

REGULATION NO. 2000/7
**ON THE ESTABLISHMENT OF A LEGAL TENDER FOR EAST
TIMOR**

The Special Representative of the Secretary-General (hereinafter:
Transitional Administrator),

Pursuant to the authority given to him under United Nations
Security Council resolution 1272 (1999) of 25 October 1999,

Taking into account United Nations Transitional Administration in
East Timor (UNTAET) Regulation No. 1999/1 of 27 November 1999 on
the Authority of the Transitional Administration in East Timor,

Furthermore, taking into account UNTAET Regulation No. 2000/2
of 14 January 2000 on the Use of Currencies in East Timor,

After consultations in the National Consultative Council,

For the purpose of strengthening the economy in East Timor by
establishing the legal tender for East Timor,

Promulgates the following:

Section 1

Legal Tender Selected

1.1 The official currency of East Timor shall be the currency of the
United States of America, the US dollar. The official acronym of the
currency shall be US\$.

1.2 The banknotes and coins of this currency are the legal tender for all
public and private transactions in East Timor. No payment in US Dollar
shall be refused.

Section 2

Freedom of Contract

2.1 The parties to a contract or to any other voluntary transaction may denominate a payment obligation in any currency they wish to agree upon.

2.2 Payments in discharge of any debt, arising from a contract or any other voluntary transaction may be made in any currency the parties to the contract or the transaction have agreed upon.

2.3 Where the parties to a contract or any other voluntary transaction have not specifically determined a currency for payment, it shall be presumed that such payment shall be made in US dollar.

Section 3

Compulsory Payments

3.1 Compulsory payments, owed to any public authority in East Timor, shall be made in the legal tender, as defined by the present regulation.

3.2 The rupiah, as defined in Section 6 (b) of UNTAET Regulation 2000/2, may be used to make such payments, until otherwise determined by the Transitional Administrator. Payments made in rupiah, however, shall be subject to a transaction fee, to be determined by an UNTAET directive.

Section 4

Implementation

The Transitional Administrator shall issue such UNTAET directives as are necessary for the implementation of the present regulation, including special transitory arrangements for the use of rupiah, as provided in Section 3 of the present regulation.

Section 5

Inconsistent Law

All relevant legislation that is inconsistent with any of the provisions of the present regulation shall cease to apply in East Timor.

Section 6

Entry into Force

The present regulation shall enter into force on 24 January 2000.

Sergio Vieira de Mello
Transitional Administrator