

**THE CENTRAL BANK OF THE RUSSIAN FEDERATION
(BANK OF RUSSIA)**

26 December 2006

No. 1778-U

Moscow

ORDINANCE

On Validity Criteria and Rules for Exchange of Bank of Russia Banknotes and Coins*

Pursuant to the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' (Legislation Bulletin of the Russian Federation, 2002, No. 28, Art. 2790; 2003, No. 2, Art. 157; No. 52 (part 1), Art. 5032; 2004, No. 27, Art. 2711; No. 31, Art. 3233; 2005, No. 25, Art. 2426; No. 30, Art. 3101; 2006, No. 25, Art. 2648), this Ordinance shall establish the validity criteria of banknotes and coins of the Bank of Russia and rules for exchanging damaged banknotes and coins of the Bank of Russia.

1. Bank of Russia banknotes and coins are valid when they are legal tender within the Russian Federation (including those being withdrawn from circulation), do not contain any sign of forgery, have no damage or have damage of the following nature:

1.1. Bank of Russia banknotes that are soiled, worn, or torn; have abrasions, small holes, punctures, unauthorised inscriptions, stains, or stamp impressions; or are missing corners or edges;

1.2. Coin of the Bank of Russia that has minor physical damage but completely preserves the image on the obverse and reverse.

2. Bank of Russia banknotes that are legal tender within the Russian Federation and do not contain any sign of forgery but have damage of the following nature shall be subject to exchange at their nominal value in accordance with the procedure stipulated in Clause 4 of this Ordinance:

2.1. Banknotes that are missing a significant fragment but retain no less than 55 percent of their original surface area (including banknotes which have been burned, exposed to corrosive environments, charred or decomposed);

2.2. Banknotes glued together from fragments (regardless of the number of fragments), if one fragment or several fragments which undoubtedly belong to the same Bank of Russia banknote occupy no less than 55 percent of the original surface area of the Bank of Russia banknote;

2.3. Banknotes composed of two fragments belonging to different Bank of Russia banknotes that have the same nominal value, if each fragment is different from the neighbouring one in its graphic design and occupies no less than 50 percent of the original surface area of the Bank of Russia banknote;

2.4. Banknotes that have changed their colour or their glow in ultraviolet light, if they have clearly visible images (except for Bank of Russia banknotes stained with colouring substances intended to prevent theft of the Bank of Russia banknotes during their transportation);

2.5. Banknotes that have manufacturing defects.

3. Coin of the Bank of Russia that is legal tender within the Russian Federation and does not contain any sign of forgery but has damage of the following nature shall be subject to exchange at its nominal value in accordance with the procedure stipulated in Clause 4 of this Ordinance:

3.1. Coin that has changes to its original shape (bent, flattened, notched, or having holes or traces of metal removal) but completely preserves the image on the obverse and reverse;

3.2. Coin that shows traces of exposure to high temperatures or corrosive environments (melted, etched, or changed in colour);

3.3. Coin that has manufacturing defects.

4. Banknotes and coin of the Bank of Russia listed in clauses 2 and 3 of this Ordinance shall be accepted for exchange by the Bank of Russia from legal entities and individuals, with whom it performs banking operations in accordance with the legislation of the Russian Federation,

as well as by credit institutions from legal entities to whom they provide cash management services, and from all individuals.

The Bank of Russia shall make exchange by putting the amount of the exchanged Bank of Russia banknotes and coin to a bank account opened for the legal entity or individual with the Bank of Russia or a credit institution (after the expert examination of these Bank of Russia banknotes and coins at the Bank of Russia).

Credit institutions shall make exchange by issuing to an individual an equivalent (exchanged) amount of undamaged Bank of Russia banknotes and coin or by putting such amount to a bank account opened for a legal entity or individual with the credit institution (immediately after accepting the Bank of Russia banknotes and coin or after sending the accepted Bank of Russia banknotes and coins for expert examination to the Bank of Russia and their exchange by the Bank of Russia).

The exchange of Bank of Russia banknotes and coin listed in clauses 2 and 3 of this Ordinance shall be made without limitation of amount. No fee shall be charged for the exchange.

5. Bank of Russia banknotes and coin that do not contain any sign of forgery, have no damage or have damage listed in Clauses 1 - 3 of this Ordinance, and have been withdrawn from circulation but are subject to exchange shall be exchanged in accordance with Clause 4 hereof, unless otherwise provided by the legislation of the Russian Federation.

6. Bank of Russia banknotes and coins that are not legal tender within the Russian Federation, that contain any sign of forgery, or that have damage not specified in Clauses 1 - 3 hereof (including delaminated Bank of Russia banknotes, Bank of Russia banknotes marked with the word "Specimen", or individual parts of Bank of Russia coins made up of a disk and a ring) are invalid and shall not be exchanged.

7. This Ordinance shall become effective 10 days after the official publication in the Bank of Russia Bulletin.

Governor, Central Bank of the Russian Federation

Sergey M. Ignatiev

*In case of any translation ambiguity the Russian version shall prevail.