

L.N. 441 of 2007

**EURO ADOPTION ACT
(CAP. 485)**

Cash Changeover Regulations, 2007

IN exercise of the powers conferred by article 3 of the Euro Adoption Act, the Prime Minister and Minister of Finance has made the following regulations:-

1. The title of these regulations is the Cash Changeover Regulations, 2007. Title.

2. The objective of these regulations is to provide for measures which ensure the smooth changeover of the currency unit from the Maltese lira to the euro and to regulate the services of credit institutions during the changeover period. Objective.

3. In these regulations, unless the context otherwise requires:- Interpretation.

“accounts” are all types of accounts with credit institutions and include deposit accounts, current accounts, mortgage accounts and securities accounts;

“conversion rate” means the conversion rate adopted for the Maltese lira as provided for in Article 1 of Council Regulation (EC) No. 1134 of 2007 amending Regulation (EC) 2866 of 1998;

“credit institution” has the same meaning assigned to it by article 2 of the Banking Act and includes any branch or agency in Malta of a bank or credit institution not incorporated in Malta;

“dual circulation” means the period after the adoption of the euro as the legal currency, during which Maltese lira notes and coins circulate alongside euro notes and coins;

“euro” means the monetary unit of the European Union as defined in Council Regulation (EC) 974/98 of the 3 May 1998 on the introduction of the euro;

“euro adoption date” means the date defined in accordance with Article 122(2) of the Treaty on the adoption by Malta of the single currency on 1 January 2008;

L.N. 4 of 2007.

“Euro Observatory” means the unit set up by the Euro Adoption (Dual Display and Euro Pricing) Regulations, 2007 and to the extent of any authority given, includes any officer or employee of the Euro Observatory;

“legal instrument” includes any administrative act as defined in article 469A of the Code of Organization and Civil Procedure and any act of administration, any judicial decision, any payment instrument other than a banknote and a coin, any unilateral legal act and any other instrument with legal effect;

“monetary changeover” means the changeover of the national currency from the Maltese lira to the euro.

Dual circulation.

4. (1) The dual circulation period shall commence on the 1st January 2008 at 00:00hours and shall last until 24:00hours on 31st January 2008.

(2) Maltese lira banknotes and coins shall also be used as legal tender during the dual circulation period.

Change to be given only in euros.

5. (1) During the dual circulation period, any person tendering Maltese lira notes and coins in payment for goods or services shall be given change only in euro banknotes and coins, unless it is materially impossible to do so.

(2) The conversion shall be made by deducting the amount in euro from the amount converted into euro received in Maltese lira denominated banknotes and coins.

Continuity of contracts.

6. (1) The adoption of the euro as the national currency shall not have the effect of altering any term of a legal instrument or of discharging or excusing performance under any legal instrument, nor shall it give a party the right unilaterally to alter or terminate such an instrument:

Provided that the provisions of this sub-regulation shall be without prejudice to an agreement to the contrary reached between the parties to a legal instrument.

(2) Where in legal instruments existing at the end of the dual circulation period reference is made to the Maltese lira, such references shall be read and construed as a reference to the euro according to the conversion rate.

8. (1) Credit institutions shall not charge any fees in respect of: Credit institutions.

(a) the exchange of Maltese lira banknotes and coins for euro banknotes and coins during the first three months following the euro adoption date;

(b) the conversion of account balances from Maltese lira into euro.

(2) On the 2nd January 2008, the business of credit institutions may be restricted solely to cash deposits in both Maltese liri and euro, cash exchanges from Maltese liri to euro and exchange of foreign currency banknotes into euro banknotes and coins.

(3) On the 3rd January 2008, the business of credit institutions may be restricted solely to cash deposits in both Maltese liri and euro, encashment or deposit of social security cheques issued by the Department of Social Security, cash exchanges from Maltese liri to euro and exchange of foreign currency banknotes into euro banknotes and coins.

9. (1) As from the euro adoption date, Maltese lira denominated account balances shall be converted into euro according to Articles 4 and 5 of Council Regulation (EC) No. 1103/97. Account balances.

(2) Amounts referred to in sub-regulation (1) hereof shall be rounded off pursuant to Article 5 of Regulation No. 1103/97.

10. The Euro Observatory shall be responsible for the monitoring of these regulations. Monitoring.

11. (1) Any person who contravenes or fails to comply with any provision of these regulations shall be guilty of an administrative offence against these regulations and shall be liable to an administrative penalty of seven hundred and fifty liri (Lm750) and an administrative penalty of seventy five liri (Lm75) for each subsequent day during which the said contravention persists. Procedures for non-compliance.

(2) Where the Euro Observatory finds that any person is not complying with any provision of these regulations, the procedures for non-compliance outlined in the Euro Adoption (Dual Display and Euro Pricing) Regulations, 2007 shall apply. L.N. 4 of 2007.

