

TEXAS STATUTES AND CODES ANNOTATED

**BUSINESS AND COMMERCE CODE
TITLE 4. MISCELLANEOUS COMMERCIAL PROVISIONS
CHAPTER 42. EUROPEAN UNION CURRENCY CONVERSION**

Tex. Bus. & Com. Code § 42.001 (2005)

§ 42.001. Definitions

In this chapter:

(1) "Euro" means the currency of the member states of the European Community, as amended by the Treaty on European Union. The term is abbreviated as EUR.

(2) "European currency unit" means the currency basket that is periodically used as the unit of account of the European Community, as defined by Regulation No. 3320/94 of the Council of the European Union and as referred to in Article 109g of the treaty establishing the European Community, as amended by the Treaty on European Union. The term is abbreviated as ECU.

(3) "Treaty on European Union" means the Treaty on European Union of February 7, 1992.

(4) "Introduction of the euro" means the periodic implementation of economic and monetary union in member states of the European Union in accordance with the Treaty on European Union.

HISTORY: Stats. 1999 76th Leg. Sess. Ch. 971, effective June 18, 1999.

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Tex. Bus. & Com. Code § 42.002 (2005)

§ 42.002. Applicability of Chapter

(a) This chapter applies to each contract, security, and instrument, including a commercial contract, governed by the laws of this state.

(b) With respect to currency alteration, other than the introduction of the euro, this chapter does not create any negative inference or negative presumption regarding the validity or enforceability of a contract, security, or instrument denominated wholly or partly in a currency affected by the alteration.

HISTORY: Stats. 1999 76th Leg. Sess. Ch. 971, effective June 18, 1999.

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Tex. Bus. & Com. Code § 42.004 (2005)

§ 42.004. Continuity of Contract

(a) If a subject or medium of payment of a contract, security, or instrument is the European currency unit or a currency that has been substituted or replaced by the euro, the euro is a commercially reasonable substitute and substantial equivalent that may be:

(1) used in determining the value of the European currency unit or currency, as appropriate; or

(2) tendered, in each case, at the conversion rate specified in, and otherwise computed in accordance with, the regulations adopted by the Council of the European Union.

(b) A person may perform any obligation described by Subsection (a) in euros or in the currency or currencies originally designated in the contract, security, or instrument if that currency or those currencies remain legal tender, but the person may not perform those obligations in any other currency, regardless of whether that other currency:

(1) has been substituted or replaced by the euro; or

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

(c) The following occurrences are not considered a discharge of, do not excuse performance under, and do not give a party the right to unilaterally alter or terminate a contract, security, or instrument:

(1) the introduction of the euro;

(2) the tender of euros in connection with any obligation described by Subsection (a);

(3) the determination of the value of any obligation described by Subsection (a); or

(4) the computation or determination of the subject or medium of payment of a contract, security, or instrument with reference to an interest rate or any other basis that has been substituted or replaced because of the introduction of the euro and that is a commercially reasonable substitute and substantial equivalent.

HISTORY: Stats. 1999 76th Leg. Sess. Ch. 971, effective June 18, 1999.

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Tex. Bus. & Com. Code § 42.005 (2005)

§ 42.005. Effect on Certain Agreements

This chapter does not alter or impair an agreement between parties that specifically relates to the introduction of the euro.

HISTORY: Stats. 1999 76th Leg. Sess. Ch. 971, effective June 18, 1999.