

**NEW YORK CONSOLIDATED LAW SERVICE**

**GENERAL OBLIGATIONS LAW**

**ARTICLE 5. CREATION, DEFINITION AND ENFORCEMENT OF CONTRACTUAL  
OBLIGATIONS**

**TITLE 16. CONTINUITY OF CONTRACT**

**NY CLS Gen Oblig § 5-1601 (2005)**

§ 5-1601. Definitions

As used in this title the following terms shall have the following meanings:

1. "Euro" shall mean 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 seventh, nineteen hundred ninety-two.

2. "Introduction of the euro" shall mean and include the implementation from time to time of economic and monetary union in member states of the European Union in accordance with the treaty on European Union signed February seventh, nineteen hundred ninety-two.

3. "ECU" or "European Currency Unit" shall mean 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. When the euro first becomes the monetary unit of participating member states of the European Union, references to the ECU in a contract, security or instrument that also refers to such definition of the ECU shall be replaced by references to the euro at a rate of one euro to one ECU. References to the ECU in a contract, security or instrument without such a definition of the ECU shall be presumed, unless either demonstrated or proven to the contrary by the 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.

**HISTORY:** Add, L 1997, ch 311, § 1, eff July 29, 1997.

**NEW YORK CONSOLIDATED LAW SERVICE**

**GENERAL OBLIGATIONS LAW**

**ARTICLE 5. CREATION, DEFINITION AND ENFORCEMENT OF CONTRACTUAL  
OBLIGATIONS**

**TITLE 16. CONTINUITY OF CONTRACT**

**NY CLS Gen Oblig § 5-1602 (2005)**

§ 5-1602. Continuity of contract

1. (a) 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 will be a commercially reasonable substitute and substantial equivalent that may be either: (i) used in determining the value of such currency; or (ii) 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.

(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: (i) used in determining the value of the ECU; or (ii) 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) Performance of any of the obligations described in paragraph (a) or (b) of this subdivision may be made in the currency or currencies originally designated in such contract, security or instrument (so long as such currency or currencies remain legal tender) or in euro, but not in any other currency, whether or not such other currency (i) has been substituted or replaced by the euro or (ii) is a currency that is considered a denomination of the euro and has a fixed conversion rate with respect to the euro.

2. None of: (a) the introduction of the euro; (b) the tendering of euros in connection with any obligation in compliance with paragraph (a) or (b) of subdivision one of this section; (c) the determining of the value of any obligation in compliance with paragraph (a) or (b) of subdivision one of this section; or (d) the calculating or determining of the subject or medium of payment of a contract, security or instrument with reference to interest rate or other basis has been substituted or replaced due to the introduction of the euro and that is a commercially reasonable substitute and substantial equivalent, shall either have the effect of discharging or excusing performance under any contract, security or instrument, or give a party the right to unilaterally alter or terminate any contract, security or instrument.

**HISTORY:** Add, L 1997, ch 311, § 1, eff July 29, 1997.

**NEW YORK CONSOLIDATED LAW SERVICE**

**GENERAL OBLIGATIONS LAW**

**ARTICLE 5. CREATION, DEFINITION AND ENFORCEMENT OF CONTRACTUAL  
OBLIGATIONS**

**TITLE 16. CONTINUITY OF CONTRACT**

**NY CLS Gen Oblig § 5-1603 (2005)**

§ 5-1603. Effect of agreements

The provisions of this title 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.

**HISTORY:** Add, L 1997, ch 311, § 1, eff July 29, 1997.

**NEW YORK CONSOLIDATED LAW SERVICE**

**GENERAL OBLIGATIONS LAW**

**ARTICLE 5. CREATION, DEFINITION AND ENFORCEMENT OF CONTRACTUAL  
OBLIGATIONS**

**TITLE 16. CONTINUITY OF CONTRACT**

**NY CLS Gen Oblig § 5-1604 (2005)**

§ 5-1604. Application

1. Notwithstanding the uniform commercial code or any other law of this state, this title shall apply to all contracts, securities and instruments, including contracts with respect to commercial transactions, and shall not be deemed to be displaced by any other law of this state.

2. In circumstances of currency alteration, other than the introduction of the euro, the provisions of this title 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.

**HISTORY:** Add, L 1997, ch 311, § 1, eff July 29, 1997.