

Comparing Krugerrand and Britannia Gold Coins

This document compares two popular gold bullion coins: the South African Krugerrand and the British Britannia. It covers their history, gold purity, design, legal tender status, availability, tax implications, and provides a detailed comparison. The document also briefly mentions other modern gold bullion coins for investors to consider.

History of the Krugerrand and Britannia

The Krugerrand and Britannia are two of their countries' most famous bullion coins, playing crucial roles in the world's gold and silver bullion markets. They represent both a store of value and cultural and historical symbols of their nations.

Krugerrand (1967)

Minted by the South African Mint, the Krugerrand is distinguished as the world's first gold bullion coin. Due to its long history, it is one of the most recognized gold coins globally. For a few years, some countries banned the importing of the Krugerrand in protest of apartheid. The ban was lifted in the U.S. in 1991.

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Britannia (1987)

Minted by The Royal Mint of the UK, the Britannia was introduced in 1987. While younger than the Krugerrand, it is still widely recognized, especially in Europe and the Commonwealth nations. In part this coin was created to satisfy the market's need for gold bullion coins when they could not access the Krugerrand.

Gold Purity

Gold purity refers to the amount of gold content in an item relative to other metals or impurities. It is expressed in karats or fineness for bullion.

Krugerrand

The Krugerrand coin is 22 karats or 91.67% gold. The remaining 8.33% is copper, giving it a reddish hue compared to other gold coins. This copper alloy also makes the coin more durable.

Britannia

As of 2013, Britannia coins have a purity of 24 karats, or 99.99% gold, making them among the purest gold coins on the market. Before 2013, they were 22 karats like the Krugerrand.

Coin Design

Coin design refers to the artistic and symbolic representation on a coin's surface. Since ancient times, coins have been used as a medium of exchange and to convey art, culture, power, and political messages.



Krugerrand Design

This coin features the likeness of Paul Kruger, the former president of the Republic of South Africa, on one side and the springbok antelope on the other.



Britannia Design

The Britannia features the iconic image of Britannia, the female embodiment of the British Isles, on one side and Queen Elizabeth II on the obverse. The design of Britannia may change from year to year, which may add collectible appeal.

Legal Tender and Availability

Legal tender means that the coin has been assigned a face value that can be used to make purchases. However, the gold content is worth far more than the face value.

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Krugerrand Legal Tender

While it is considered legal tender in South Africa, it does not have an assigned denomination.

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Britannia Legal Tender

The Britannia is a legal tender in the UK, with its value surpassing its face value, making it impractical for day-to-day transactions.

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Availability

While some coins have a low mintage and are difficult to obtain, these coins have been mass produced, and you can easily find them on the market. Due to its long history, the Krugerrand has many minted coins and can be easily bought and sold worldwide. The Britannia is also readily available, though not as globally pervasive as the Krugerrand.

Tax Implications

For many investors, tax implications may influence what they consider investing in. In many countries, you may be required to pay taxes if you sell your gold for a profit. On the other hand, you may also receive a tax benefit if you sell for a loss.

Krugerrand

Tax implications vary by country. In some countries, profits from its sale might be subject to capital gains tax.

Britannia

In the UK, Britannia gold coins are exempt from capital gains tax, making them especially attractive to UK investors.

Krugerrand vs Britannia Overview

This overview compares the specifications of these two coins. We compared the most modern, 1-ounce coin. While these coins differ slightly, they often hold similar value.

Specification	Krugerrand	Britannia
Origination	1967	1987
Purity	.9167	.9999 (Post 2013)
Gold Weight	31.10 Grams	34.05 Grams
Other Metal	Copper	Silver (Post 1990)
Legal Tender	Yes	Yes
Availability	Worldwide	Worldwide
Tax Implications	Varies	Advantages for UK citizens
Mint	South African Mint	The Royal Mint
Backer	South African Reserve Bank	British Government
1 oz Denomination	NA	100 Pounds
1 oz Size Diameter	32.77 mm	32.69 mm
1 oz Size Weight	33.93 Grams	34.05 Grams
Other Sizes Available	½, ¼, and 1/10 oz	5, ½, ¼, 1/10, 1/20 oz

Other Modern Gold Bullion Coins and Conclusion

Other countries who mint gold coins include the American countries like the U.S., Canada, and Mexico. European countries like Switzerland and Austria. Russia, China, and Australia also produce gold coins.



Canadian Golden Maple

A popular coin containing .9999 fine gold.



American Golden Eagle

A favored choice in the U.S.



Austrian Gold Philharmonic

Well-received in Europe.



Chinese Gold Panda

One of China's most significant gold bullion coin exports.

As with all gold coin investments, there are risks. The price of gold can be volatile, and there is no guarantee of return. It is essential to do thorough research and consult with your financial advisor before making significant investment decisions. For investors, both Kruggerands and Britannias offer reliability and are good stores of gold. The choice between them may depend on personal preference, tax implications, and availability. For those in the UK, the tax benefits of the Britannia may tip the scales in its favor, while the Krugerrand's global recognizability might be more appealing to international investors.