The case for Scottish independence was never and cannot ever be a tablet of stone – it must be made and re-made constantly as circumstances change.

It seems that, after Brexit, everyone is very conscious of the fact that the case for an independent Scotland is in urgent need of renewal. From Alex Salmond to Joseph Stiglitz, big players in the 2014 referendum accept that there’s aspects of the argument that need updated in light of events.

We are at a conjuncture where some assertive leadership is now needed on the big issues facing Yes supporters: Britain’s exit from the European Union has thrown the prospect of a referendum open again, but polls show Scots to still be at best jittery about the prospect. There’s a confidence deficit in Scots’ belief in independence that needs to be made up in the Yes argument. That won’t be resolved through clever politics or deft diplomacy. We can only properly go back to the people of Scotland with another Yes offer when we have well thought out answers to the questions they didn’t feel were answered adequately last time and new questions that have been raised since.

What currency do we use? How do we deal with the collapse in oil revenue? How do we ensure Scotland has a credible fiscal position? What do we do about Scotland’s border with rUK? What would the division of assets and liabilities be?

These are some of the big structural questions that Common Weal is working on answers to in what we’re calling our White Paper Project.

Our White Paper is not going to be like the Scottish Government’s in 2014, which attempted to amalgamate structural issues with specific policy offers. We won’t be looking at, for example, whether an independent Scotland would raise or lower taxes. As far as feasibly possible, we’re going to try to focus only on the systems and structures in establishing an independent Scotland, not our own policy ideas.

It will be for a future election in an independent Scotland to decide on the specific policies to be pursued. What we want to prove with the White Paper Project is that independence the country can pursue its own path in the collective, that means an All of Us First society.

We are not so foolhardy to believe that Common Weal can come up with all the answers. In some areas, we will simply be hoping to create a methodology that can be built upon in the future.

But we think we’ve already proven with our reports on Scottish Currency Options post-Brexit and Claiming Scotland’s Assets that we can look at the historical precedents and come up with answers that can be important strategically in renewing the structural case for independence.

Our plan is to publish more papers throughout the rest of the year which will be brought together in one White Paper early in 2017.

You can help us: if you have policy expertise in any of the structural areas facing an independent Scotland and would like to volunteer your thoughts or time, get in touch. If you are just very keen to see the White Paper Project be the best it can be then help us improve our limited research capacity by becoming a regular donor to Common Weal. We can’t wait on high for the case for Scottish independence to be renewed – let’s get on with it ourselves.
Author — Peter Ryan has worked in IT for financial services companies since 1990, over half that time as an independent contractor. He started as a programmer in 1990 on stock broking systems in London.

Peter is currently working as a Product Manager and has a particular focus on taking legislation and understanding what changes need to be made to computer systems to ensure they comply with legislation. At the moment his focus is on the revised European Payment Services Directive, the roll out of the ISO 20022 message standard and the UK Payments Strategy.
## Contents

INTRODUCTION_____________________________________1  
TRANSITION PERIOD_________________________________1  
BANKING ________________________________________2  
  Bank accounts ___________________________________2  
  Payments ________________________________________4  
  Standing Orders_________________________________5  
  Direct Debits ____________________________________5  
  ISAs___________________________________________6  
  Mortgages______________________________________6  
PHYSICAL CURRENCY________________________________6  
  Introduction of a Physical Currency________________6  
  Notes and Coins ________________________________7  
  Cost of Setting up a New Currency _________________7  
INTRODUCTING THE SCOTTISH CURRENCY ____________8  
  Taxation________________________________________8  
  Welfare Payments________________________________8  
BUSINESS__________________________________________8  
  Shop Prices____________________________________ 8  
  Websites________________________________________8  
  Business Contracts_______________________________9  
  Company Accounts________________________________9  
REDEMONINATION OF GOVERNMENT DEBT______________9  
SCOTTISH CENTRAL BANK __________________________10  
  Establishment of a Scottish Central Bank_____________10  
  Supervisory Role________________________________10  
  Foreign Exchange Reserves________________________10  
  Scottish Country Code____________________________11  
CONCLUSIONS ____________________________________11  
REFERENCES_______________________________________12
Key Points:

• A three year transition period after independence will be necessary to introduce a new Scottish Currency. An electronic currency will be introduced first, pegged 1:1 with Sterling over the whole of the transition, before introducing a physical Scottish Currency near the end of the transition period.

• Allow individuals to convert bank accounts from Sterling to Scottish Pound across the transition period. Agreement shall be sought so that cross currency transaction costs shall not be charged during the transition period.

• A domestic and international payment infrastructure will need to be established. There is the potential to establish a Scottish Government owned centralised system for this.

• It will take just two years for the Scottish Central Bank to be turning a profit through seigniorage, based on an initial investment of £50m in starting up the currency.

• An equivalence between the new Scottish Currency and Sterling over the transition period will ensure prices initially stay the same.

• Existing contracts and mortgages will be able to continue on their existing terms but it will also be possible to convert or redenominate these to the new Scottish currency. The Scottish government should set up systems to aid these conversions.

• The payment of taxes and the receiving of welfare payments should be introduced as early as possible into the life of the new currency.

• The Scottish Government would have to decide to whether to redenominate the debt into the new Scottish Currency or alternatively keep the debt in Sterling and make the repayments in Sterling.

• At the start of the transition period, a working group would oversee the introduction of the new Scottish Currency, before a Scottish Central Bank takes over when the physical currency is introduced.
Introduction

The aim of this document is to discuss and propose potential practical solutions for the introduction of a Scottish currency following a vote for independence by the people of Scotland. In approaching the production of this document I have tried to answer the question “what is the best way for Scotland to convert from using Sterling to using a new Scottish Currency?” Its aim is to make the transition as simple and as transparent as possible. As a consequence, it is concerned with the mechanics of introducing a new currency; converting bank accounts to the new currency, introducing notes and coins, etc. It does not look to answer why a Scottish Currency should be introduced (compared to any of the post-independence currency alternatives) or address the macroeconomic aspects associated with the introduction of a new Scottish Currency. Similarly, it does not seek to address the fiscal or monetary policy of a future government of an independent Scotland.

As such the scope of the document is up until the point the new currency is introduced as any decisions following the introduction of a new currency would be dependent on the fiscal and monetary policies of an independent Scottish government. So it does not look at whether; after a Scottish currency has been established, it should be a free-floating currency, have its value tied to Sterling, join the European Exchange rate Mechanism or indeed have its value linked to a basket of currencies weighted according to Scotland’s external trade.

I have tried to include scenarios that involve many common Sterling denominated products but obviously not every type of bank account or Sterling denominated asset has been described. However I have tried to use enough examples to form the basis of a conversion process from which a redenomination timeline can be established. I have also restricted myself to a conversion from Sterling to the new Scottish currency based on an assumption that the same banking products and a broadly similar banking environment would continue. Consequently in this paper it is not my intention to propose a new banking system for Scotland that is markedly different from the current UK model as this would make this paper unnecessarily complex. However it can be envisaged that the new Scottish banking landscape will be different from the current UK one (mainly because the UK banking system is itself going through a period of change).

Where relevant I have tried to give an indication of cost and the basis for calculating those costs has been described. However where potential costs are indicated then these costs should be taken as order of magnitude costs for the conversion as I have not carried out a full cost / benefit exercise to calculate the full cost of currency conversion.

Transition Period

By necessity there will be a transition period between a vote for independence and the introduction of a new currency. During the 2014 Scottish independence referendum the Scottish government proposed a period of 18 months between a vote for independence and the date of independence. During this period the separation of Scotland from the rest of the United Kingdom (including currency arrangements) would have been negotiated. This is a short timeframe; shorter than the 2 year period given in Article 50 of the Treaty on European Union which governs a state leaving the European Union and shorter still than the 3 year transition period for the first wave of countries to join the Euro.

Any plan for the introduction of a new Scottish currency would need to be incorporated into the plan for the transition period between a vote for independence and the country becoming independent. The simpler the transition to a new currency, the easier it will be to incorporate the introduction of the new currency within the sort of timescales described above. This transition period is illustrated overleaf.

The day after any vote for independence all Scottish assets will be converted from Sterling to the new Scottish Currency; hence the timeline assumes that a working group will need to be quickly established to manage this process. The next steps would be to create an electronic Scottish currency and give the new currency a value against Sterling. Maintaining Scottish Currency equivalence with
Sterling for the transition period which would mean 1.00 “Scots” would be equal to £1.00 in a similar manner to the Irish Punt and Sterling having equivalent value for much of the 20th century.

Once this equivalence between Sterling and the Scottish currency had been established for the transition period, then the transition period would consist gradual redenomination of assets and liabilities from Sterling to the Scottish currency during the transition period thereby minimising the risks associated with trying to do everything during a short time period (such as a changeover weekend).

The end of the transition period would be marked by the introduction of the physical currency; the notes and coins, in the same way that the issuance of Euro notes and coins on 1st January 2002 marked the end of the 3 year changeover period when the Euro currency was introduced.

At the end of a transition period the new Scottish currency could float free from Sterling and be established as a free floating independent currency in both physical and electronic forms. Whether the Scottish currency was then linked to any other currency (for example by joining the European Exchange Rate mechanism or being linked to the value of Sterling) or continue to be a free floating currency would then be a decision for the Scottish government.

So assuming there was a plan for a Scottish Currency going into the referendum vote (and consequently there was not a long discussion regarding currency arrangements post a vote for independence) then there would be something like a 3 month period to set-up a working group, create an electronic currency and set a 1:1 exchange rate for Sterling.

The Working Group would effectively be a steering committee set-up to oversee the set-up of the Scottish Currency. The make-up of this group would consist of civil servants and experts from the financial services industry with political oversight from elected members of the Scottish Parliament. The cost of the people involved could come from existing budget (for example civil service salaries or financial services companies paying for staff to be on the committee – in exchange for privileged knowledge) however it would be better to see this as a separate cost and to ensure no conflicts of interest from the people involved. Therefore on the basis of this I would estimate a cost of £1-2 million a year for the management and oversight necessary to introduce the Scottish currency, based on the requirement of people having sufficient knowledge and experience to successfully manage this process.

Banking

Bank Accounts

The first complicating factor in the conversion of bank accounts from Sterling to the new Scottish currency is defining what constitutes a Scottish bank account. Traditionally bank accounts have been linked to a branch which can be identified by a sort code; such as 83-25-23 for the RBS branch in Nairn. However with the advent of internet banking many people have bank accounts that “exist” in a data centre. For example anyone with a Co-operative Bank account with a sort code of 08-93-00 has a branch described as “Central Customer Services” which is actually a data centre in England. However this type of branchless internet bank account could be held by thousands of people.
in Scotland; these people will be resident in Scotland but after independence would hold an English bank account.

“The first complicating factor in the conversion of bank accounts from Sterling to a new Scottish Currency is defining what constitutes a Scottish bank account.”

Similarly there will be people resident outwith Scotland who have “Scottish bank accounts”. Consider the student who opened a bank account at a branch in Edinburgh while at university and then, following graduation, returned to their native Cardiff but had never moved their bank account to a Welsh branch. After independence they would not want the bank account that their Welsh employer pays into, to be converted from Sterling to the new Scottish currency and so be subject to foreign exchange transaction costs on any payment made in Sterling. Consequently they would want to have the option of converting their Scottish bank account to a United Kingdom bank account which would continue to be denominated in Sterling.

The other complicating factor is that Sterling will continue to be a currency. In fact some Scottish bank account holders may wish to continue to hold Sterling bank accounts after the introduction of the Scottish currency. For example someone living in Gretna but working in Carlisle (and so being paid in Sterling) may wish to keep a Sterling bank account in addition to opening a Scottish currency account. Many people and small businesses who are resident in Northern Ireland but who work or shop in the Republic of Ireland hold both Euro and Sterling accounts and move money between the accounts when prudent or necessary to do so.

Consider a small business based in Scotland but with no English employees. If they do work in both England and Scotland. They will find it easier to price the English work in Sterling and the Scottish work in the new Scottish currency. So it would make sense to hold both Sterling and Scottish currency bank accounts. Any goods or services they purchase in England would be paid from the Sterling account and any in Scotland would be paid for from the Scottish currency one; thereby minimising their exchange transaction costs.

“It would not be fair for the Scottish Government to mandate the conversion of every personal bank account in Scotland to be redenominated in the new Scottish Currency.”

So it is not straight forward to identify a Scottish account or even how every Scottish bank account should be handled. Therefore it would not be fair for the Scottish government to mandate the conversion of every personal bank account in Scotland to be redenominated in the new Scottish currency.

Instead I believe the best course of action is as follows:

- Create an electronic Scottish currency shortly after the vote for independence.
- Allow Scottish residents to convert the currency of their account from Sterling to the new Scottish currency. Assuming the banks want to keep their customers they would probably facilitate this by moving any customers with “English” accounts to Scottish sort codes. Similarly if a Scottish customer is at a bank that chooses not to offer Scottish bank accounts the Current Account Switching Service (CASS) could be used to facilitate a change of bank and thereby allowing them to convert to an account in the new Scottish currency.

- It can be assumed that there will be a rush of supporters of Scottish independence who will want to convert their bank accounts to the new Scottish currency at the earliest opportunity, followed by a smaller number who will convert their bank account over time, as confidence in the new currency grows. Finally (probably based on a communication campaign from the Scottish government on the need to pay taxes or receive welfare payments in the new Scottish currency) there will be a rush to convert bank accounts to the new Scottish currency at either the time the country becomes independent or when the physical form of the currency is introduced (which could be on the same date).

At the end of the transition period there would no longer be equivalence between Sterling and the new Scottish currency. Once this period had ended the simple account switching arrangements would no longer apply and thereafter any movement of funds between a Sterling account and a Scottish currency account could be subject to foreign exchange transaction costs.

This conversion process would be paid for by the banks that have made the commercial decision to offer Scottish currency accounts (in the same way that there is no cost to a customer for switching bank accounts using the existing Current Account Switching Service). It would be on the basis of a commercial investment to allow the banks concerned to continue to have customers in an independent Scotland. Whilst there would be some additional cost (administration costs associated with setting up a separate Scottish operation, marketing costs associated with the new Scottish bank accounts) these costs would also apply if an independent Scotland continued to use Sterling. For example after independence banks would need to be able to segregate Scottish Bank Accounts from those held in the rest of the UK as Scottish law would apply to these bank accounts.

I do not foresee a major IT project associated with this for most large retail banks as their IT systems support multi-currency banking already and adding a new currency is an administrative task rather than one involving a change of IT system.

However for some smaller financial institutions there may be additional costs if they do not have multi-currency IT systems. So if for example a credit union did not have a multi-currency IT system then they would either need to convert all their accounts at the same time (which would probably need a vote at the AGM of its membership) or need to invest in a new computer system. For this reason there may be a need to offer government support to some of these smaller credit unions along the lines of the existing Credit Union Expansion Program (CUEP) being rolled out by the UK government as part of its financial inclusion proposals included in the introduction of Universal Credit. To give some scale of the costs the government budget for CUEP...
was £36 million, assuming 10% of this was directed to Scottish credit unions gives a cost of £3-4 million. This support would not be required by all credit unions as a number have modernised their IT infrastructure over the last few years and could support holding accounts in Scottish and Sterling currencies.

**Payments**

During the transition period any electronic payment (payment from a debit card, transfer of funds, etc.) from a Scottish currency account paying to a Sterling account would be treated as a payment in an equivalent currency and the full amount credited to the Sterling account without any foreign currency transaction costs.

This would allow accounts to be converted during the transition period without having to try and co-ordinate a switchover where the whole banking system would transition to the new currency on the same date. It would allow banks to transition accounts to the new Scottish currency at different times within the transition period thereby minimising the disruption to the banking system.

After the transition period if the Scottish currency became a free floating currency then a payment between a Scottish and a Sterling currency account would be treated as a cross currency payment and so could attract a foreign exchange transaction fee from the bank (though it could be a competitive advantage for a commercial bank not to do this and the introduction of the revised Payment Services Directive could well minimise these transaction costs).

The biggest decision with regards to payments would be what infrastructure would be used to carry the payments after independence. Currently in the UK there are a number of different payment systems (BACS, Faster Payments, CHAPS) all of which use different message formats and are Sterling based as they are for the UK domestic market. However based on the Payments Strategy for UK Payments published by the Payment Strategy Forum in November 2016 these different systems will be consolidated into a single New Payments Architecture by 2021.

A newly independent Scotland would need to set-up a domestic payments infrastructure for the new Scottish currency, however the starting point for this infrastructure would depend on the date of independence and how much of the UK New Payments Architecture was in place.

In addition to a domestic payments infrastructure, the new Scottish currency would need to be set-up on international payment systems (such as SWIFT) so that any payment identified as belonging to a “Scottish Bank Account” (based on the country code of the account – see below) from anywhere in the world would directed to the correct Scottish bank account.

The simplest solution would be to build a single Scottish payment system based on the ISO 20022 payment message standard for all Scottish payments (this corresponds with the New Payments Architecture described in the UK Payments Strategy). The ISO 20022 message standard is used in the Euro zone in the Single European Payment Area (SEPA), by Singapore and is being introduced by countries such as the USA, Switzerland, Australia, New Zealand and Canada over the next few years. As such a diverse set of countries will be using the same payment message standards then this will simplify the movement of money from one country to another and reduce time, complexity and cost. The eventual aim is to be able to send a payment between say Frankfurt and New York instantly (instead of 2 days as it is at the moment).

For this reason the UK Payments Strategy plans to adopt the international standard for payments messages in its New Payments Architecture. This will mean that all UK Financial Services operations will be running projects to modify their IT infrastructure to use the ISO 20022 international payments standard over the next 5 years. This will not be as big a task for them as it sounds as any of them that send Euro payments will already have software that supports these standards (additionally accounting software such as SAGE can also produce payments in the ISO 20022 format).

Given that the work to produce a world standard payment system is already being done the only Scottish aspect to this is the Scottish Clearing system that sits in the middle. This is illustrated in the diagram below;

In this diagram £10 is being transferred from the Co-Operative Bank Account 87654321 to the RBS bank account 12345678. When this is done the account holder at the Co-operative Bank inputs the sort code and account number of the bank they would like the money paid to. The process then follows the following path;

1. The Co-Operative Bank software identifies the sort code as an external sort code (i.e. not a Co-operative Bank sort code) and passes it to a Clearing System.
2. As the sort code is a Faster Payment enabled sort code then in this example the clearing system will be Faster Payments
3. The Clearing System identifies the sort code as an RBS sort code and the payment is sent to the RBS data centre.
4. The RBS IT system takes the payment message and identifies the account to be credited and credits the account 12345678 with £10.

A number of decisions would need to be made regarding this in a Scottish context. Firstly would we need a centralised clearing system (like Faster Payments today) or would we have a Distributed Ledger where each clearing bank talks directly to other clearing banks (this is also a decision for the UK Payments Strategy). If we have a distributed ledger then we do not need to build a central clearing system. However, the technology is still new and untested at the sort of volumes needed to support a national payment system. If we had a centralised clearing system we need to decide if this is something that is owned by a commercial company (such as VocaLink) or something that is run as part of government supported infrastructure. The UK
The White Paper Project

05

How to make a Currency

Payment Strategy envisages any central clearing system to be run by a commercial company which would probably be owned by a group of the larger UK banks.

The pragmatic solution would be to look at what is happening in the UK and SEPA regions. If they are replacing a Centralised Clearing system with a Distributed Ledger then it would make sense for Scotland to do the same and this would make it easier for a Scottish Payments system to be compatible with our trading partners which would reduce the cost of international payments.

In the UK Payments Strategy produced by the UK Strategy Forum a cost benefit analysis has been produced. They are assuming a reduction in the cost of a payments transaction of 90% (though a SEPA study puts this at 25%). This is achieved by the simplification of payments into a single system rather than maintaining multiple payment systems (Faster Payments, BACS and CHAPS). So while there will be current infrastructure decommissioning costs and parallel infrastructure running costs (while the old payments architecture is decommissioned and new Payments Architecture is adopted) there is an overall reduction in costs by adopting a new payments architecture. In the report it gives an indicative figure of a net financial benefit of £0.8 – 1.5 billion to the UK payments industry by adopting the New Payments Architecture against evolving the current technology.

"From a Scottish perspective there could be a case for a government owned Centralised Payment System as this would make the movement of money in Scotland more transparent and enable potential benefits."

Two points to note; any set-up costs would be paid by the financial services companies benefiting from the payment schemes and the financial benefit figure is at a UK level (rather than at a Scottish level where the figure would be smaller because of the smaller volumes concerned).

From a Scottish perspective there could be a case for a government owned Centralised Payment System as this would make the movement of money in Scotland more transparent and enable potential benefits such as:

- Easier identification of tax avoidance
- Reduced fraud (by having a centralised scheme to identify accounts used in fraudulent behaviour)
- Easier anti-money laundering identification

If there was a decision to set-up a centralised Scottish Payments system then there would need to be a capital investment before the cost reduction benefits began to accrue. As an indication of this cost, setting up a new centralised Scottish Payments system would be of an order of magnitude of £10-30 million depending on the amount of functionality involved (for example whether or not to implement anti money laundering detection or a payment fraud detection system as part of a centralised payment system). This is assuming that the existing ISO 20022 model was followed and there was not an attempt to create a bespoke payment system just for Scotland (which would be more expensive).

Standing Orders

Standing orders are set-up and controlled by the account holder of the bank account being debited by the Standing Order. They are a request to transfer a certain amount of money to a particular account at a regular interval. Consequently if the bank account were redenominated from Sterling to the new Scottish Currency then the standing orders attached to the bank account would also be redenominated to the new Scottish Currency.

During the transition period any standing order from a redenominated account paying to a Sterling account would be treated as a payment in an equivalent currency and the full amount credited to the Sterling account without any foreign currency transaction costs.

As with payments; treating Standing Orders between Scottish Currency and Sterling accounts as being equivalent currencies during the transition period would allow time for the financial services industry to convert bank accounts to the new Scottish Currency. As with payments after the transition period a standing order between a Scottish and a Sterling currency account would be treated as a cross currency payment and so could attract foreign exchange commission from the bank.

Direct Debits

Direct debits differ from standing orders in that the direct debit represents a mandate to debit money from a bank account. This can be a regular amount (for example to pay off a loan) or could be a variable amount (for example based on mobile phone usage, or electricity usage).

At the time of the independence vote generally direct debits debiting Scottish bank accounts would exist in Sterling. For example a fixed price electricity tariff of £50 a month. There would be two options with direct debits:

- The company holding the mandate (the electricity provider or local gym for example) may choose to offer to re-denominate the direct debit from Sterling to the new Scottish Currency. This would probably involve the business setting up a Scottish Currency bank account to be credited with the direct debit payments. The customer could then switch the currency of the direct debit at the time they re-denominated their bank account.

- The customer choosing to switch supplier (using a utility provider switching website) to set-up a payment plan in the new Scottish Currency for those companies that do not offer payment in the new Scottish Currency.

It would make sense for the Scottish Government to provide help for those people without access to the internet to ease the switch of utility provider for those people who need it. Obviously by setting the new Scottish Currency to be an equivalent currency to Sterling during the transition period would allow this process to take place throughout the transition period.

Note: as part of the new UK Payments Strategy a new “Request to Pay” product is being introduced. This would work in a
similar way to a Direct Debit but instead of the company being credited by the direct debit (the electricity provider or local gym in the above example) deciding how much will be paid the person whose account is being debited is in control of the amount being debited. At the moment the rules of the “Request to Pay” product are not available but it will probably work in a similar way to a direct debit in that it is initiated by a mandate to debit money from an account with the difference being that the customer is in control of how much. Based on this assumption the redenomination of a “Request to Pay” product would work in the same way as the redenomination of a direct debit.

**ISAs**

Cash ISAs are savings accounts which have no tax levied on the interest earned from the savings. They could be converted to the new Scottish Currency using the same arrangements as other types of bank accounts. If the ISA Account was converted to a Scottish Currency savings account then it can be assumed that the UK government would probably no longer recognise it as a UK Cash ISA account and any tax arrangements associated would be based on the decisions of the Scottish Government.

Securities ISAs are investments in funds, gilts, equities or corporate bonds. They are often sold as funds with the fund manager making the investment in the actual underlying assets. Irrespective of the Scottish Currency introduction, the currency of the underlying equities and bonds would stay the same as they would become holdings in stock listed on a Stock Exchange (unless of course the underlying assets were redenominated). These could continue to be held a units of a Sterling invested fund (in the same way that UK citizens can hold investments denominated in US Dollars, Euros or Japanese Yen); so there is no necessity to redenominate these; however the holder would have to accept the exchange risk against Sterling if they wished to sell them and receive the proceeds in the Scottish Currency after the transition period.

“There is no necessity to redenominate ISAs and depending on the new Scottish Government’s attitude to tax-free investments it may make more financial sense to leave them denominated in Sterling.”

Under the current ISA regulations of the UK Government, an ISA holder that moves abroad (i.e. ceases to be resident in the UK) can continue to hold any existing ISA accounts. Therefore any resident of Scotland who owned an ISA at the time of independence and who chose to keep it, could do so and would continue to enjoy the tax free arrangements associated with the ISA product. So there is no necessity to redenominate ISAs and depending on the new Scottish Government’s attitude to tax-free investments it may make more financial sense to leave them denominated in Sterling.

**Mortgages**

There may be different treatments for mortgages based on the time of final repayment of the mortgage. For example for a mortgage where the final repayment is made during the transition period, the lender(s) repaying the mortgage may choose to pay it off in Sterling; whereas for a mortgage that will be paid off after the transition period, the lender(s) repaying the mortgage may choose to convert the mortgage into the new Scottish Currency or continue to keep the mortgage in Sterling. For a conversion during the transition period the redenomination rules of equivalence would apply.

As with other types of bank account it will be possible to convert from a mortgage provider that is not offering Scottish Currency mortgages to one that is offering Scottish Currency mortgages.

However there may be lender(s) locked into longer term agreements (for example fixed interest rate mortgages) or mortgages with early redemption fees where it will cost the lender(s) to convert the mortgage to the new Scottish Currency or the bank will refuse to allow conversion to take place (for example if they feel the Scottish Currency will depreciate against Sterling once the currencies are separated). In these scenarios the lender(s) could either be hit with fees through no fault of their own or they could be prevented from converting their mortgage to the new Scottish Currency (and so paying a foreign currency transaction fee with every mortgage repayment).

Consequently, there would be a case (on the basis of fairness) for the Scottish Government either to mandate that all mortgages on Scottish property can be converted to the new Scottish Currency or for the Scottish Government to repay any fees incurred by Scottish residents as a result of the conversion of a Sterling mortgage to a Scottish Currency mortgage. In the 2011 census there were 2.4 million households in Scotland of which 34% lived in a dwelling with a mortgage. This gives 816,000 mortgages in Scotland at the time of the census. The fees and charges attached to each of these mortgages will vary but if we take use of an indicative fee to redeem a mortgage early of £1,000 then this cost is potentially a substantial figure of £816 million.

This is of course a very high figure, but it is at the top-end of potential estimates for government help in the redenomination of mortgages. In reality, if someone redeems their mortgage early to change the currency of the mortgage, then the likelihood is that they will need to replace it with another one in the new Scottish Currency. So they will look to find the best deal from the other mortgage providers in the market. In this scenario a mortgage provider risks losing all of their Scottish loan book as a result of their refusal to offer mortgages in the new Scottish Currency. Consequently, the likelihood is that most mortgage providers will seek to retain their business by offering to convert the currency of their Scottish mortgages to the new Scottish Currency to keep their customers.

**Physical Currency**

**Introduction of a Physical Currency**

Many people see the physical notes and coins of a national currency as symbols of the country. For example: the campaigns to “keep the pound” in the 1990’s focused on the notes and coins of Sterling as being symbolic of UK independence. Indeed, one of the strongest objections made was that the Euro currency would
not have a “picture of the Queen” on them (in fact if there had been UK Euro coins they could have had a picture of the Queen on them as is the case with Dutch and Belgian coins both of which have a representation of the country’s monarch on them).

In Scotland too there is a strong affinity with Scottish notes and if they are refused (as sometimes happens when they are used in the rest of the United Kingdom) it can feel like an insult.

“Many people see the physical notes and coins of a national currency as symbols of the country.”

So while there are many in the financial services industry who would like to see a cashless society (as any electronic payment can attract a transaction charge and the handling of physical money is more expensive than electronic money) I believe the creation of a Scottish Currency without an accompanying set of notes and coins would not attract widespread support.

As mentioned above the physical representation of money is often used in political campaigning. For example as part of the movement to independence from the Soviet Union, the Baltic States held competitions on the design of their post-independence currency as a way of normalising the idea of independence. So one way to attract support for the new currency and to give the Scottish people a sense of ownership toward the currency would be to run a design competition for the notes and coins of the new currency. If this competition was as inclusive as possible (including, for example, children’s designs and art therapy groups as well as professional artists) then it would be seen as a currency of the Scottish people and so become more widely accepted.

The introduction of a physical currency is time consuming. When the Euro was set-up there was a 3 year period between the point that the electronic Euro currency came into existence and the physical notes and coins were introduced. Similarly the decision by the Bank of England to introduce a new £5 polymer note was made in December 2013 but the actual note was not introduced until September 2016, similarly the new £1 coin was announced in the 2014 budget and will enter circulation in March 2017. So an estimate can be made that the introduction of a physical Scottish Currency would take about three years.

One of the reasons for the length of time it takes to introduce a physical currency is the need to change vending machines and ATMs. There will also be a cost associated with the recalibration of vending machines and ATMs for the new notes and coins; for example the Automatic Vending Association have said the cost of introducing the new 5p and 10p coins in 2011 was £28.9 million and the cost of introducing the new £1 coin is estimated at £32 million to ensure that the estimated 500,000 vending machines in the UK can accept the new coin. It should be noted that replacing a whole currency allows vending machines to be upgraded for all notes and coins at the same time so this cost is not magnified by the number of new notes and coins being introduced. Therefore it can be expected that this cost for Scotland would be of the order of £5 - £10 million and could be reduced as many newer vending machines can be re-programmed to accept a new coin (or set of coins) rather than need to have their mechanism physically changed.

Notes and Coins

In the same way that establishing an equivalence between Sterling and the new Scottish Currency will simplify the introduction of the new currency; so maintaining the same value for the coins and notes that will make up the physical currency will simplify its introduction (for example a £1 coin will be replaced by a 1.00 “Scots” coin). This will mean that shops will not need to change their tills as £1.23 will be held in the same compartments as 1.23 “Scots”.

Consequently the simplest introduction of a Scottish Currency would be a decimal Scottish Pound made up of 100 cents. The notes and coins of this currency would be:

- 1 cent coin
- 2 cent coin
- 5 cent coin
- 10 cent coin
- 20 cent coin
- 50 cent coin
- 1 Scottish Pound coin
- 5 Scottish Pound note
- 10 Scottish Pound note
- 20 Scottish Pound note
- 50 Scottish Pound note
- 100 Scottish Pound note

With regards to the introduction of the new physical currency during the most recent switchover of currency in Europe (the introduction of the Euro to Slovakia in 2015) the new Euro currency replaced the existing Slovakian Crowns during a two-week period. Based on this example any introduction of the physical currency should be planned to be distributed to banks, credit unions, ATMs etc. prior to the two-week period. A service offering exchange of notes and coins to businesses should then be in place for the two-week period and thereafter the physical currency used in Scotland would be the new Scottish Currency.

Cost of Setting up a New Currency

When a central bank issues bank notes it does so at a profit based on the difference in the cost of production of the notes and the face value of the note. This is known as seigniorage. In its 2016 Annual Report the Bank of England give a figure of £462 million in net seigniorage income based on a value of £67,818 million of notes in circulation.

Based on figures from the Bank of England on 29th February 2016 the three authorised banks in Scotland (Clydesdale Bank, Bank of Scotland and RBS) had a total of £4,462 million worth of notes in circulation.

Based on these figures the value of Scottish bank notes in circulation was roughly 6.6% of the UK notes in circulation. Based on this very rough calculation the seigniorage income to a Scottish Central Bank would be around £30 million.

Studies associated with the introduction of polymer notes in Australia put the cost of production of a polymer note as around 17 Australian cents (roughly 10 pence). The number of notes in circulation in the UK is around 3,500 million notes. Taking a
percentage of this based on the value of notes issued by Scottish banks gives 228 million Scottish bank notes. So using the figure for cost of production of the Australian bank notes this would give an estimated cost of production of £23 million for a new set of Scottish bank notes.

Obviously there are not the same profits to be made from the issue of lower denomination coins as there are from higher denomination notes but from the figures shown above, based on an investment of around £50 million for the issuance of a new physical currency by Scotland, then the Central Bank would be in profit in less than 2 years.

One point to note is that the Sterling notes and coins exchanged for the Scottish Currency will still have a value as they will still be used in the Sterling area. Thus the physical Sterling exchanged could be used to pay for the costs associated with the new Scottish Currency or alternatively this amount could form part of the foreign currency reserve of the new Scottish Central Bank.

Introducing the Scottish Currency

Taxation

To ensure the Scottish Currency is a success the Scottish Government should mandate the payment of taxes and legal fines to be made in the new Scottish Currency as early as possible in the process. This could be as soon as the Scottish Currency was created in an electronic form. To ensure this happens not only at a central government level but also at a local government level, a deadline should be set of all local taxes to be collected in the new Scottish Currency a year prior to the final introduction of the physical Scottish Currency and the end of the transition period. This will mean investment in IT infrastructure at both a central and local government level but this could be part of a larger independence driven IT update.

“To ensure the Scottish Currency is a success the Scottish Government should mandate the payment of taxes and legal fines to be made in the new Scottish Currency as early as possible in the process.”

As equivalence would exist between Sterling and the new Scottish Currency then the fact that many Scottish people were paying taxes from a Sterling bank account would not be a problem as there would not be any foreign exchange transaction costs for tax payers during the transition period.

However this will put pressure on people reluctant to redenominate their bank accounts to the new Scottish Currency to do so as the end of the transition period approached as after the end of the transition period any tax or legal fine payments to the central or local government would attract a foreign currency transaction cost.

Welfare Payments

In a similar way to taxation, if all welfare payments were made in the new Scottish Currency this would help normalise the use of the new Scottish Currency; especially for payments made into a bank account (which is mandated for Universal Credit). If all payments were made in the new Scottish Currency then this would ensure that the new currency was quickly adopted; not only by welfare recipients but also by the business whose income depends on the trade from the welfare recipients. Thus based on activities entirely within its control (taxation and welfare) the Scottish Government could ensure the widespread use of the new Scottish Currency.

Business

Shop Prices

As there would be equivalence between the new Scottish Currency and Sterling during the transition period then prices in shops would be the same on the first day that the physical Scottish Currency was introduced as they will have been in Sterling on the day before. This will ensure we avoid the creeping inflation that has taken place at the time of some other currency conversions (such as UK decimalisation in 1971). It will also make the conversion easier to understand as an item in a Pound shop costing £1.00 will be priced at 1.00 “Scots” once the new Scottish Currency has been introduced.

“Prices in shops would be the same on the first day that the physical Scottish Currency was introduced as they will have been in Sterling on the day before.”

This will ensure that on the day of introduction of the new currency the new prices are easily understandable (they are the same as the old prices), costs to shop keepers are reduced (they do not need to re-price all their stock) and there is no scope for hidden price changes.

Websites

As with shop prices on the final day of the transition period, the initial price will not be different between a Sterling price and a Scottish Currency price. However any commercial website that displayed prices would need to be changed to indicate the prices are in the new Scottish Currency rather than Sterling. This could be done in one of two ways;

If the website displays currencies in a number of different currencies (Sterling, Euro, US Dollars, etc.) then the new Scottish Currency will need to be added to the list of currencies and an exchange rate against the base currency applied.

If the website is previously only in Sterling then either the website will need to be amended to explicitly state that prices are in the new Scottish Currency or enhanced to show prices in both Sterling and the new Scottish Currency (which will be the same initially but could be different if the Scottish Currency floats).
As prices (and stock) change over time then this would not be an onerous task for any business (as it can be assumed that no business would keep its prices the same indefinitely) except where it chose to introduce a separate Scottish website. However given that a number of different factors could trigger the need for a separate Scottish website (taxation rates, specific legal wording, data protection rules, etc.) this would be an investment that would be triggered by independence rather than by the adoption of a separate currency.

### Business Contracts

As Sterling will continue to be a valid currency following the introduction of the new Scottish Currency then any existing business contracts priced in Sterling would continue to be valid in Sterling unless they were renegotiated.

Now while it would make sense for a contract between two Scottish companies or between a Scottish employer and Scottish employee to be renegotiated in the new Scottish Currency there would be no legal obligation to do so. Where one party belonged to the remaining part of the United Kingdom from their perspective it may make sense to continue to price the contractual obligations in Sterling as this will reduce their exchange rate risk once the Scottish Currency is floated.

For example while the contract between a bakery in Kilmarnock and a shop in Ayr could be changed from £50 per 100 loaves to 50 “Scots” per 100 loaves quite simply by mutual agreement (as the shop will have its staff paid in the new Scottish Currency and the shop in Ayr will sell the loaves in the new Scottish Currency) the supplier of flour to the baker that was based in Lincolnshire may be less willing to renegotiate the contract from Sterling to the new Scottish Currency. If the contract for flour specified a price in Sterling then it would need agreement from both parties to begin to pay in the new Scottish Currency. Therefore the currency of the contract would probably come down to the bargaining strengths of the companies engaged in the contract.

However it can be assumed that if Scottish taxes and social security obligations were payable in the new Scottish Currency, then it would be expected that most employees of Scottish companies that were resident in Scotland will have their employment contracts converted to the new Scottish Currency.

### Company Accounts

Limited companies are not registered in the United Kingdom. They are registered under Scottish law or English and Welsh law. Scottish companies can be identified by “SC” preceding their company number. For example “SC999999”.

Many Scottish companies currently file company accounts in Sterling. There is no obligation to file in Sterling, the requirement is to file the accounts in the local currency of the company; i.e. the currency most of the company’s transactions are carried out in, which for most companies in Scotland is Sterling. In the future, assuming similar rules continue, then for many companies registered in Scotland the accounts will need to be submitted in the new Scottish Currency. However, the Scottish Government could require companies registered in Scotland to make returns in the new Scottish Currency as all taxes will be liable in that currency.

During the transition period between the vote for independence and the introduction of the new Scottish Currency companies could convert from reporting in Sterling to reporting in the new Scottish Currency. Assuming an electronic version of the Scottish Currency was introduced prior to the introduction of a new physical Scottish Currency then companies registered in Scotland could pass a resolution to convert their books from Sterling to the new Scottish Currency in readiness for the final currency switchover. As the numbers would be the same the conversion would simply be a 1:1 transfer from Sterling to a Scottish Currency to maintain transparency and accuracy within the company accounts.

### Redenomination of Government Debt

In the first Scottish Independence Referendum held in September 2014 the UK government made a commitment to honour all UK debt so that an independent Scotland would begin with no government debt. A response to this announcement by the Scottish Government stated that the Scottish Government would be prepared to repay a proportion of the UK debt that stood at the time of independence. This was made on the basis that the Scottish Currency was Sterling and that Scottish taxes would be collected in Sterling and so the repayment would be in Sterling without any currency conversion required.

Whether or not the Scottish Government takes on the obligation to repay a proportion of the UK government debt; as the Scottish Government has been given capital borrowing limits in the 2012 Scotland Act then the Scottish Government would have incurred borrowing of its own at the time of independence. Under the 2016 fiscal framework between the UK and Scottish Government this borrowing could be through a commercial loan or through the issue of bonds.

The sovereign debt (both UK and Scottish Government debt) held at the time of independence would be denominated in Sterling.

The currency of a payment obligation is ascertained using the principle of Lex Monetae. As set out by F.A. Mann (“The Legal Aspect of Money”, 5th ed.), it is the law of the currency (“Lex Monetae”) that determines whether, when a country changes its currency, sums expressed in the former currency are to be converted into the new one. The underlying assumption is that money as a legal construction is subject to the power of the State. It is held that each State exercises its sovereign power over its own currency, and that no State can legislate to affect another country’s currency.

Indeed legal advice issued regarding the risk of Greece leaving the Euro suggests that the governing law of a contract does not necessarily dictate the currency in which it is settled. Consequently any Sterling debt obligations of the Scottish Government as a result of its own borrowing following independence would be controlled by the laws of Scotland and so could be redenominated and repaid in the Scottish Currency if the Scottish Government chose to do so.
However this interpretation would be open to legal challenge in the case of UK debt which had been apportioned to Scotland following independence (as the debt would be expressly denominated in Sterling and the currency of the continuing UK is still Sterling).

As a consequence the Scottish Government would have a decision to make whether to redenominate the debt into the new Scottish Currency and make interest and principal repayments in the new Scottish Currency or alternatively keep the debt in Sterling and make the repayments in Sterling. There may be good reasons for keeping the debt denominated in Sterling under the terms that the debt was issued (for example to help establish a credit rating for the Scottish state) but this would be a decision for the Scottish Government.

“If the Scottish Government chose to redenominate some or all of its debt then during the transition period the conversion of Sovereign bonds could be made at an exchange rate of 1:1. So 1,000 £1.00 bonds maturing on 1st January 2020 paying 4% in two annual coupons would become 1,000 1.00 “Scots” bonds maturing on 1st January 2020 paying 4% interest. Once the redenomination had taken place the Scottish Government would then make any future interest or principal repayments using the new Scottish Currency.”

Scottish Central Bank

Establishment of a Scottish Central Bank

To oversee all the activities described above and to act as a lender of last resort for the Scottish banking system a Scottish Central Bank will need to be established. Again, as with taxation, this should be set-up early in the process even if this initially acts as a Currency Board rather than central bank. Scotland should try to avoid the mistakes of countries such as Lithuania where the Central Bank was also a commercial bank as this resulted in conflicts of interest and accusations that it was setting the rules to suit its own commercial activities.

“Scotland should try to avoid the mistake of countries such as Lithuania where the Central Bank was also a commercial bank as this resulted in conflicts of interest and accusations that it was setting the rules to suit its own commercial activities.”

“The Scottish Government would have a decision to make whether to redenominate the debt into the new Scottish Currency and make interest and principal repayments in the new Scottish Currency or alternatively keep the debt in Sterling and make the repayments in Sterling.”

If the UK government agreed to apportion the debt and reserves of the United Kingdom at the time of Scottish independence between Scotland and the continuing United Kingdom as part of an independence agreement, then it has been estimated (based on a population share of UK reserves) that this could mean the Central Bank of Scotland starting with foreign exchange reserves of around £8 billion; so some other activities would be required to build up a healthy reserve. In doing so this would make it difficult for the Scottish Government to peg the currency value against another currency as this would require foreign exchange reserves to be used in the event of an attempt by the foreign exchange markets to force the value of the Scottish Currency away from the pegged rate.

Thus it can be assumed that it will not be possible to establish a Scottish Central Bank within the transition period with sufficient foreign currency reserves to allow all eventualities. Consequently the management of any foreign currency reserves will be a decision for the Scottish Government following the establishment of the Scottish Currency.

I mentioned that the start of the transition period should see a working group set-up to oversee the start of the process of the introduction of the new currency. While this working group would oversee the establishment of the new currency, once a Scottish Central Bank had been established they would begin to report to the new institution and it could make sense for the working group to become part of the Scottish Central Bank as the Central Bank would take on the role of managing the Scottish Currency once it had been established.

Supervisory Role

The Central Bank would have a supervisory role within the transition period and it would help define the rules for the set-up of the new currency and the redenomination of bank account, credit union accounts, lending, etc. This supervision may not be a Central Bank function but during the transition period would need to be run by a government authority that includes the Scottish Central bank.

It would also need to supervise the financial services industry business while the new Scottish Currency was being introduced. Initially it would work on the basis of the UK supervisory legislation it had inherited (to ensure the financial system continues to function) but this would evolve during the transition period and the set-up of the new Scottish payments system to be a Scottish regulatory authority which could be markedly different from the UK regulatory set-up.

Foreign Exchange Reserves

To perform all the functions of a Central Bank the Scottish Central Bank would need to have foreign reserves.

Scotland should aim to start with foreign exchange reserves of around £15 billion, building up with the aim of getting towards £40 billion. There are a number of options to obtain the necessary foreign exchange reserves. These include; inheriting a proportion of the reserves from the United Kingdom, issuance of Scottish Government Bonds or building up reserves over time through the economic policies of the Scottish Government.

To make the repayments in Sterling. There may be good reasons for keeping the debt denominated in Sterling under the terms that the debt was issued (for example to help establish a credit rating for the Scottish state) but this would be a decision for the Scottish Government.

If the Scottish Government chose to redenominate some or all of its debt then during the transition period the conversion of Sovereign bonds could be made at an exchange rate of 1:1. So 1,000 £1.00 bonds maturing on 1st January 2020 paying 4% in two annual coupons would become 1,000 1.00 “Scots” bonds maturing on 1st January 2020 paying 4% interest. Once the redenomination had taken place the Scottish Government would then make any future interest or principal repayments using the new Scottish Currency.
The White Paper Project

How to make a Currency

Scottish Country Code

One of the things that the central bank will need to address is the country code to be used for Scottish bank accounts. A country code is needed for international payments. Banks in the European Union are identified by an IBAN (International Bank Account Number). The first two characteristics of the IBAN number identify the country of the bank account. For example:

IBAN Number; GB29 NWBK 000003 123456678

This refers to a UK bank account (the country code for the UK is GB), held at NatWest Bank (NWBK), with a sort code of 00-00-03 and a bank account number of 12345678.

The country of the bank account is required not only to route a payment from say Germany or Japan to the national payments system but also to identify the country of the bank account for any money laundering or sanctions checking legislation.

Country codes are issued by the International Standards Organisation (ISO) and all the obvious two character country codes that could be used for Scotland (or variations like Caledonia or Alba) are already in use as is shown in the table below;

<table>
<thead>
<tr>
<th>Code</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST</td>
<td>Sao Tome and Principe</td>
</tr>
<tr>
<td>SC</td>
<td>Seychelles</td>
</tr>
<tr>
<td>SO</td>
<td>Somalia</td>
</tr>
<tr>
<td>SD</td>
<td>Sudan</td>
</tr>
<tr>
<td>CA</td>
<td>Canada</td>
</tr>
<tr>
<td>AL</td>
<td>Albania</td>
</tr>
</tbody>
</table>

Therefore a decision would need to be taken regarding which country code to use before Scottish bank accounts could begin to be opened.

Conclusion

From the process described in this document the introduction of a Scottish Currency is possible; in fact the introduction of regulations within the UK to allow consumers to switch accounts, re-register securities holdings, etc. to improve competition provides a framework to ease the movement of electronic assets from Sterling to the new Scottish Currency. However to ensure as smooth a transition as possible there will need to be a transition period following the creation of the new Scottish Currency as an electronic currency during which there is equivalence between new Scottish Currency and Sterling.

This transition period would end with the introduction of the physical Scottish Currency which would be introduced during a changeover weekend followed by a period of time (probably two weeks based on the introduction of the Euro) where Sterling could be exchanged for the new Scottish Currency free of charge at a 1:1 rate. After this period the new Scottish Currency would be independent of Sterling and a separate currency in its own right.

The transition period would run concurrently with that envisaged by the Scottish Government to conclude the separation negotiations of Scotland from the rest of the UK. However based on the experience of the introduction of other currencies it would not be possible to complete the introduction of the Scottish Currency within the 18 month time-frame that the Scottish Government proposed as a transition period at the 2014 referendum.

Instead a time-period of at least 3 years should be planned for (to introduce the physical currency and set-up the electronic infrastructure required for the Scottish Currency to make payments). In addition any time-frame should be based on a detailed analysis of the individual pieces of work that would need to be concluded to complete the set-up of the new Scottish Currency.
References

Adopting the Euro; European Commission report on Euro Adoption
BACS Members; BACS Website


Costs and Benefits of Building Faster Payment Systems; The UK Experience and Implications for the US, Claire Greene, Marc Rysman, Scott Schuh and Oz Shy.

Estimates of Households and Dwellings in Scotland 2015; National Records for Scotland Faster Payments Currency Participants; Faster Payments website

History of Estonian Money; museum eestipank.ee Individual Savings Account Overview; UK government website

ISO20022 Adoption Report; International Standards Organisation
ISO3166 ISO Country Codes; International Standards Organisation

Key Dates for New Payments Platform; Australian Payments Clearing Association

Leaving the Euro: A Practical Guide; lead author Roger Bootle

Moving to polymer banknotes; high level timeline – Bank of England

A Payment Strategy for the 21st Century; UK Payment Strategy Forum

Question on cross-border supply contract that provides payment in Euros – Thomson Reuters UK Practical Law
Real Time Payments and ISO20022; Payments UK Redenomination Risk; Which Euros will stay Euros; Analysis issued by Nomura Bank

Replacing the Rouble in Lithuania: Real Change versus Pseudo reform; Kurt Schuler, George Selgin, and Joseph Sinkey, Jr

Retail banking market investigation; UK Competition and Markets Authority

Scotland 2011 Census

Six ISO 20022 timeline; Payment Standards Switzerland website

Slovakia and the Euro; European Commission report on Slovakia joining the Euro

The Agreement between the Scottish Government and United Kingdom Government on the Scottish Government's fiscal framework – HM Government

The Legal Aspect of Money; F. A. Mann
The White Paper Project

COMMON WEAL POLICY

www.allofusfirst.org
ben@common.scot

3rd Floor, 111 Union St,
Glasgow, G1 3TA