









TIMELINE

Important Dates With Regards to The Adoption Of The Euro In Cyprus

15 March 2007		Approval Of Parliament Bill For Euro Adoption
10 July 2007		Fixing Of The Irrevocable Conversion Rate Between The Cyprus Pound And The Euro.
1 September 2007 - 30 September 2008		Period Of « Dual Display » Of Prices For Four (4) Months Prior To And Nine (9) Month After The Adoption Of The Euro
1 January 2008		Adoption Of The Euro As Legal Tender Currency For Cyprus
1 January 2008 – 31 January 2008		Parallel Circulation Period – For One Month Only Both The Cyprus Pound And The Euro Can Be Used As Legal Tender For Cash Transactions Only.
1 February 2008 and thereafter		The Euro Is The Only Legal Tender Currency In Cyprus.

For more information :

- www.euro.cy (national web-site for the Euro)
- www.centralbank.gov.cy (web-site for the Cyprus Central Bank)
- www.mof.gov.cy (web-site for the Ministry of Finance)
- [8000 2008](tel:80002008) – Free Telephone Service for the Euro (Ministry of Finance)

GENERAL INFORMATION

EURO ADOPTION DATE

01/01/2008

Cyprus shall adopt the Euro on the 01/01/2008. From this date forward the Euro will be the only legal tender currency in Cyprus.

IRREVOCABLE CONVERSION RATE

10/07/2007

The fixing of the final “irrevocable conversion rate” between the Cyprus Pound and the Euro will be decided on the 10/07/2007 by the Council Of The European Union. It shall be valid from the 01/01/2008 and it is not deemed to change in the future. The conversion rate will be expressed to six (6) decimal places e.g. €1=£0,585274. When converting from Cyprus Pounds to Euro all six (6) decimal places must be used. In addition, the conversion rate should not be rounded or truncated when making conversions. This “irrevocable conversion rate” will be used for both the conversion of balances as at 31/12/2007 as well as the conversion for the “dual-display” of prices.

PERIOD OF DUAL CIRCULATION

01/01/2008 – 31/01/2008

The period of parallel circulation shall be in effect from the 01/01/2008 until the 31/01/2008. During this period consumers will be able to use both currencies as legal tender i.e. the Euro as well as Cyprus Pound (notes and coins) for cash transactions only but change will be given back in Euro. All other transactions will be carried out in Euro. Also important to mention is that post-dated cheques issued with a date after the 31/12/2007 are not valid.

DUAL DISPLAY OF PRICES

01/09/2007 – 30/09/2008

It is compulsory to have a “dual-display” of prices (Euro and Cyprus Pound) from the 01/09/2007 until the 30/09/2008. The period of “dual-display” is broken down as follows:

- Four (4) Months from 01/09/2007 – 31/12/2007 → The Cyprus Pound is the basic reference currency and the Euro amount will be displayed for comparative purposes only (divide the amount in Cyprus Pounds by the conversion rate). *Insurance Premiums paid by the consumer during this period can only be made in Cyprus Pounds.*
- Nine (9) Months from 01/01/2008 – 30/09/2008 → The Euro is the basic reference currency and the Cyprus Pound will be displayed for comparative purposes only (multiply the amount in Euro by the conversion rate). *Insurance Premiums paid by the consumer during this period will be made in Euro. If the payment is made during January 2008 and the payment is made by cash (notes & coins) then payment can be made in Cyprus Pounds.*

The “dual-display” of prices is important to help facilitate the familiarisation of the Cypriot consumer with the Euro and is also important as a preventative measure against rising prices and consumer exploitation. The “dual-display” of prices as well as the irrevocable conversion rate used must be clear and easily recognisable on all required documents.

For insurance purposes the “dual-display” of prices will be shown on the following documents and only for the Total Premium / Balance Due shown thereon : Policy Schedule, Policy Renewal, Endorsement, Certificate, Debit & Credit Notes, Quotations, Statements, Receipts (handwritten receipts are excluded) & Covering Notes.

CONVERSION OF ACCOUNT BALANCES

From 01/01/2008 banks and other businesses shall convert all balances as at 31/12/2007 from Cyprus Pounds into Euro based on the irrevocable fixed rate that will be set on the 10/07/2007. For insurance contracts the Sum Insured of the insurable risk will be automatically converted to Euro as at 01/01/2008 (again using the irrevocable fixed rate)

CONTINUITY OF CONTRACTS

The adoption of the Euro “shall not have the effect of altering any term of a legal instrument”. The “principle of continuity of contracts” states that the replacement of the currency does not change the obligations stipulated on any contract. All existing policies at Eurosurance shall continue to be valid and it is not deemed necessary to re-issue such policies to show the amounts in Euro.