

BILLS OF EXCHANGE ACT, 1882

99 of 1882

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BILLS OF EXCHANGE ACT, 1882

99 of 1882

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18th August, 1882

PART 1

1. Short title :-

This Act may be cited as the Bills of Exchange Act, 1882.

2. Interpretation of terms :-

In this Act, unless the context otherwise requires,- "Acceptance" means an acceptance completed by delivery of notification. "Action" includes a counter-claim and set-off. "Banker" includes a body of persons whether incorporated or not, who carry on the business of banking. "Bankrupt" includes any person whose estate is vested in a trustee or assignee under the law for the time being in force relating to bankruptcy. "Bearer" means the person in possession of a bill or note which is payable to bearer. "Bill" means bill of exchange and "note" means promissory note. "Delivery" means transfer of possession, actual or constructive, from one person to another. "Holder" means the payee or indorsee of a bill or note who is in possession of it or the bearer thereof. "Indorsement" means an indorsement completed by delivery. "Issue" means the first delivery of a bill or note, complete in form of a person who takes it as a holder. "Person" includes a body of persons, whether incorporated or not. "Value" means valuable consideration. "Written" includes printed, and "writing" includes print.

PART 2

BILL OF EXCHANGE

PART 3

CHEQUES ON A BANKER

73. Cheque defined :-

A cheque is a bill of exchange drawn on a banker payable on demand. Except as otherwise provided in this Part, the provisions of this Act applicable to a bill of exchange payable on demand apply to a cheque.

74. Presentment of cheques for payment :-

Subject to the provisions of this Act-

(1) Where a cheque is not presented for payment within a reasonable time of its issue, and the drawer or the person on whose account it is drawn had the right at the time of such presentment as between him and the banker to have the cheque paid and suffers actual damage through the delay, he is discharged to the extent of such damage, that is to say, to the extent to which such drawer or person is a creditor of such banker to a larger amount

than he would have been, had such cheque been paid.

(2) In determining what is a reasonable time, regard shall be had to the nature of the instrument, the usage of the trade and of bankers, and the facts of the particular case.

(3) The holder of such cheque as to which such drawer or person is discharged shall be creditor, in lieu of such drawer or person, of such banker to the extent of such discharge, and entitled to recover the amount from him.

75. Revocation of bankers authority :-

The duty and authority of a banker to pay a cheque drawn on him by his customer are determined by-

(1) countermand of payment

(2) notice of the customer's death.

PART 4

PROMISSORY NOTES

83. Promissory note defined :-

(1) A promissory note is an unconditional promise in writing made by one person to another signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money, to, or to the order of, a specified person or to bearer.

(2) An instrument in the form of a note payable to maker's order is not a note within the meaning of this section, unless and until it is indorsed by the maker.

(3) A note invalid by reason only that it contains also a pledge of collateral security with authority to sell or dispose thereof.

(4) A note which is, or on the face of it purports to be, both made and payable within the British Islands is an inland note. Any other note is a foreign note.

84. Delivery necessary :-

A promissory note is inchoate and incomplete until delivery thereof to the payee or bearer.

85. Joint and several notes :-

(1) A promissory note may be made by two or more makers, and they may be liable thereon jointly, or jointly and severally according to its tenor.

(2) Where a note runs "I promise to pay" and is signed by two or more persons, it is deemed to be their joint and several note.

86. Note payable on demand :-

(1) Where a note payable on demand has been indorsed, it must be presented for payment within a reasonable time of the indorsement. If it be not so presented, the indorser is discharged. In determining what is reasonable time, regard shall be had to the nature of the instrument, the usage of trade, and the facts of the particular case.

(2) Where a note payable on demand is negotiated, it is not deemed to be overdue, for the purpose of affecting the holder with the defects of title of which he had no notice, by reason that it appears that a reasonable time for presenting it for payment has elapsed since its issue.

87. Presentment of note for payment :-

(1) Where a promissory note is in the body of it made payable at a particular place, it must be presented for payment at that place in order to render the maker liable. In any other case, presentment for payment is not necessary in order to render the maker liable.

(2) Presentment for payment is necessary in order to render the indorser of a note liable.

(3) Where a note is in the body of it made payable at a particular place, presentment at that place is necessary in order to render an indorser liable, but when a place of payment is indicated by way of memorandum only, presentment at the place is sufficient to render the indorser liable, but a presentment to the maker elsewhere, if sufficient in other respects, shall also suffice.

88. Liability of maker :-

The maker of a promissory note by making it-

(1) engages that he will pay it according to its tenor ;

(2) is precluded from denying to a holder in due course the existence of the payee and his then capacity to indorse.

89. Application of Part II to notes :-

(1) Subject to the provisions in this Part and except, as by this section provided, the provisions of this Act relating to bills of

exchange apply, with the necessary modifications, to promissory notes.

(2) In applying those provisions the maker of a note shall be deemed to correspond with the acceptor of a bill, and the first indorser of a note shall be deemed to correspond with the drawer of an accepted, bill payable to drawer's order.

(3) The following provisions as to bills do not apply to notes ; namely, provisions relating to-

(a) presentment for acceptance ;

(b) acceptance;

(c) acceptance supra protest ; and

(d) bills in a set.

(4) Where a foreign note is dishonoured, protest thereof is unnecessary.

PART 5

SUPPLEMENTARY

90. Good faith :-

A thing is deemed to be done in good faith within the meaning of this Act, where it is in fact done honestly, whether it is done negligently or not.

91. Signature :-

(1) Where by this Act, any instrument or writing is required to be signed by any person, it is not necessary that he should sign it with his own hand, but it is sufficient if his signature is written thereon by some other person by or under his authority.

(2) In the case of a corporation, where, by this Act, any instrument or writing is required to be signed, it is sufficient if the instrument or writing be sealed with the corporate seal. But nothing in this section shall be construed as requiring the bill or note of a corporation to be under seal.

92. Computation of time :-

Where, by this Act, the time limited for doing any act or thing is less than three days, in reckoning time ; non-business days are excluded. "Non-business days" for the purposes of this Act mean-

(a) Sunday, Good Friday, Christmas Day ;

(b) a bank holiday under the Bank Holidays Act, 1871, or Acts amending it;

(c) a day appointed by Royal Proclamation as a public fast or thanks giving day.

SCHEDULE 1

SCHEDULES

First Schedule (Section 94) Form of protest which may be used when the services of a notary cannot be obtained. Know all men that LAB. [householder] of, in the country of.....in the United Kingdom, at the request of C.D., there being no notary public available, and on the.....day of.....19.....demand payment [or acceptance] of the bill of exchange hereunder written, from E.F., to which demand he made answer [state answer, if any] wherefore I now, in the presence of G.H. and J.K. do protest the said bill of exchange. (Signed) A.B. G.H. J.K. Witnesses N.B.-The bill itself should be annexed, or a copy of the bill and all that is written thereon should be underwritten.