

ANNOTATED LAWS OF MASSACHUSETTS

PART III. COURTS, JUDICIAL OFFICERS AND PROCEEDINGS IN CIVIL CASES  
TITLE V. STATUTES OF FRAUDS AND LIMITATIONS  
CHAPTER 260. LIMITATION OF ACTIONS  
LIMITATION OF PERSONAL ACTIONS

ALM GL ch. 260, § 19A (2005)

§ 19A. Euro as Commercially Reasonable Substitute Currency; Substituted Currency Not to Change Contract Requirements.

(a) As used in this section the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Euro", the currency of participating member states of the European Union that adopt a single currency in accordance with the Treaty on European Union of February 7, 1992.

"Introduction of the euro", the implementation from time to time of economic and monetary union in member states of the European Union pursuant to the Treaty on European Union of February 7, 1992.

"ECU" or "European currency unit", 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 (EC) No. 3320/94.

(b) If a subject or 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 be either (1) used in determining the value of that currency or (2) tendered, in each case at the conversion rate specified in, and otherwise calculated in accordance with, the regulations adopted by the Council of the European Union.

(c) If a subject or medium of payment of a contract, security, or instrument is the ECU, the euro shall be a commercially reasonable substitute and substantial equivalent that may be either (1) used in determining the value of the ECU or (2) tendered, in each case at the conversion rate specified in, and otherwise calculated in accordance with, the regulations adopted by the Council.

(d) Performance of any of the obligations described in subsections (b) or (c) may be made in a currency designated in the contract, security, or instrument, or in the euro, but not in any other currency, whether or not the other currency (1) has been substituted or replaced by the euro or (2) is a currency that is considered a denomination of the euro and has a fixed conversion rate with respect to the euro.

(e) Substituted currency shall not change contract requirements. The following shall not 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) the introduction of the euro;
- (2) tendering euros in connection with any obligation in compliance with subsection (b) or (c);
- (3) determining the value of any obligation in compliance with subsection (b) or (c); and

(4) calculating or determining the subject or medium of payment of a contract, security, or instrument with reference to a substituted or replaced interest rate or other basis that is deemed a commercially reasonable substitute and substantial equivalent according to the terms of this section.

(f) The provisions of this section shall govern all contracts, securities and instruments, whenever executed and shall not alter or impair and shall be subject to any agreements between parties with specific reference to or agreement regarding the introduction of the euro.

(g) When the euro first becomes the monetary unit of participating member states of the European Union, a reference to the ECU in a contract, security, or instrument that also refers to the definition of the ECU in subsection (a) shall be replaced with a reference to the euro at a rate of one euro to one ECU. A reference to ECU in a contract, security, or instrument without defining ECU shall carry a presumption, rebuttable by a showing of the contrary intention of the parties, that it is a reference to the currency basket that is from time to time used as the unit of account of the European Community.

(h) In circumstances of currency alteration other than the introduction of the euro, this section 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 such alteration.

(i) Notwithstanding the provisions of chapter 106 of the General Laws or any other general or special law to the contrary, this section shall apply to all contracts, securities, and instruments, including contracts with respect to commercial transactions.

**HISTORY:** 1999, 81, § 2

**NOTES:**

Section 1 of the inserting act provides as follows:

Section 1. The general court hereby finds that:

(a) on January 1, 1999, the euro became the currency of the member nations of the European Union, participating in the economic and monetary union pursuant to the Treaty on European Union of February 7, 1992, and the national currencies of participating member nations became units of the euro and will be phased out over a period of years; and.

(b) this act is necessary to assure that the introduction of the euro does not have the effect of altering any term of a legal agreement or instrument or of discharging or excusing performance under any legal instrument, nor giving a party the right unilaterally to alter or terminate such an agreement or instrument.