

MICHIGAN COMPILED LAWS SERVICE

**CHAPTER 440 UNIFORM COMMERCIAL CODE
UNIFORM COMMERCIAL CODE**

ARTICLE 1. GENERAL PROVISIONS

PART 2. GENERAL DEFINITIONS AND PRINCIPLES OF INTERPRETATION

MCLS § 440.1210 (2005)

MCL § 440.1210

§ 440.1210. Definitions; subject or medium of payment as euro or ECU.

Sec. 1210. (1) As used in this section and section 1211:

(a) "ECU" or "European currency unit" means the currency basket that is from time to time used as the unit of account of the European union as defined in European council regulation no. 3320/94.

(b) "Euro" or "euros" means the currency of participating member states of the European union that adopt a single currency in accordance with the treaty on European union signed February 7, 1992. Member states are those that have decided to adopt the Euro, and other member states that may choose to participate.

(c) "Introduction of the euro" means, but is not limited to, the implementation from time to time of an economic and monetary union in member states of the European union under the treaty on European union of February 7, 1992.

(2) 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 of the following:

(a) Used in determining the value of that currency.

(b) Tendered at the conversion rate specified in and calculated according to the regulations adopted by the council of the European union.

(3) 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 of the following:

(a) Used in determining the value of that currency.

(b) Tendered at the conversion rate specified in and calculated according to the regulations adopted by the council of the European union.

(4) Unless the parties to a contract, security, or instrument described in subsection (2) or (3) agree otherwise, the tendering of money under that contract, security, or instrument may only be made in either of the following:

(a) Euros.

(b) The currency originally designated by the contract, security, or instrument, if that originally designated currency remains legal tender at the time of performance.

HISTORY: Act 174, 1962, p 200; eff January 1, 1964.

Pub Acts 1962, No. 174, § 1210, as added by Pub Acts 1998, No. 395, imd eff December 17, 1998 (see 1998 note below).

NOTES:

Pub Acts 1998, No. 395, enacting § 1, imd eff December 17, 1998, provides:

"Enacting section 1. This amendatory act does not take effect unless House Bill No. 5835 of the 89th Legislature [Pub Acts 1998, No. 394] is enacted into law."

Statutory references:

Section 1211, above referred to, is § *440.1211*.

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ARTICLE 1. GENERAL PROVISIONS

PART 2. GENERAL DEFINITIONS AND PRINCIPLES OF INTERPRETATION

MCLS § 440.1211 (2005)

MCL § 440.1211

§ 440.1211. Contract, security, or instrument; introduction of euro to agreement between contracting parties; reference to ECU.

Sec. 1211. (1) The right to tender payment in a currency described in section 1210(4)(b) is not affected by either of the following:

(a) The currency has been substituted or replaced by the euro.

(b) The currency is considered a denomination of the euro and has a fixed conversion rate with respect to the euro.

(2) None of the following discharge or excuse performance under a contract, security, or instrument or give a party the right unilaterally to alter or terminate a contract, security, or instrument:

(a) The introduction of the euro.

(b) Tendering euros under section 1210 in connection with any obligation.

(c) Determining the value of an obligation in compliance with section 1210.

(d) Calculating or determining the subject or medium of payment of a contract, security, or instrument under section 1210 with reference to an interest rate or other calculation rate that has been substituted or replaced due to the introduction of the euro and that is a commercially reasonable substitute for and substantial equivalent to an original interest rate.

(3) A reference to ECU in a contract, security, or instrument without defining ECU is presumed to be a reference to the currency basket that is from time to time used as the unit of account of the European community. The presumption is rebuttable by showing that the presumption is contrary to intention of the parties.

(4) When an agreement between parties to a contract specifically relates to the introduction of the euro and is in conflict with this section or section 1210, the agreement between the parties to the contract controls.

(5) This section and section 1210 apply to all contracts, securities, and instruments, including contracts with respect to commercial transactions, and are not displaced by any other law of this state.

(6) In a circumstance of currency alteration other than the introduction of the euro, this section and section 1210 do not create a negative inference or negative presumption regarding the validity or enforceability of a contract, security, or instrument denominated in whole or part in a currency affected by that alteration.

(7) This section and section 1210 apply to a contract, security, and instrument entered into or issued before, on, or after the effective date of the amendatory act that added this section.

HISTORY: Act 174, 1962, p 200; eff January 1, 1964.

Pub Acts 1962, No. 174, § 1211, as added by Pub Acts 1998, No. 394, imd eff December 17, 1998 (see 1998 note below).

NOTES:

Pub Acts 1998, No. 394, enacting § 1, imd eff December 17, 1998, provides:

"Enacting section 1. This amendatory act does not take effect unless House Bill No. 5800 of the 89th Legislature [Pub Acts 1998, No. 395] is enacted into law."