Article 23.

Continuity of Contract Under European Monetary Union.

§ 53-295. Definitions.

The following definitions shall apply in this Article:

(1) Euro. – The currency of participating member states of the European Union that adopt a single currency in accordance with the Treaty on European Union dated February 7, 1992.

(2) European Currency Unit (ECU). – The currency as defined in the European Council regulation number 3320/94.

(3) Introduction of the Euro. – The implementation of economic and monetary union of member states of the European Union in accordance with the Treaty on European Union dated February 7, 1992. (1999-312, s. 1.)

§ 53-296. Continuity of contract.

(a) If a subject of medium of payment of a contract, security, or instrument is a currency that has been substituted or replaced by the euro, the euro shall be a commercially reasonable substitute and substantial equivalent that may either be used in determining the value of that currency, or tendered at the conversion rate specified in and otherwise calculated in accordance with the regulations adopted by the Council of the European Union.

(b) If a subject or medium of payment of a contract, security, or instrument is the ECU, the euro will be a commercially reasonable substitute and substantial equivalent that may be either used in determining the value of that currency, or tendered at the conversion rate specified in and otherwise calculated in accordance with the regulations adopted by the Council of the European Union.

(c) Performance of any of the obligations described in subsection (a) or (b) may be made in the currencies originally designated in the contract, security, or instrument, so long as the currencies remain legal tender, or in euro, but not in any other currency, whether or not the currency has been substituted or replaced by the euro, or is a currency that is considered a denomination of the euro and has a fixed conversion rate with respect to the euro. (1999-312, s. 1.)

§ 53-297. Effect of currency substitution on performance.

None of the following shall have the effect of discharging or excusing performance under any contract, security, or instrument, or give a party the right unilaterally to alter or terminate any contract, security, or instrument:

(1) Introduction of the euro.

(2) Tender of euros in connection with any obligation in compliance with G.S. 53-296.

(3) Determination of the value of any obligation in compliance with G.S. 53-296.

(4) Calculation or determination of the subject or medium of payment of a contract, security, or instrument with reference to an interest rate or other basis that has been substituted or replaced due to the introduction of the euro and that is a commercially reasonable substitute and substantial equivalent. (1999-312, s. 1.)

§ 53-298. References to ECU in contracts.

(a) References to the ECU in a contract, security, or other instrument that also refers in substance to the definition of the ECU as set forth in G.S. 53-295 shall be replaced by references to the euro at a rate of one euro to one ECU.

(b) References to the ECU in a contract, security, or instrument without a definition as set forth in G.S. 53-295 shall be presumed, rebuttable by proof of the contrary intention of the parties, to be references to the currency basket that is from time to time used as the unit of account of the European community. (1999-312, s. 1.)

§ 53-299. Application.

Notwithstanding any other law, this Article shall apply to all contracts, securities, and instruments, including contracts with respect to commercial transactions. (1999-312, s. 1.)

§ 53-300. No application to other currency alteration.

In circumstances of currency alteration other than the introduction of the euro, this Article shall not be interpreted as creating any negative inference or negative presumption regarding the validity or enforceability of contracts, securities, or instruments denominated in whole or in part in a currency affected by that alteration. (1999-312, s. 1.)