of Russia has been trying to convince the people that the currency re-denomination will not cause prices to raise. But, rumors began to spread about another government scheme to fool the common people. The inflation rate grew up to 85.7% in 1999.

Afghanistan's experience is similar. The government removed three zeros off the Afghani currency in 2002. A short two-month conversion period caused the currency to fall sharply as people rushed to exchange their old Afghanis for new notes or dollar.

Removal of zeros from the currency is usually implemented along with a stabilization program and can be at different inflation rates. In Israel (*figure 2*), which is one of the countries where the stabilization program yielded successful results, the currency reform was made in just a short while after the stabilization program was launched.

Figure 2




Annual inflation rate 1 month prior to the currency unit reform: August 1985 - 386.4 %
*(Source: International Monetary Fund – International Financial Statistics)*

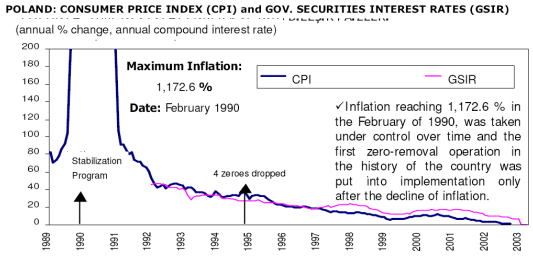
In Poland and Bulgaria currency reform was implemented only after the positive effects of the

stabilization program were observed. This is the recommended approach today.

In Poland, there were concerns that inflation was not low enough when the re-denomination took place, but inflation continued to moderate by five percent per annum between 1995-1997 (*table 3, figure 3*). This was because Poland had already completed a major restructuring and liberalization of its economy, which contributed to the success of the currency reform.

Figure 3

**POLAND**



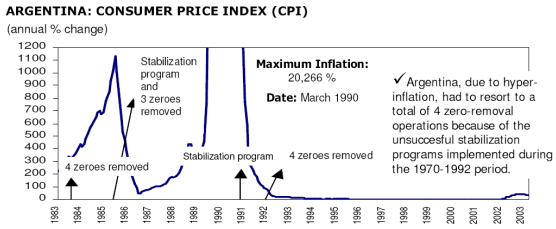

Annual inflation rate 1 month prior to the currency reform: December 1994 - 29.4 %

*(Source: International Monetary Fund – International Financial Statistics)*

In countries where stabilization programs failed (the examples of Argentina – *figure 4* and Brazil – *figure 5*), the need to remove more zeros emerged after a certain period of time.

Figure 4

**ARGENTINA**

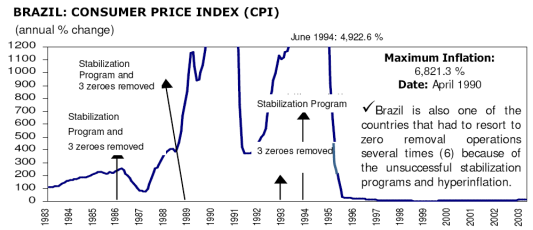



Annual inflation rate 1 month prior to the currency unit reform (May 1983 - 310.0 %; May 1985 - 1,010.1 %; December 1991 - 84.0 %)

*(Source: International Monetary Fund – International Financial Statistics)*

Figure 5

**BRAZIL**




Annual inflation rate 1 month prior to the currency unit reform (January 1986 - 250.2 %; December 1988 - 980.2 %; July 1993 - 1,581.7 %)

*(Source: International Monetary Fund – International Financial Statistics)*

Therefore, when the re-denomination took place in a weak and unprepared economy, the adverse effect occurred. Brazil repeated the process 6 times, cutting off a total of 18 zeroes, while Argentina took 13 zeroes during 4 stages.

In Turkey, in the process of transition to single digit inflation, year 2005 was considered the best time for managing expectations. The re-denomination of Turkish Lira was effective as 1 January 2005, beginning of the new fiscal year, in order to avoid a dual-record system, and not to cause an extra burden of preparing interim financial statements.

Although the re-denomination idea emerged in Romania in 2001, the national and international political agenda and also the economic reform schedule made it very hard to implement. The elections in 2004, the period needed to stabilize the inflation, the 12 months time lag necessary to set up the technical frame and also the upcoming EU joining in 2007 were all factors that led the authorities to choose July 2005 as the best implementation time.

Other actions to be taken into consideration for the re-denomination are:

- Launching of a comprehensive advertising campaign in all media;
- Review of the legislation and making the necessary arrangements in this respect;
- Co-ordination of harmonization and transformation of the accounting systems, computer software, ATMs, POS terminals, cashier's type machines, bank accounts, functioning of clearing houses.

The biggest part of the costs is paid by the National Bank. The commercial banks will pay the costs for the ATM and POS adjustments (between 800 and 1,000 Euro per machine) and also for the re-configuration of their core systems. In addition, appropriate storage places for the two separate types of banknotes must be in place. The Retailers are also subject to spending in order to adjust their systems, cash machines etc. The biggest impact is however in all areas that relates to accounting.

The long-term benefits of the re-denomination are as follows:

- Public confidence towards the national currency is re-established;
- Savings in national currency increase;
- The money saved outside the financial system is brought into the market, as it has to be changed.

## 3. CAN RE-DENOMINATION CAUSE INFLATION?

This fear was extensively expressed in all countries that went through a re-denomination process in the last years. It was enhanced in 2002, when the countries joining EU and switching to EURO encountered slight increase in prices. The impact of Euro in the first 6 months has not exceeded 0.2% in Euro zone (according to EUROSTAT).

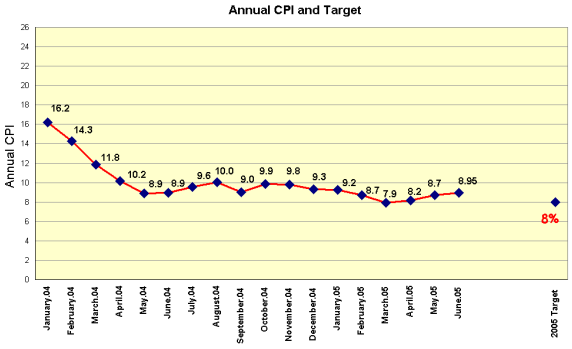
The re-denomination of the national currency should not have any noticeable effect on inflation, as the operation is simply a zero-removal process. The only potential effect on the general level of prices could be

the rounding up (or down) of prices post-re-denomination. Furthermore, the requirement to express prices of all goods and services in terms of both the old currency and the new currency should help to avoid the exploitation of the potential rounding up possibilities. The potential price increases that may result from re-denomination are not expected to have a continuous nature.

In Turkey, the re-denomination was not expected to have either an impact on exchange rates, *Consumer Price Index - CPI* or the overall level of interest rates but only a positive impact on population expectations. The main factors determining exchange rates, price level and overall level of interest rates are the fundamentals of the economy and the economic stabilization program.

The recent trends (*figure 6*) confirmed that the Turkish Central bank expectations proved right. The re-denomination did not have any significant impact on the CPI increase (during the first 3 months the trend was descendent).

Figure 6




Source: CBRT, *www.tcmb.gov.tr*

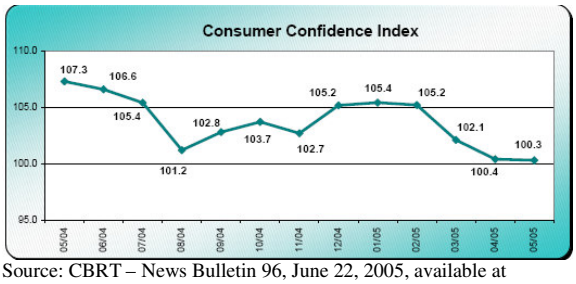
According to the analysts, Turkey could emulate Poland's successful re-denomination of the Zloty in 1995 and suggest Turkey may have broken a 20-year cycle of inflation and high rates. More importantly, the move is seen cementing a process of economic normalization, in line with Turkey's drive towards eventual EU membership.

The *Consumer Confidence Index - CCI*, an indicator calculated by CBRT and State Institute of Statistics, which monitors the population expectations and behavior, increased throughout the last quarter of 2004 until February 2005. This evolution can be associated to the waiting period of the re-denomination. On a larger time lag, this indicator has a decreasing trend, but this is not due to the currency re-denomination.

The decrease in the *Consumer Confidence Index* stemmed from the deterioration in consumers' assessments concerning their purchasing power in the present period and general economic situation in the next period and buying time condition of durable goods in the present period.

When the index is above 100, it indicates an optimistic outlook, when is below 100, it indicates pessimistic outlook.

Figure 7: *CCI evolution in Turkey before and after re-denomination*




Source: CBRT – News Bulletin 96, June 22, 2005, available at *www.tcmb.gov.tr*

## 4. CONCLUSIONS

Based on the analysis above, the re-denomination of national currency must be done only when the following circumstances are being met:

- The decrease trend of inflation is consolidated. A low inflation rate, joined by zero-dropping operation will improve credibility of the national currency;
- Other significant positive results are obtained, proving the success of economic reforms and restructuring (e.g. the real terms increase of the GDP). It has been proved in the majority of the countries that put in place a re-denomination process that this operation is an indicator of the success in lowering inflation and determination to keep inflation under controlled margins.

If the above success factors are not in place, the re-denomination becomes a useless and expensive "cosmetic surgery" performed on the national currency.

As far as Romania is concerned, we believe that, in order to accurately assess the re-denomination implications, monthly monitoring of certain indicators (e.g. *Consumer Price Index, Purchasing Power, Euro and USD Exchange Rate, Weighted Averages of 1-Month Deposit* etc) must be in place.

In addition, based on Turkey's experience, we consider viable also the set up of indicators such as the *Consumer Confidence Index* and *Business Confidence Index.*

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## Data appendix

*Re-denomination History since 1923*

| Country | Date | Number of zeroes removed | New currency unit and value |
|---|---|---|---|
| Afghanistan | 2002 | 3 | 1,000 Afgani = 1 New Afgani |
| Albania | 1965 | 1 | 10 old Leke = 1 New Lek |
| Angola | 1995 | 3 | 1,000 Novas Kwanzas = 1 Kwanza Reajustado |
| | 1999 | 6 | 1,000,000 Kwanzas Reajustados = 1 Kwanza |
| Argentina | 1970 | 2 | 100 Pesos = 1 Peso Ley |
| | 1983 | 4 | 10,000 Pesos Ley = 1 Peso Argentino |
| | 1985 | 3 | 1,000 Pesos Argentinos = 1 Austral |
| | 1992 | 4 | 10,000 Australes = 1 Peso Convertible |
| Azerbaijan | 1992 | 1 | 10 Soviet Rubles = 1 Manat |
| Bahrain | 1965 | 1 | 10 Gulf Rupees = 1 Dinar |
| Belarus | 1992 | 1 | 10 Soviet Rubles = 1 Rubel |
| | 2000 | 3 | 1,000 Rubles= 1 New Ruble |
| Bolivia | 1963 | 3 | 1,000 Bolivianos = 1 Peso Boliviano |
| | 1987 | 6 | 1,000,000 Pesos Bolivianos= 1 Boliviano |
| Brazil | 1967 | 3 | 1,000 Cruzeiros = 1 New Cruzeiro |
| | 1970 | 3 | 1,000 New Cruzeiros = 1 Cruzeiro |
| | 1986 | 3 | 1,000 Cruzeiros = 1 Cruzado |
| | 1989 | 3 | 1,000 Cruzados = 1 New Cruzado |
| | 1990 | | 1 New Cruzado = 1 Cruzeiro |
| | 1993 | 3 | 1,000 Cruzeiros = 1 Cruzeiro Real |
| | 1994 | 3 / rate of convers 2.75 | 2,750 Cruzeiros Reais = 1 Real |
| Bulgaria | 1962 | 1 | 10 old Leva = 1 new Leva |
| | 1999 | 3 | 1,000 old Leva = 1 new Leva |
| Chile | 1960 | 3 | 1,000 Pesos = 1 Escudo |
| | 1975 | 3 | 1,000 Escudos = 1 Peso |
| China | 1955 | 4 | 10,000 old Yuan = 1 new Yuan |
| Croatia | 1994 | 3 | 1,000 croation Dinara = 1 Kuna |
| Dem Republic of Congo | 1967 | 3 | 1,000 Congolese Francs = 1 Zaire |
| | 1993 | 6/ rate of conv 3 | 3,000,000 Zaires = 1 New Zaire |
| | 1998 | 5 | 100,000 New Zaires = 1 Franc Congolaise |
| Estonia | 1992 | 1 | 10 Rubles = 1 Kroon |
| Finland | 1963 | 2 | 100 old Markka = 1 new Markka |
| France | 1960 | 2 | 100 francs = 1 new Francs |
| Georgia | 1995 | 6 | 1,000,000 Kuponi = 1 Lari |
| Germany | 1923 | 12 | 1,000,000,000,000 Mark = 1 Rentenmark |
| | 1948 | 1 | 10 Reichsmark = 1 deutsche Mark |
| Greece | 1954 | 3 | 1,000 old Drachmai = 1 new Drachma |
| Guinea | 1971 | 1 | 10 Francs = 1 Syli |
| Hungary | 1946 | 5/ rate of convers 4 | 400,000 Quadrillion Pengoe = 1 Forint |
| Island | 1981 | 2 | 100 old Kronur = 1 Krona |
| Israel | 1948 | 3 | 1,000 Prutot = 1 Pound |
| | 1960 | 2 | 100 Agorot = 1 Pound |
| | 1980 | 1 | 10 Pounds = 1 Sheqel |
| | 1985 | 3 | 1,000 old Sheqalim = 1 new Sheqel |
| Kirgistan | 1993 | 2/ rate of conv 2 | 200 Rubles = 1 Som |
| North Korea | 1959 | 2 | 100 old Won = 1 new Won |
| South Korea | 1962 | 1 | 10 Hwan = 1 Won |
| Laos | 1976 | 1/ rap of conv 2 | 20 Old Kip = 1 Lao Liberation Kip |
| | 1979 | 2 | 100 Liberation Kip = 1 New Kip |
| Latvia | 1993 | 2 | 100 Talonu = 1 Litas |
| Letonia | 1993 | 2 / rate of conv 2 | 200 Rublu = 1 Lats |
| Macedonia | 1993 | 2 | 100 old Denari = 1 new Denari |
| Mexico | 1993 | 3 | 1,000 Pessos = 1 new Peso |
| Moldova | 1993 | 3 | 1,000 Ruble = 1 Leu |
| Morocco | 1959 | 2 | 100 francs = 1 Dirham |
| Nicaragua | 1988 | 3 | 1,000 Cordobas = 1 new Cordoba |
| Paraguay | 1943 | 2 | 100 Pesos Fuertes = 1 Guarani |
| Peru | 1985 | 3 | 1,000 Soles = 1 Inti |
| | 1991 | 6 | 1,000,000 Intis = 1 New Sol |
| Poland | 1995 | 4 | 10,000 old Zlotych = 1 New Zloty |
| Romania | 1947 | 4 / rate of conv 2 | 20,000 old Lei = 1 Leu |
| | 2005 | 4 | 10,000 old lei = 1 new Leu |
| Russian | 1947 | 1 | 10 old Rubles = 1 New Ruble |
| | 1961 | 1 | 10 rubles = 1 new Ruble |
| | 1998 | 3 | 1,000 Rubles = 1 New Ruble |
| Serbia & Montenegro | 1966 | 2 | 100 Dinars = 1 new Dinar |
| | 1990 | 4 | 10,000 Dinars = 1 new Dinar |
| | 1992 | 1 | 10 Dinars = 1 new Dinar |
| | 1993 (oct) | 6 | 1,000,000 Dinars = 1 (October) Dinar |
| | 1993 (oct) | 9 | 1,000,000,000 (October) Dinars = 1 (1994) Dinar |
| | 1994 | 6 / rate of conv 12 | 12,000,000 (1994) Dinars = 1 super Dinar |
| Sudan | 1992 | 1 | 10 Pounds = 1 Dinar |
| Taiwan | 1949 | 4/ rate of conv 4 | 40,000 Taiwan Dollars = 1 new Taiwan Dollars |
| Tunisia | 1958 | 3 | 1,000 Francs = 1 Dinar |
| Turkey | 2005 | 6 | 1,000,000 Lirasi = 1 New Lirasi |
| Uganda | 1987 | 2 | 100 Shilings = 1 new Shilling |
| Ukraine | 1996 | 5 | 100,000 Karbovanets = 1 Hryvnia |
| Uruguay | 1975 | 3 | 1,000 Pesos oro = 1 new Peso |
| | 1993 | 3 | 1,000 new Pesos = 1 Peso Uruguayo |
| Uzbekistan | 1994 | 3 | 1,000 Sum-coupons = 1 Sum-note |
| Vietnam | 1959 | 3 | 1,000 Dong (north) = 1 new Dong (north) |
| | 1975 | 2 / rate of conv 5 | 500 Piastres (south) = 1 new south Vietnam Dong |
| | 1985 | 1 | 10 Dong = 1 new Dong |

Source: Adapted from M*RI Bankers' Guide to Foreign Currency 46th Edition, Houston, January 2003, www.tcmb.gov.tr*