Content:

No. V.2.3 - Nominalistic principle

Unless otherwise agreed by the parties, a claim for payment in a certain currency entitles the creditor only to the contractually specified amount of that currency (nominal value), irrespective of any fluctuations of the currency in which the debt is expressed between the date of concluding the contract out of which the claim arises and the date of payment.

Commentary:

1. This Principle means that every debtor has to pay a monetary debt at its nominal value. Therefore, without any special agreement of the parties in their contract, each party carries the risk of currency depreciation if he is to receive under a contract a payment in a currency other than the currency of his home country.

2. Commentary No. 4 to Principle V.2.4 explains how the parties may cope with the exchange rate risk by inserting an exchange rate adjustment clause ("value-stabilization clause" or "index-linking clause") into their contract.