

## **TRANSLATION OF THE OFFICIAL PUBLICATION OF SINT MAARTEN**

### **Mutual Arrangement, within the meaning of Article 38(1) of the Charter for the Kingdom of the Netherlands, regulating a common monetary system for Curaçao and Sint Maarten (Regulation on a Common Monetary System for Curaçao and Sint Maarten).**

CURAÇAO AND SINT MAARTEN,

Having taken into consideration that:

Article 88 of the Constitution of Curaçao provides that the monetary system shall be regulated by national ordinance and Article 100 of the Constitution of Sint Maarten provides that the monetary system shall be regulated by or pursuant to national ordinance;

in the final agreement of 2 November 2006, it was agreed that there would be one common central bank for Curaçao and Sint Maarten with a single set of laws and a single supervisory authority for monetary supervision, financial supervision and supervision of integrity;

on 26 November 2008, Curaçao and Sint Maarten reached agreements in principle concerning a common central bank and the relevant regulations;

in any event, the following was agreed in the agreements in principle:

- that a common central bank would be set up as a public legal entity;
- that there would be a single currency region with a common currency, in a fixed exchange rate relationship to the US dollar;
- that the primary task is supervision of the financial sector in both countries, including monetary supervision, business economic supervision and supervision of integrity;
- that this supervision serves to maintain the external value of the currency and the health of the financial system;
- that decision-making by the countries will take place on a parity basis.

Have agreed as follows:

#### Article 1

The following definitions apply for the purposes of this Regulation:

Bank: the Central Bank of Curaçao and Sint Maarten;

Country: the country of Curaçao or the country of Sint Maarten;

Countries: the country of Curaçao and the country of Sint Maarten;

Ministers: the Ministers of Finance of the countries;

Caribbean guilder: the currency of the countries.

#### Article 2

1. The Countries shall have one common monetary system.
2. The monetary system of the Countries shall comprise coins and banknotes.

#### Article 3

The unit of account for the monetary system of the Countries is the Caribbean guilder. The guilder is divided into one hundred cents. With amounts shown in figures, the guilder can be designated with the letters 'CMg' positioned before the amount.

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#### Article 4

1. Caribbean guilder coins with the capacity of legal tender are:
  - a. the five guilder coin;
  - b. the one guilder coin;
  - c. the fifty cent coin;
  - d. the twenty-five cent coin;
  - e. the ten cent coin;
  - f. the five cent coin;
  - g. the once cent coin.
2. Further to paragraph 1, commemorative coins also have the capacity of legal tender.

#### Article 5

1. Caribbean guilder banknotes with the capacity of legal tender are:
  - a. the two hundred guilder note;
  - b. the hundred guilder note;
  - c. the fifty guilder note;
  - d. the twenty guilder note;
  - e. the ten guilder note.
2. The Bank is responsible for the design and printing of banknotes.

#### Article 6

The coins referred to in Article 4(1) and the banknotes referred to in Article 5 are minted or printed and brought into circulation solely by the Bank for its own account and according to need.

#### Article 7

1. The profits obtained on minting of coins and the losses suffered through the withdrawal and demonetisation of coins shall be taken to the operating result of the Bank.
2. The profits obtained on issued banknotes and the losses suffered through the withdrawal of banknotes shall be taken to the operating result of the bank.

#### Article 8

The materials from which the coins referred to in Article 4(1)(a) up to and including 4(1)(g) are minted, and the weights, dimensions and volume of these coins shall be determined by the Bank.

#### Article 9

1. The five guilder and one guilder coins show:
  - a. the image of the King of the Netherlands on the front, as well as the name of the King and the words 'King (or Queen) of the Netherlands';
  - b. the geographical shape of the country of Curaçao or the coat of arms of the country of Sint Maarten on the other side, with the value sign '5G' or '1G' respectively, the words 'Curaçao' or 'Sint Maarten' respectively, as well as the year, the coin sign and any coin maker's mark;
  - c. a smooth edge, bearing the words 'God zij met ons' (God be with us).
2. The Bank shall determine the other specifications of the coins referred to in paragraph 1.

#### Article 10

1. The fifty cent, twenty-five cent, ten cent, five cent and one cent coins show:
  - a. the words 'Curaçao' or 'Sint Maarten' respectively on the front, and a double circle containing

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- a fruit-bearing orange branch;
  - b. the value sign of 50c, 25c, 10c, 5c or 1c respectively on the back, within a pearl edge with shells and the year of issue.
2. The fifty cent, twenty-five cent, ten cent, five cent and one cent coins have a ridged edge.
  3. The Bank shall determine the other specifications of the coins referred to in paragraph 1.

#### Article 11

1. The image, the amount, the material of the coins, the dimensions, the weight and the volume of commemorative coins shall be laid down by national decree, containing general measures, of a country.
2. The costs and revenues for the commemorative coins referred to in paragraph 1 shall be assigned to the relevant country.

#### Article 12

Apart from the Bank and foreign exchange banks authorised by the Bank, no-one is required to accept the coins referred to in Article 4 in amounts in excess of:

- a. fifty guilders:
  - in five guilder coins;
  - in one guilder coins.
- b. ten guilders:
  - in fifty cent coins;
  - in twenty-five cent coins;
  - in ten cent coins.
- c. one guilder:
  - in five cent coins;
  - in one cent coins.

#### Article 13

1. The Bank need not accept damaged coins and banknotes other than for such assurances as are laid down by the Bank on behalf of the Ministers to prevent damages for the Countries.
2. For the purposes of this and the next Article, 'damaged coins' are not deemed to include coins that apparently have diminished weight solely through wear and tear.
3. For the purposes of this and the next Article, 'damaged banknotes' are not deemed to include banknotes that have apparently been creased or damaged in use if the full print can still be clearly distinguished.

#### Article 14

1. Any person may send coins suspected of being counterfeit, forged or damaged and banknotes suspected of being counterfeit or forged to the Bank or to a foreign exchange bank authorised by the Bank for assessment.
2. If suspicions that coins are counterfeit or damaged, or that banknotes are counterfeit or forged are confirmed following inspection, the banks referred to in paragraph 1 are required to report this to the public prosecutor or one of his assistant officers without delay, surrendering the coins or banknotes. In the opposite case, the coins and banknotes shall be returned in the condition in which they were received, or the nominal value of these will be repaid.
3. Persons in the service of the Bank, officials in the service of the Countries or public law legal persons responsible for the receipt or payment of money are required, on receipt of coins and banknotes

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suspected of being counterfeit or forged, to report this to the public prosecutor or one of his assistant officers without delay, surrendering the coins or banknotes.

4. If necessary, the Bank shall issue and publish further rules for the protection of coins and banknotes.

#### Article 15

1. The Bank shall withdraw and demonetise or destroy:
  - a. all defective coins and all defectively printed banknotes;
  - b. all coins and banknotes that have worn in circulation to the extent that their image has become fully or partially invisible or have become unsuitable for circulation, at the discretion of the bank, through other causes.
2. The Bank shall regulate and publish the method of withdrawal and the time during which exchanges are possible. The term shall amount to at least three months.
3. With regard to coins, the costs of demonetisation and the revenues from the sale of the metal during demonetisation shall be taken to the Bank's operating result.
4. The Bank is responsible for demonetisation of withdrawn coins and the destruction of withdrawn banknotes.

#### Article 16

1. The issue of Caribbean guilders by the Bank shall take place from a date to be fixed by the Countries by national decree.
2. Coins minted and coin notes printed before this Regulation takes effect, pursuant to the 1989 Regulation concerning the Monetary System of the Netherlands Antilles, (PB 1989, No. 70), as amended, retain the capacity of legal tender until the date on which they are withdrawn from circulation by the joint Countries by national decree.
3. Banknotes printed before this Regulation takes effect, pursuant to the 1985 Central Bank Charter of the Bank of the Netherlands Antilles retain the capacity of legal tender until the date on which they are withdrawn from circulation by the joint Countries by national decree.
4. No more than three months following the date of the issue of the Caribbean guilder, the Countries shall jointly withdraw the Netherlands Antilles guilder from circulation by national decree.
5. Netherlands Antilles guilders may be exchanged for Caribbean guilders on a one-to-one basis at commercial banks for a period of one year from the date of the issue of the Caribbean guilder referred to in paragraph 1.
6. Netherlands Antilles guilders may be exchanged for Caribbean guilders on a one-to-one basis at the Bank for a period of thirty years from the date of the issue of the Caribbean guilder referred to in paragraph 1.
7. The Countries shall ensure that the national decrees referred to in this Article are uniform and consistent with this Regulation and contain the same commencement date.

#### Article 17

1. All credit balances held by a company or institution that operates as a credit institution in the Countries, in the form of demand deposits or otherwise, shall be denominated in Caribbean guilders from the date of the issue of the Caribbean guilder, on a one-to-one ratio with the Netherlands Antillean guilder.
2. Paragraph 1 does not apply to credit balances held in currencies other than the Netherlands Antilles guilder.

#### Article 18

1. From the date of the issue of the Caribbean guilder, references to Netherlands Antilles guilders in

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existing legal instruments are deemed to be references to the Caribbean guilder, on a one-to one basis.

2. 'Existing legal instruments' as referred to in paragraph 1 to the extent that those instruments are subject to the law of the countries, is deemed to refer to all current statutory regulations, orders of administrative bodies, court decisions, contracts, unilateral legal deeds, legal tender other than banknotes and coins and all other instruments directed at legal consequences at the time of the issue of the Caribbean guilder.
3. Paragraph 1 does not apply to the extent that the contrary follows from the nature or purport of a legal instrument. Furthermore, paragraph 1 does not apply to contracts regarding which the parties concerned have explicitly agreed otherwise.

#### Article 19

Following the expiration of the term for the surrender of coins and banknotes, referred to in Article 16(6), the share of the Countries in the balance of the coin fund and the coin notes fund, referred to in Article 6(1) and 6(2), of the 1989 Regulation concerning the Monetary System of the Netherlands Antilles shall be added to the operating result of the Bank, after which the coin fund and the coin notes fund will be closed.

#### Article 20

1. This Regulation shall be referred to as the 'Regulation on a Common Monetary System for Curaçao and Sint Maarten'.
2. Articles 4, 5, 6, 8, 9, 10 and 12 of this Regulation shall not enter into force until the time of the issue of the Caribbean guilder. During this period, Articles 3, 4, 5, 8, 9, 10, 11 and 13 of the 1989 Regulation concerning the Monetary System of the Netherlands Antilles, (PB 1989, No. 70) shall remain in effect.
3. In the period between the entry into force of this Regulation and the issue of the Caribbean guilder, any reference in this Regulation to 'the Caribbean guilder' or 'CMg' should be read as 'the Netherlands Antilles guilder or 'ANG'.
4. Unless otherwise provided by this Regulation, the further regulations and implementing provisions applying to the 1989 Regulation concerning the Monetary System of the Netherlands Antilles, (PB 1989, No. 70), as in force before this Regulation entered into force, shall remain in force until they are replaced by other further regulations and implementing provisions in accordance with the provisions of this Regulation.

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