Decision imposing the design of bank notes

Peter Nicholl
Governor
Central Bank of Bosnia and Herzegovina

Dear Sir,

I am responding to your memo dated 26 March 1998 in which you recommend to take off the term coupon from the single currency.

The lack of a common currency of Bosnia and Herzegovina hinders the financial normalisation of the country and its economic revival. Despite the importance of an early introduction of the new and single currency, the Presidency failed last year to agree on a design as stipulated in Article 42 of the Law on the Central Bank of Bosnia and Herzegovina.

This situation forced me to make use of my authority under Annex 10 to the General Framework Agreement for Peace and to impose, upon your recommendation, the design which was presented to the media and the people of Bosnia and Herzegovina at a press conference earlier this year.

At that occasion, I also announced that I would set up an independent commission to unify the two designs to a single one and that the introduction of a single currency would take place later this year or next year, according to your advice.

It is a fact that the currency which will be printed in less than 2 months, thanks to the donation of the French Government, will have the character of real bank notes with all necessary safety features. It also has strong common design elements that have gained widespread acceptance since we presented the designs to the media in January.

I therefore agree with you that the issuance of “coupons” by the Central Bank, as an interim measure (Article 42 of the Law), is no longer necessary or appropriate, and I have decided, upon your recommendation, to modify the current designs of the “coupons” by dropping all mention of the term “Kupon” on all denominations which, as from then, will constitute Convertible Mark bank notes.

As soon as you think it is appropriate, we will also start the process to harmonise the two variants of the currency into a single design.

Sincerely Yours,

Carlos Westendorp

Office of the High Representative