

CAYMAN ISLANDS



EURO CONVERSION LAW, 1999

(Law 4 of 1999)

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EURO CONVERSION LAW, 1999

(Law 4 of 1999)

A LAW TO PROVIDE FOR NECESSARY AMENDMENTS TO THE TERMS OF EXISTING CONTRACTS, SECURITIES AND INSTRUMENTS CONSEQUENT ON THE INTRODUCTION OF A SINGLE CURRENCY BY MEMBER COUNTRIES OF THE EUROPEAN UNION

ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Law may be cited as the *Euro Conversion Law, 1999*.

Interpretation

2. In this Law, unless the context requires otherwise —

“**euro**” means the common currency of participating member states of the European Union that adopt a single currency in accordance with the Treaty;

“**ECU**” or “**European Currency Unit**” means the currency basket that is from time to time used as the unit of account of the European Community as defined in *European Council Regulation No. 3320/94*;

“**introduction of the euro**” includes the implementation from time to time of Economic and Monetary Union in member states of the European Union pursuant to the Treaty; and

“**Treaty**” means the Treaty on European Union signed in Maastricht on 7th February, 1992.

Substituted Currency

3. (1) If a subject of, or medium of payment under, a contract, security or instrument is a currency that has been substituted or replaced by the euro, the euro may be either —
- (a) used in determining the value of that currency; or
 - (b) tendered,
- in each case at the conversion rate specified in, or otherwise calculated in accordance with, the regulations adopted by the Council of the European Union.
- (2) If a subject of, or medium of payment under, a contract, security or instrument is the ECU, the euro may be either —
- (a) used in determining the value of the ECU; or
 - (b) tendered,
- in each case at the conversion rate specified in, or otherwise calculated in accordance with, the regulations adopted by the Council of the European Union.
- (3) Payment under a contract, security or instrument specified in subsections (1) or (2) may be made in the currency originally designated in the contract, security or instrument, (so long as that currency remains legal tender), or in the euro, but not in any other currency.

Continuity of contract

4. Neither —
- (a) the introduction of the euro;
 - (b) the tender of euros in connection with any obligation in compliance with section 3(1) or (2);
 - (c) the determination of the value of any obligation in compliance with section 3(1) or (2); nor
 - (d) the calculation or determination of the subject of, or medium of payment under, a contract, security or instrument in accordance with section 3,
- shall have the effect of discharging or abrogating a contract, security or instrument, or give a party to a contract, security or instrument the right unilaterally to alter or terminate that contract, security or instrument.

Application

5. (1) This Law shall not apply to a contract, security or instrument to the extent that the parties thereto have agreed arrangements that conflict with or are incompatible with any provision of this Law.



- (2) The agreement referred to in subsection (1) may be made in express anticipation of this Law or subsequent to the commencement of this Law.

References to ECU

6. (1) A reference to “ECU” in a contract, security or instrument which does not contain a definition of “ECU” shall be presumed, to be a reference to the ECU as defined in *European Council Regulation 3320/94* unless a contrary intention of the parties to the contract, security or instrument, or in any legislative provision, administrative action, judicial decision, unilateral legal act or payment instruction is shown.
- (2) On the introduction of the euro as the monetary unit of participating member states of the European Union, a reference to the ECU in a contract, security, or instrument or in any legislative provision, administrative action, judicial decision, unilateral legal act or payment instruction that also refers or is presumed under this Law to refer to the definition of the ECU in section 2 shall be replaced with a reference to the euro at a rate of one euro to one ECU.

Passed by the Legislative Assembly the 14th day of April, 1999.

Mabry S Kirkconnell
Speaker.

Georgette Myrie
Clerk of the Legislative Assembly.

