

Act on Iceland's Currency

No. 22, 23 April 1968

Entered into force 30 April 1968. Amended by Act No. 65/1979 (entered into force 1 January 1981, Act No. 36/1998 (entered into force 1 January 1999, Act No. 103/1999 (entered into force 1 January 2000) and Act No. 81/2000 (entered into force 2 June 2000).

Article 1

Iceland's currency is called the *króna*, and is divided into one hundred *aurar*. Bank notes and minted coins shall be used in transactions.

Article 2

The Central Bank of Iceland has exclusive right to have printed and issue bank notes and to have metal coins minted and issued.

Article 3

The bank notes which the Central Bank of Iceland has printed and issues, and the coins which it has minted and issues, shall be legal tender for all payments in Iceland at full nominal value.

Article 4

The Minister shall decide, on a proposal from the Central Bank of Iceland, the type, form, appearance and denominations of notes which the Bank has printed and issues and shall publish an advertisement thereof.

Article 5

The Central Bank of Iceland shall have metal coins minted which are sufficient for the normal needs for change at any given time. [Furthermore, the Bank may, with the Minister's permission, have minted special commemorative coins, as provided for in the Act on the Central Bank of Iceland.]¹⁾

The Minister shall, on a proposal from the Bank, determine the nominal value of the coins to be minted, as well as their type, weight, size and metal composition, and shall publish an advertisement²⁾ thereof.

These coins must be minted so accurately that the variation in weight of individual coins which are to be of the same weight shall not exceed 1%.

¹⁾[Act No 81/2000, Article 1.](#) ²⁾ Adv. 45/2000.

Article 6

Only commercial banks and savings banks are obliged to accept payment in a single instance of more than 500 *krónur* in minted coins.

Article 7

Bank notes, which are so damaged that their serial number and nominal value cannot be clearly distinguished, are not legal tender.

Minted coins, which are so worn or damaged that their lettering is not easily legible, are not deemed legal tender.

Provision may be made in a Regulation, set by the Minister, for the Central Bank of Iceland to redeem such notes and minted coins at full value or partial value.

Article 8

[At the proposal of the Central Bank of Iceland, the Minister may decided that the amount of any claim or invoice shall be specified and paid in whole *krónur*. Any amount lower than fifty *aurar* shall be omitted, while amounts of fifty *aurar* or higher shall be raised to one *króna*. The Central Bank shall decide on the detailed implementation of this provision.¹⁾²⁾

¹⁾Reg. 339/1974. Reg. 674/2002. ²⁾[Act No 36/1998, Article 1.](#)

Article 9

Those notes and minted coins, which are legal tender upon the entry into force of this Act, shall retain their validity.

Article 10

On the proposal of the Central Bank of Iceland, the Minister may decide that individual types of notes and minted coins in circulation shall be recalled and shall cease to be legal tender in transactions with legal effect.

The time limit for delivering bank notes and minted coins which are recalled shall be 12 months from the date of publication of an advertisement of the recall. During the recall period, all commercial banks and savings banks are obliged to accept the money which is being recalled, in exchange for money which is not being recalled. During the recall period the money which is being recalled remains legal tender in transactions with legal effect, but ceases to be legal tender once the time limit has elapsed. The Central Bank of Iceland must, however, redeem such money for at least another 12 months following the expiration of the 12-month time limit.

The Minister shall, in a Regulation, lay down detailed provisions on the implementation of a recall in each instance.¹⁾

The provisions of the first paragraph shall not apply to general recall of currency.

¹⁾Reg.117/1980 (on the issue of new bank notes etc.). [Reg. 253/1980](#) (on a change in currency). Reg.673/2002 (on the recall of three coin denominations).

Article 11

The Minister responsible for [direction of the Central Bank]¹⁾ shall issue all Regulations on the implementation of this Act. ...

¹⁾[Act No 103/1999, Article 2.](#)

Temporary Provision

The National Treasury may sell the coin, minted in accordance with an authorisation in Act No. 47/1961, at a premium of up to 50% on nominal value. Any profit accruing from the sale of the coin shall be devoted to undertakings at the place of birth of Jón Sigurðsson, Rafnseyri in Arnarfjörður.