



**BERMUDA
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BILLS OF EXCHANGE ACT 1934

ARRANGEMENT OF SECTIONS

- 1 Interpretation
- 2 Definition of bill of exchange
- 3 Inland and foreign bills
- 4 Effect where different parties to bill are the same person
- 5 Indication of drawee
- 6 Indication of payee
- 7 Conditions under which bills are negotiable
- 8 Sums payable by a bill
- 9 Bill payable on demand
- 10 Bill payable at a future time
- 11 Omission of date in bill payable after date
- 12 Ante-dating and post-dating bill etc
- 13 Computation of time of payment
- 14 Referee in case of need
- 15 Optional stipulations by drawer or indorser
- 16 Definition and requisites of acceptance
- 17 Time for acceptance
- 18 General and qualified acceptances
- 19 Inchoate instruments
- 20 Delivery of instrument
- 21 Capacity of parties
- 22 Signature essential to validity
- 23 Forged or unauthorized signature on a bill
- 24 Signature by procurator
- 25 Person signing as agent or in a representative capacity

BILLS OF EXCHANGE ACT 1934

- 26 Value and holder for value of a bill
- 27 Accommodation party to a bill
- 28 Holder in due course
- 29 Presumption of value and good faith
- 30 Negotiation of bills
- 31 Requisites of a valid indorsement
- 32 Conditional indorsement
- 33 Indorsement in blank and special indorsement
- 34 Restrictive indorsement
- 35 Negotiation of overdue or dishonoured bill
- 36 Negotiation of bill to party already liable thereon
- 37 Rights of holder
- 38 When presentment for acceptance is necessary
- 39 Time for presenting bill payable after sight
- 40 Rules as to presentment for acceptance; excuses for non-presentment
- 41 Non-acceptance of bill
- 42 Dishonour by non-acceptance
- 43 Duties as to qualified acceptance
- 44 Rules as to presentment for payment
- 45 Excuse for delay or non-presentment for payment
- 46 Dishonour by non-payment
- 47 Notice of dishonour and effect of non-notice
- 48 Rules as to notice of dishonour
- 49 Expenses for non-notice and delay
- 50 Noting or protest of bill
- 51 Duties of holder as regards drawee or acceptor
- 52 Funds in hands of drawee
- 53 Liability of acceptor
- 54 Liability of drawer or indorser
- 55 Liability of stranger signing bill as indorser
- 56 Measure of damages against parties to dishonoured bill
- 57 Transferor by delivery and transferee
- 58 Discharge of bill by payment in due course
- 59 Banker paying on demand draft whereon endorsement is forged
- 60 Acceptor the holder at maturity
- 61 Express waiver
- 62 Cancellation of bill
- 63 Alteration of bill
- 64 Acceptance for honour supra protest
- 65 Liability of acceptor for honour
- 66 Presentment to acceptor for honour
- 67 Payment for honour supra protest
- 68 Rights of holder to duplicate of lost bill

- 69 Action on lost bill
- 70 Rules as to bills drawn in sets
- 71 Rules where laws conflict
- 72 Definition of cheque; application of Act
- 73 Presentment of cheque for payment
- 74 Revocation of banker's authority
- 75 Definition of promissory note
- 76 Effect of delivery of promissory note
- 77 Joint and several promissory notes
- 78 Promissory note payable on demand
- 79 Presentment of promissory note for payment
- 80 Liability of maker of promissory note
- 81 Application of certain provisions of Act to promissory notes
- 82 Good faith
- 83 Signature of instrument
- 84 Computation of time
- 85 When noting equivalent to protest
- 86 Protest when notary not accessible
- 87 Saving for rules of common law

SCHEDULE

Form of protest which may be used when services of a notary cannot be obtained

[21 March 1934]

[preamble and words of enactment omitted]

Interpretation

- 1 In this Act, unless the context otherwise requires—
 - "acceptance" means an acceptance completed by delivery or notification;
 - "action" includes 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 a bill of exchange;

BILLS OF EXCHANGE ACT 1934

"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, to a person who takes it as a holder;

"note" means a promissory note;

"person" includes a body of persons, whether incorporated or not;

"value" means valuable consideration;

"written" includes printed, and the expression "writing" includes print; and neither expression includes things written or any writing in ordinary lead pencil or other substance which may be easily erased.

Definition of bill of exchange

2 (1) A bill of exchange is an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed 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 a bearer.

(2) An instrument which does not comply with these conditions, or which orders any act to be done in addition to the payment of money, is not a bill of exchange.

(3) An order to pay out of a particular fund is not unconditional within the meaning of this section; but an unqualified order to pay, coupled with an indication of a particular fund out of which the drawee is to reimburse himself or a particular account to be debited with the amount, or a statement of the transaction which gives rise to the bill is unconditional.

(4) A bill is not invalid—

(a) by reason that it is not dated; or

(b) by reason that it does not specify the value given, or that any value has been given therefor; or

(c) by reason that it does not specify the place where it is drawn or the place where it is payable.

Inland and foreign bills

3 (1) An inland bill is a bill which is, or on the face of it purports to be—

- (a) both drawn and payable within Bermuda; or
 - (b) drawn within Bermuda upon some person resident therein.
- (2) Any other bill is a foreign bill.
- (3) Unless the contrary appears on the face of the bill the holder may treat it as an inland bill.

Effect where different parties to bill are the same person

- 4 (1) A bill may be drawn payable to, or to the order of, the drawer; or it may be drawn payable to, or to the order of, the drawee.
- (2) Where in a bill the drawer and drawee are the same person, or where the drawee is a fictitious person or a person not having capacity to contract, the holder may treat the instrument, at his option, either as a bill of exchange or as a promissory note.
- (3) Where a banker carries on the business of banking at more branches than one, he shall, for the purposes of this section, be deemed to be an independent banker in respect of each of such branches, and a bill issued by one of such branches and payable at another branch shall be deemed to be a bill, and, if payable on demand, a cheque; and a balance at one branch may be applied in reduction of an overdrawn account at another branch without notice to the customer.

Indication of drawee

- 5 (1) The drawee must be named or otherwise indicated in a bill with reasonable certainty.
- (2) A bill may be addressed to two or more drawees whether they are partners or not, but an order addressed to two drawees in the alternative or to two or more drawees in succession is not a bill of exchange.

Indication of payee

- 6 (1) Where a bill is not payable to bearer, the payee must be named or otherwise indicated therein with reasonable certainty.
- (2) A bill may be made payable to two or more payees jointly, or it may be made payable in the alternative to one of two, or one of some of several, payees. A bill may also be made payable to the holder of an office for the time being.
- (3) Where the payee is a fictitious or non-existing person the bill may be treated as payable to bearer.
- (4) Where a person is induced by fraud to sign a bill as acceptor, or a cheque as drawer, to an existing person who is never

BILLS OF EXCHANGE ACT 1934

intended to receive the instrument, or any proceeds thereof, by the person fraudulently inducing the acceptor or drawer to sign such bill or cheque, the instrument thus executed may be treated as payable to bearer.

Conditions under which bills are negotiable

7 (1) When a bill contains words prohibiting transfer, or indicating an intention that it should not be transferable, it is valid as between the parties thereto, but is not negotiable.

(2) A negotiable bill may be payable either to order or to bearer.

(3) A bill is payable to bearer which is expressed to be so payable, or on which the only or last indorsement is an indorsement in blank.

(4) A bill is payable to order which is expressed to be so payable, or which is expressed to be payable to a particular person, and does not contain words prohibiting transfer or indicating an intention that it should not be transferable.

(5) Where a bill, either originally or by indorsement, is expressed to be payable to the order of a specified person, and not to him or his order, it is nevertheless payable to him or his order at his option.

Sums payable by a bill

8 (1) The sum payable by a bill is a sum certain within the meaning of this Act, although it is required to be paid—

(a) by stated instalments;

(b) with interest;

(c) by stated instalments, with a provision that upon default in payment of any instalment the whole shall become due; or

(d) according to an indicated rate of exchange or according to a rate of exchange to be ascertained as directed by the bill.

(2) Where the sum payable is expressed in words and also in figures, and there is a discrepancy between the two, the sum denoted by the words is the amount payable.

(3) Where a bill is expressed to be payable with interest, then, unless the instrument otherwise provides, interest runs from the date of the bill, or if the bill is undated, from the issue thereof.

Bill payable on demand

9 (1) A bill is payable on demand—

- (a) which is expressed to be payable on demand, or at sight, or on presentation; or
- (b) in which no time for payment is expressed.

(2) Where a bill is accepted or indorsed when it is overdue, it shall, as regards the acceptor who so accepts or any indorser who so indorses it, be deemed to be a bill payable on demand.

Bill payable at a future time

10 (1) A bill is payable at a determinable future time within the meaning of this Act which is expressed to be payable—

- (a) at a fixed period after date or sight;
- (b) on or at a fixed period after the occurrence of a specified event which is certain to happen, though the time of happening may be uncertain.

(2) An instrument expressed to be payable on a contingency is not a bill, and the happening of the event does not cure the defect.

Omission of date in bill payable after date

11 Where a bill expressed to be payable at a fixed period after date is issued undated, or where the acceptance of a bill payable at a fixed period after sight is undated, any holder may insert therein the true date of issue or acceptance, and the bill shall be payable accordingly:

Provided that—

- (a) where the holder in good faith and by mistake inserts a wrong date; and
- (b) in every case where a wrong date is inserted, if the bill subsequently comes into the hands of a holder in due course,

the bill shall not be avoided thereby, but shall operate and be payable as if the date so inserted had been the true date.

Ante-dating and post-dating bill etc

12 (1) Where a bill or an acceptance or any indorsement on a bill is dated, the date shall, unless the contrary is proved, be deemed to be the true date of the drawing, acceptance or indorsement, as the case may be.

(2) A bill is not invalid by reason only that it is ante-dated or post-dated, or that it bears date on a Sunday.

BILLS OF EXCHANGE ACT 1934

Computation of time of payment

13 Where a bill is not payable on demand the day on which it falls due is determined as follows—

- (a) three days, called days of grace, are, in every case where the bill itself does not otherwise provide, added to the time of payment as fixed by the bill, and the bill is due and payable on the last day of grace;
- (b) when the last day of grace falls on a public holiday, the bill is due and payable on the preceding business day:

Provided that when two or more such holidays occur on successive days the bill in respect whereof the last day of grace falls on the second or third of such successive days, shall be due and payable on the succeeding business day;
- (c) where a bill is payable at a fixed period after date, after sight, or after the happening of a specified event, the time of payment is determined by excluding the day from which the time is to begin to run and by including the day of payment;
- (d) where a bill is payable at a fixed period after sight, the time begins to run from the date of the acceptance if the bill be accepted, and from the date of noting or protest if the bill be noted or protested for non-acceptance, or for non-delivery.

Referee in case of need

14 (1) The drawer of a bill and any indorser may insert therein the name of a person to whom the holder may resort in case of need, that is to say, in case the bill is dishonoured by nonacceptance or non-payment, and any such person is called the referee in case of need.

(2) It is in the option of the holder to resort to the referee in case of need or not as he may think fit.

Optional stipulations by drawer or indorser

15 The drawer of a bill, and any indorser, may insert therein an express stipulation—

- (a) negating or limiting his own liability to the holder;
- (b) waiving, as regards himself, some or all of the holder's duties.

Definition and requisites of acceptance

16 (1) The acceptance of a bill is the signification by the drawee of his assent to the order of the drawer.

(2) An acceptance is invalid unless it complies with the following conditions—

- (a) it must be written on the bill and be signed by the drawee, and in such case the mere signature of the drawee without additional words is sufficient; and
- (b) it must not express that the drawee will perform his promise by any other means than the payment of money.

Time for acceptance

17 (1) A bill may be accepted—

- (a) before it has been signed by the drawer, or while otherwise incomplete;
- (b) when it is overdue, or after it has been dishonoured by a previous refusal to accept, or by non-payment.

(2) When a bill payable after sight is dishonoured by nonacceptance, and the drawee subsequently accepts it, the holder, in the absence of any different agreement, is entitled to have the bill accepted as of the date of first presentment to the drawee for acceptance.

General and qualified acceptances

18 (1) An acceptance is either general or qualified.

(2) A general acceptance assents without qualification to the order of the drawer.

(3) A qualified acceptance in express terms varies the effect of the bill as drawn; and in particular an acceptance is qualified—

- (a) which is conditional, that is to say, which makes payment by the acceptor dependent on the fulfilment of a condition therein stated;
- (b) which is partial, that is to say, an acceptance to pay part only of the amount for which the bill is drawn;
- (c) which is local, that is to say, an acceptance to pay only at a particular specified place;
- (d) which is qualified as to time; or
- (e) which is the acceptance of some one or more of the drawees, but not of all.

(4) An acceptance to pay at a particular place is a general acceptance, unless it expressly states that the bill is to be paid there only and not elsewhere.

BILLS OF EXCHANGE ACT 1934

Inchoate instruments

19 (1) Where a simple signature on a blank stamped paper is delivered by the signer in order that it may be converted into a bill, it operates, prima facie, as an authority to fill it up as a complete bill for any amount the stamp will cover, using the signature for that of the drawer, or the acceptor, or an indorser; and, in like manner, when a bill is wanting in any material particular the person in possession of it has, prima facie, an authority to fill up the omission in any way he thinks fit.

(2) In order that any such instrument when completed may be enforceable against any person who became a party thereto prior to its completion, it must be filled up within a reasonable time, and strictly in accordance with the authority given; and what is reasonable time for this purpose is declared to be a question of fact:

Provided that if any such instrument after completion is negotiated to a holder in due course it shall be valid and effectual for all purposes in his hands, and he may enforce it as if it had been filled up within a reasonable time and strictly in accordance with the authority given.

Delivery of instrument

20 (1) Every contract on a bill, whether it is the drawer's, the acceptor's, or an indorser's, is incomplete and revocable, until the delivery of the instrument in order to give effect thereto:

Provided that where an acceptance is written on a bill, and the drawee gives notice to or according to the directions of the person entitled to the bill that he has accepted it, the acceptance then becomes complete and irrevocable.

(2) As between immediate parties, and as regards a remote party other than a holder in due course, the delivery—

(a) in order to be effectual must be made either by or under the authority of the party drawing, accepting, or indorsing, as the case may be;

(b) may be shown to have been conditional or for a special purpose only, and not for the purpose of transferring the property in the bill;

so, however, that if the bill is in the hands of a holder in due course a valid delivery of the bill by all parties prior to him so as to make them liable to him is conclusively presumed.

(3) Where a bill is no longer in the possession of a party who has signed it as a drawer, acceptor, or indorser, a valid and unconditional delivery by him is presumed until the contrary is proved.

Capacity of parties

21 (1) Capacity to incur liability as a party to a bill is coextensive with capacity to contract:

Provided that nothing in this section shall enable a corporation to make itself liable as a drawer, acceptor, or indorser, of a bill unless it is competent to the corporation to do so under the law for the time being in force relating to corporations.

(2) Where a bill is drawn or indorsed by an infant, minor, or corporation having no capacity or power to incur liability on a bill, the drawing or indorsement entitles the holder to receive payment of the bill, and to enforce it against any other party thereto.

Signature essential to validity

22 No person is liable as drawer, indorser, or acceptor of a bill, who has not signed it as such:

Provided that—

- (a) where a person signs a bill in a trade or assumed name, he is liable thereon as if he had signed it in his own name;
- (b) the signature of the name of a firm is equivalent to the signature by the person so signing of the names of all persons liable as partners of that firm.

Forged or unauthorized signature on a bill

23 Subject to the provisions of this Act, where a signature on a bill is forged or placed thereon without the authority of the person whose signature it purports to be, the forged or unauthorized signature is wholly inoperative, and no right to retain the bill or to give a discharge therefor or to enforce payment thereof against any party thereto can be acquired through or under that signature, unless the party against whom it is sought to retain or enforce payment of the bill is precluded from setting up the forgery or want of authority:

Provided that nothing in this section shall affect the ratification of an unauthorized signature not amounting to a forgery.

Signature by procuration

24 A signature by procuration operates as notice that the agent has but a limited authority to sign, and the principal is only bound by such signature if the agent in so signing was acting within the actual limits of his authority.

BILLS OF EXCHANGE ACT 1934

Person signing as agent or in a representative capacity

25 (1) Where a person signs a bill as drawer, indorser, or acceptor, and adds words to his signature, indicating that he signs for or on behalf of a principal, or in a representative character, he is not personally liable thereon; but the mere addition to his signature of words describing him as an agent, or as filling a representative character, does not exempt him from personal liability.

(2) In determining whether a signature on a bill is that of the principal or that of the agent by whose hand it is written, the construction most favourable to the validity of the instrument shall be adopted.

Value and holder for value of a bill

26 (1) Valuable consideration for a bill may be constituted—

- (a) by any consideration sufficient to support a simple contract; or
- (b) by an antecedent debt or liability; and any such debt or liability is deemed valuable consideration whether the bill is payable on demand or at a future time:

Provided that a banker shall not be deemed to be a holder for value of any cheque, bill or note received into his hands for collection, unless he has already unconditionally credited its amount to the account of the customer for whom it is collected.

(2) Where value has at any time been given for a bill the holder is deemed to be a holder for value as regards the acceptor and all parties to the bill who became parties prior to such time.

(3) Where the holder of a bill has a lien on it, arising either from contract or by implication of law, he is deemed to be a holder for value to the extent of the sum for which he has a lien.

Accommodation party to a bill

27 (1) An accommodation party to a bill is a person who has signed a bill as drawer, acceptor, or indorser, without receiving value therefor, and for the purpose of lending his name to some other person.

(2) An accommodation party is liable on the bill to a holder for value; and it is immaterial whether, when such holder took the bill, he knew such party to be an accommodation party or not.

Holder in due course

28 (1) A holder in due course is a holder who has taken a bill, complete and regular on the face of it, under the following conditions—

- a) that he became the holder of it before it was overdue, and without notice that it had been previously dishonoured, if such was the fact;

(b) that he took the bill in good faith and for value, and that at the time the bill was negotiated to him he had no notice of any defect in the title of the person who negotiated it.

(2) In particular the title of a person who negotiates a bill is defective within the meaning of this Act when he obtained the bill, or the acceptance thereof, by fraud, duress, or other unlawful means, or for an illegal consideration, or when he negotiates it in breach of faith, or under such circumstances as amount to fraud.

(3) A holder (whether for value or not) who derives his title to a bill through a holder in due course, and who is not himself a party to any fraud or illegality affecting it, has all the rights of that holder in due course as regards the acceptor and all parties to the bill prior to that holder.

Presumption of value and good faith

29 (1) Every party whose signature appears on a bill is, prima facie, deemed to have become a party thereto for value.

(2) Every holder of a bill is, prima facie, deemed to be a holder in due course; but if in an action on a bill it is admitted or proved that the acceptance, issue, or subsequent negotiation of the bill is effected with fraud, duress, or illegality, the burden of proof is shifted, unless and until the holder proves that, subsequent to the alleged fraud or illegality, value has in good faith been given for the bill.

Negotiation of bills

30 (1) A bill is negotiated when it is transferred from one person to another in such a manner as to constitute the transferee the holder of the bill.

(2) A bill payable to bearer is negotiated by delivery.

(3) A bill payable to order is negotiated by the indorsement of the holder completed by delivery.

(4) Where the holder of a bill payable to his order transfers it for value without indorsing it, the transfer gives the transferee such title as the transferor had in the bill, and the transferee in addition acquires the right to have the indorsement of the transferor.

(5) Where any person is under obligation to indorse a bill in a representative capacity, he may indorse the bill in such terms as to negative personal liability.

BILLS OF EXCHANGE ACT 1934

Requisites of a valid indorsement

31 An indorsement in order to operate as a negotiation must comply with the following conditions—

- (a) it must be written on the bill itself and be signed by the indorser; and the simple signature of the indorser on the bill, without additional words, is sufficient.

An indorsement written on an allonge, or on a "copy" of a bill issued or negotiated in a country where "copies" are recognized, is deemed to be written on the bill itself;

- (b) it must be an indorsement of the entire bill; and a partial indorsement, that is to say, an indorsement which purports to transfer to the indorsee a part only of the amount payable, or which purports to transfer the bill to two or more indorsees severally, does not operate as a negotiation of the bill;
- (c) where a bill is payable to the order of two or more payees or indorsees who are not partners all must indorse, unless the one indorsing has authority to indorse for the others;
- (d) where, in a bill payable to order, the payee or indorsee is wrongly designated, or his name is misspelt, he may indorse the bill as therein described, adding, if he thinks fit, his proper signature;
- (e) where there are two or more indorsements on a bill, each indorsement is deemed to have been made in the order in which it appears on the bill, until the contrary is proved;
- (f) an indorsement may be made in blank or special, and may also contain terms making it restrictive.

Conditional indorsement

32 Where a bill purports to be indorsed conditionally the condition may be disregarded by the payer; and payment to the indorsee is valid whether the condition has been fulfilled or not.

Indorsement in blank and special indorsement

33 (1) An indorsement in blank specifies no indorsee, and a bill so indorsed becomes payable to bearer.

(2) A special indorsement specifies the person to whom, or to whose order, the bill is to be payable.

(3) The provisions of this Act relating to a payee apply with the necessary modifications to an indorsee under a special indorsement.

(4) When a bill has been indorsed in blank, any holder may convert the blank indorsement into a special indorsement by writing above the indorser's signature a direction to pay the bill to or to the order of himself or some other person.

Restrictive indorsement

34 (1) An indorsement is restrictive which prohibits the further negotiation of the bill or which expresses that it is a mere authority to deal with the bill as thereby directed and not a transfer of the ownership thereof, as, for example, if a bill is indorsed "Pay D. only" or "Pay D. for the account of X.," or "Pay D. or order for collection."

(2) A restrictive indorsement gives the indorsee the right to receive payment of the bill and to sue any party thereto that his indorser could have sued, but gives him no power to transfer his rights as indorsee unless it expressly authorizes him to do so.

(3) Where a restrictive indorsement authorizes further transfer, all subsequent indorsees take the bill with the same rights and subject to the same liabilities as the first indorsee under the restrictive indorsement.

Negotiation of overdue or dishonoured bill

35 (1) Where a bill is negotiable in its origin it continues to be negotiable until it has been restrictively indorsed or discharged by payment or otherwise.

(2) Where an overdue bill is negotiated, it can only be negotiated subject to any defect of title affecting it at its maturity, and thenceforward no person who takes it can acquire or give a better title than that which the person from whom he took it had.

(3) A bill payable on demand is deemed to be overdue within the meaning, and for the purposes of, this section, when it appears on the face of it to have been in circulation for an unreasonable length of time; and what is an unreasonable length of time for this purpose is declared to be a question of fact.

(4) Except where an indorsement bears date after the maturity of the bill, every negotiation is, prima facie, deemed to have been effected before the bill was overdue.

(5) Where a bill which is not overdue has been dishonoured, then any person who takes it with notice of the dishonour takes it subject to any defect of title attaching thereto at the time of dishonour; but nothing in this subsection shall affect the rights of a holder in due course.

BILLS OF EXCHANGE ACT 1934

Negotiation of bill to party already liable thereon

36 Where a bill is negotiated back to the drawer, or to a prior indorser or to the acceptor, such party may, subject to this Act re-issue and further negotiate the bill; but he is not entitled to enforce payment of the bill against any intervening party to whom he was previously liable.

Rights of holder

37 The rights and powers of the holder of a bill are as follows—

- (a) he may sue on the bill in his own name;
- (b) where he is a holder in due course, he holds the bill free from any defect of title of prior parties, as well as from mere personal defences, available to prior parties among themselves, and may enforce payment against all parties liable on the bill;
- (c) where his title is defective if he negotiates the bill to a holder in due course, that holder obtains a good and complete title to the bill, and if he obtains payment of the bill the person who pays him in due course gets a valid discharge for the bill.

When presentment for acceptance is necessary

38 (1) Where a bill is payable after sight, presentment for acceptance is necessary in order to fix the maturity of the instrument.

(2) Where a bill expressly stipulates that it shall be presented for acceptance, or where a bill is drawn payable elsewhere than at the residence or place of business of the drawee, it must be presented for acceptance before it can be presented for payment.

(3) In no other case is presentment for acceptance necessary in order to render liable any party to the bill.

(4) Where the holder of a bill, drawn payable elsewhere than at the place of business or residence of the drawee, has not time, with the exercise of reasonable diligence, to present the bill for acceptance before presenting it for payment on the day that it falls due, then the delay caused by presenting the bill for acceptance before presenting it for payment is excused, and does not discharge the drawer and indorsers.

Time for presenting bill payable after sight

39 (1) Subject to this Act, when a bill payable after sight is negotiated, the holder must either present it for acceptance or negotiate it within a reasonable time.

(2) If he does not present the bill for acceptance or negotiate it, the drawer and all indorsers prior to that holder are discharged.

(3) In determining what is a reasonable time within the meaning of this section, regard shall be had to the nature of the bill, the

usage of trade with respect to similar bills, and the facts of the particular case.

Rules as to presentment for acceptance; excuses for non-presentment

40 (1) A bill is duly presented for acceptance which is presented in accordance with the following rules—

- (a) the presentment must be made by or on behalf of the holder to the drawee or to some person authorized to accept or refuse acceptance on his behalf at a reasonable hour on a business day and before the bill is overdue;
- (b) where a bill is addressed to two or more drawees, who are not partners, presentment must be made to them all, unless one has authority to accept for all, then presentment may be made to him only;
- (c) where the drawee is dead presentment may be made to his personal representative;
- (d) where the drawee is bankrupt, presentment may be made to him or to his trustee;
- (e) where authorized by agreement or usage, a presentment through the post office is sufficient.

(2) Presentment in accordance with these rules is excused, and a bill may be treated as dishonoured by non-acceptance—

- (a) where the drawee is dead or bankrupt, or is a fictitious person or a person not having capacity to contract by bill;
- (b) where, after the exercise of reasonable diligence, such presentment cannot be effected;
- (c) where, although the presentment has been irregular, acceptance has been refused on some other ground.

(3) The fact that the holder has reason to believe that the bill, on presentment, will be dishonoured does not excuse presentment.

Non-acceptance of bill

41 When a bill is duly presented for acceptance and is not accepted within the customary time, the person presenting the bill must treat it as dishonoured by non-acceptance.

If he does not so treat it, the holder shall lose his right of recourse against the drawer and indorsers.

BILLS OF EXCHANGE ACT 1934

Dishonour by non-acceptance

- 42 (1) A bill is dishonoured by non-acceptance—
- (a) when it is duly presented for acceptance, and such an acceptance as is prescribed by this Act is refused or cannot be obtained; or
 - (b) when presentment for acceptance is excused and the bill is not accepted.
- (2) Subject to this Act, when a bill is dishonoured by non-acceptance, an immediate right of recourse against the drawer and indorsers accrues to the holder, and no presentment for payment is necessary.

Duties as to qualified acceptance

43 (1) The holder of a bill may refuse to take a qualified acceptance, and if he does not obtain an unqualified acceptance may treat the bill as dishonoured by non-acceptance.

(2) Where a qualified acceptance is taken, and the drawer or an indorser has not expressly or impliedly authorized the holder to take a qualified acceptance, or does not subsequently assent thereto, such drawer or indorser is discharged from his liability on the bill.

This subsection does not apply to a partial acceptance, whereof due notice has been given.

(3) Where a foreign bill has been accepted as to part, it must be protested as to the balance.

(4) When the drawer or indorser of a bill receives notice of a qualified acceptance, and does not within a reasonable time express his dissent to the holder, he shall be deemed to have assented thereto.

Rules as to presentment for payment

44 (1) Subject to this Act a bill must be duly presented for payment; and if it is not so presented the drawer and indorsers shall be discharged.

(2) A bill is duly presented for payment which is presented in accordance with the following rules—

- (a) where the bill is not payable on demand, presentment must be made on the day it falls due;
- (b) where the bill is payable on demand, then, subject to this Act, presentment must be made within a reasonable time after its issue in order to render the drawer liable, and within a reasonable time after its indorsement, in order to render the indorser liable.

In determining what is a reasonable time, regard shall be had to the nature of the bill, the usage of trade with regard to similar bills, and the facts of the particular case;

- (c) presentment must be made by the holder or by some person authorized to receive payment on his behalf at a reasonable hour on a business day, at the proper place as hereinafter defined, either to the person designated by the bill as payer, or to some person authorized to pay or refuse payment on his behalf if with the exercise of reasonable diligence such person can there be found;
- (d) a bill is presented at the proper place—
 - (i) where a place of payment is specified in the bill and the bill is there presented;
 - (ii) where no place of payment is specified, but the address of the drawee or acceptor is given in the bill, and the bill is there presented;
 - (iii) where no place of payment is specified and no address is given, and the bill is presented at the drawee's or acceptor's place of business, if known, and, if not, at his ordinary residence, if known;
 - (iv) in any other case, if presented to the drawee or acceptor wherever he can be found, or if presented at his last known place of business or residence;
- (e) where a bill is presented at the proper place, and after the exercise of reasonable diligence no person authorized to pay or refuse payment can be found there, no further presentment to the drawee or acceptor is required;
- (f) where a bill is drawn upon, or accepted by, two or more persons who are not partners, and no place of payment is specified, presentment must be made to them all;
- (g) where the drawee or acceptor of a bill is dead, and no place of payment is specified, presentment must be made to a personal representative, if such there is, and with the exercise of reasonable diligence he can be found;
- (h) where authorized by agreement or usage a presentment through the post office is sufficient.

BILLS OF EXCHANGE ACT 1934

Excuse for delay or non-presentment for payment

45 (1) Delay in making presentment for payment is excused when the delay is caused by circumstances beyond the control of the holder, and not imputable to his default, misconduct or negligence; but when the cause of delay ceases to operate presentment must be made with reasonable diligence.

(2) Presentment for payment is dispensed with—

(a) where, after the exercise of reasonable diligence, presentment, as required by this Act, cannot be effected.

The fact that the holder has reason to believe that the bill will, on presentment, be dishonoured, does not dispense with the necessity for presentment;

(b) where the drawee is a fictitious person;

(c) as regards the drawer, where the drawee or acceptor is not bound, as between himself and the drawer, to accept or pay the bill, and the drawer has no reason to believe that the bill would be paid if presented;

(d) as regards an indorser, where the bill was accepted or made for the accommodation of that indorser and he has no reason to expect that the bill would be paid if presented;

(e) by waiver of presentment, express or implied.

Dishonour by non-payment

46 (1) A bill is dishonoured by non-payment—

(a) when it is duly presented for payment and payment is refused or cannot be obtained; or

(b) when presentment is excused and the bill is overdue and unpaid.

(2) Subject to this Act, when a bill is dishonoured by non-payment, an immediate right of recourse against the drawer and indorsers accrues to the holder.

Notice of dishonour and effect of non-notice

47 Subject to this Act, when a bill has been dishonoured by non-acceptance or by non-payment, notice of dishonour must be given to the drawer and each indorser, and any drawer or indorser to whom such notice is not given is discharged:

Provided that—

(a) where a bill is dishonoured by non-acceptance, and notice of dishonour is not given, the rights of a holder in

due course subsequent to the omission shall not be prejudiced by the omission;

- (b) where a bill is dishonoured by non-acceptance and due notice of dishonour is given, it shall not be necessary to give notice of a subsequent dishonour by non-payment unless the bill is, in the meantime, accepted.

Rules as to notice of dishonour

48 Notice of dishonour in order to be valid and effectual must be given in accordance with the following rules—

- (a) the notice must be given by or on behalf of the holder, or by or on behalf of an indorser who, at the time of giving it, is himself liable on the bill;
- (b) notice of dishonour may be given by an agent either in his own name, or in the name of any party entitled to give notice, whether that party be his principal or not;
- (c) where the notice is given by or on behalf of the holder, it enures for the benefit of all subsequent holders and all prior indorsers who have a right of recourse against the party to whom it is given;
- (d) where notice is given by or on behalf of an indorser entitled to give notice as hereinbefore provided, it enures for the benefit of the holder and all indorsers subsequent to the party to whom notice is given;
- (e) the notice may be given in writing or by personal communication, and may be given in any terms which sufficiently identify the bill, and intimate that the bill has been dishonoured by non-acceptance or non-payment;
- (f) the return of a dishonoured bill to the drawer or an indorser is, in point of form, deemed to be a sufficient notice of dishonour;
- (g) a written notice need not be signed, and an insufficient written notice may be supplemented and validated by verbal communication; and a misdescription of the bill shall not vitiate the notice unless the party to whom the notice is given is in fact misled thereby;
- (h) where notice of dishonour is required to be given to any person, it may be given either to the party himself, or to his agent in that behalf;
- (i) where the drawer or indorser is dead, and the party giving notice knows it, the notice must be given to a

BILLS OF EXCHANGE ACT 1934

personal representative if such there be, and with the exercise of reasonable diligence he can be found;

- (j) where the drawer or indorser is bankrupt, notice may be given either to the party himself or to the trustee;
- (k) where there are two or more drawers or indorsers who are not partners, notice must be given to each of them, unless one of them has authority to receive such notice for the others;
- (l) the notice may be given as soon as the bill is dishonoured, and must be given within a reasonable time thereafter.

In the absence of special circumstances notice is not deemed to have been given within a reasonable time, unless—

- (i) where the person giving and the person to receive notice reside in the same place, the notice is given or sent off in time to reach the latter on the day after the dishonour of the bill;
 - (ii) where the person giving and the person to receive notice reside in different places, the notice is sent off on the day after the dishonour of the bill, if there is a post at a convenient hour on that day, and, if there is no such post on that day, then by the next post thereafter;
- (m) where a bill, when dishonoured, is in the hands of an agent, he may either himself give notice to the parties liable on the bill, or he may give notice to his principal; and if he gives notice to his principal, he must do so within the same time as if he were the holder, and the principal upon receipt of such notice has himself the same time for giving notice as if the agent had been an independent holder;
 - (n) where a party to a bill receives due notice of dishonour, he has after the receipt of such notice the same period of time for giving notice to antecedent parties that the holder has after the dishonour;
 - (o) where a notice of dishonour is duly addressed and posted, the sender is deemed to have given due notice of dishonour, notwithstanding any miscarriage by the post office.

Expenses for non-notice and delay

49 (1) Delay in giving notice of dishonour is excused where the delay is caused by circumstances beyond the control of the party giving

notice, and not imputable to his default, misconduct, or negligence; but when the cause of delay ceases to operate the notice must be given with reasonable diligence.

- (2) Notice of dishonour is dispensed with—
- (a) when, after the exercise of reasonable diligence, notice as required by this Act cannot be given to or does not reach the drawer or indorser sought to be charged;
 - (b) by waiver express or implied; notice of dishonour may be waived before the time of giving notice has arrived, or after the omission to give due notice;
 - (c) as regards the drawer, in the following cases—
 - (i) where drawer and drawee are the same person;
 - (ii) where the drawee is a fictitious person or a person not having capacity to contract;
 - (iii) where the drawer is the person to whom the bill is presented for payment;
 - (iv) where the drawee or acceptor is as between himself and the drawer under no obligation to accept or pay the bill;
 - (v) where the drawer has countermanded payment;
 - (d) as regards the indorser, in the following cases—
 - (i) where the drawee is a fictitious person or a person not having capacity to contract and the indorser was aware of the fact at the time he indorsed the bill;
 - (ii) where the indorser is the person to whom the bill is presented for payment;
 - (iii) where the bill was accepted or made for his accommodation.

Noting or protest of bill

50 (1) Where an inland bill has been dishonoured it may, if the holder thinks fit, be noted for non-acceptance or non-payment, as the case may be, but it shall not be necessary to note or protest any such bill in order to preserve the recourse against the drawer or indorser.

(2) Where a foreign bill, appearing on the face of it to be such, has been dishonoured by non-acceptance, it must be duly protested for non-acceptance, and where such a bill, which has not been previously dishonoured by non-acceptance, is dishonoured by non-payment it must

BILLS OF EXCHANGE ACT 1934

be duly protested for non-payment; and if it is not so protested the drawer and indorsers are discharged.

(3) Where a bill does not appear on the face of it to be a foreign bill, protest thereof in the case of dishonour is unnecessary.

(4) A bill which has been protested for non-acceptance may be subsequently protested for nonpayment.

(5) Subject to this Act, when a bill is noted or protested, it may be noted on the day of its dishonour and must be noted not later than the next succeeding business day. When a bill has been duly noted, the protest may be subsequently extended as of the date of the noting.

(6) Where the acceptor of a bill becomes a bankrupt or insolvent or suspends payment before it matures, the holder may cause the bill to be protested for better security against the drawer and indorsers.

(7) A bill must be protested at the place where it is dishonoured:

Provided that—

(a) when a bill is presented through the post office, and returned by post dishonoured, it may be protested at the place to which it is returned, and on the day of its return if received during business hours, and if not received during business hours, then not later than the next business day;

(b) when a bill drawn payable at the place of business or residence of some person other than the drawee, has been dishonoured by non-acceptance, it must be protested for non-payment at the place where it is expressed to be payable, and no further presentment for payment to, or demand on, the drawee is necessary.

(8) A protest must contain a copy of the bill, and must be signed by the notary making it, and must specify—

(a) the person at whose request the bill is protested;

(b) the place and date of protest, the cause or reason for protesting the bill, the demand made, and the answer given, if any, or the fact that the drawee or acceptor could not be found.

(9) Where a bill is lost or destroyed, or is wrongly detained from the person entitled to hold it, protest may be made on a copy or written particulars thereof.

(10) Protest is dispensed with by any circumstance which would dispense with notice of dishonour. Delay in noting or protesting is excused when the delay is caused by circumstances beyond the control

of the holder, and not imputable to his default, misconduct, or negligence. When the cause of delay ceases to operate the bill must be noted or protested with reasonable diligence.

Duties of holder as regards drawee or acceptor

51 (1) When a bill is accepted generally presentment for payment is not necessary in order to render the acceptor liable.

(2) When by the terms of a qualified acceptance presentment for payment is required, the acceptor, in the absence of an express stipulation to that effect, is not discharged by the omission to present the bill for payment on the day that it matures.

(3) In order to render the acceptor of a bill liable it is not necessary to protest it, or that notice of dishonour should be given to him.

(4) Where the holder of a bill presents it for payment, he shall exhibit the bill to the person from whom he demands payment, and when a bill is paid the holder shall forthwith deliver it up to the party paying it.

Funds in hands of drawee

52 A bill, of itself, does not operate as an assignment of funds in the hands of the drawee available for the payment thereof, and the drawee of a bill who does not accept as required by this Act is not liable on the instrument.

Liability of acceptor

53 The acceptor of a bill, by accepting it—

(a) engages that he will pay it according to the tenor of his acceptance;

(b) is precluded from denying to a holder in due course—

(i) the existence of the drawer, the genuineness of his signature, and his capacity and authority to draw the bill;

(ii) in the case of a bill payable to drawer's order, the then capacity of the drawer to indorse, but not the genuineness or validity of his indorsement;

(iii) in the case of a bill payable to the order of a third person, the existence of the payee and his then capacity to indorse, but not the genuineness or validity of his indorsement.

BILLS OF EXCHANGE ACT 1934

Liability of drawer or indorser

- 54 (1) The drawer of a bill by drawing it—
- (a) engages that on due presentment it shall be accepted and paid according to its tenor, and that if it is dishonoured he will compensate the holder or any indorser who is compelled to pay it, provided that the requisite proceedings on dishonour are duly taken;
 - (b) is precluded from denying to a holder in due course the existence of the payee and his then capacity to indorse.
- (2) The indorser of a bill by indorsing it—
- (a) engages that on due presentment it shall be accepted and paid according to its tenor, and that if it is dishonoured he will compensate the holder or a subsequent indorser who is compelled to pay it, provided that the requisite proceedings on dishonour are duly taken;
 - (b) is precluded from denying to a holder in due course the genuineness and regularity in all respects of the drawer's signature and all previous indorsements;
 - (c) is precluded from denying to his immediate or a subsequent indorsee that the bill was at the time of his indorsement a valid and subsisting bill, and that he had then a good title thereto.

Liability of stranger signing bill as indorser

55 Where a person signs a bill otherwise than as drawer or acceptor, he thereby incurs the liability of an indorser to a holder in due course.

Measure of damages against parties to dishonoured bill

56 Where a bill is dishonoured, the measure of damages, which shall be deemed to be liquidated damages, shall be as follows—

- (a) the holder may recover from any party liable on the bill, and the drawer who has been compelled to pay the bill may recover from the acceptor, and an indorser who has been compelled to pay the bill may recover from the acceptor or from the drawer, or from any prior indorser—
 - (i) the amount of the bill;
 - (ii) interest thereon from the time of presentment for payment if the bill is payable on demand, and from the maturity of the bill in any other case; and

- (iii) the expenses of noting, or, when protest is necessary, and the protest has been extended, the expenses of protest;
- (b) in the case of a bill which has been dishonoured abroad, in lieu of the above damages, the holder may recover from the drawer or an indorser, and the drawer or an indorser who has been compelled to pay the bill may recover from any party liable to him, the amount of the re-exchange with interest thereon until the time of payment;
- (c) where by this Act interest may be recovered as damages, such interest may, if justice requires it, be withheld wholly or in part, and where a bill is expressed to be payable with interest at a given rate, interest as damages may or may not be given at the same rate as interest proper.

Transferor by delivery and transferee

57 (1) Where the holder of a bill payable to bearer negotiates it by delivery without indorsing it, he is called a "transferor by delivery".

(2) A transferor by delivery is not liable on the instrument.

(3) A transferor by delivery who negotiates a bill thereby warrants to his immediate transferee being a holder for value that the bill is what it purports to be, that he has a right to transfer it, and that at the time of transfer he is not aware of any fact which renders it valueless.

Discharge of bill by payment in due course

58 (1) A bill is discharged by payment in due course by or on behalf of the drawee or acceptor.

In this subsection "payment in due course" means payment made at or after the maturity of the bill to the holder thereof in good faith and without notice that his title to the bill is defective.

(2) Subject to the provisions hereinafter contained, when a bill is paid by the drawer or an indorser it is not discharged; but

- (a) where a bill payable to, or to the order of, a third party is paid by the drawer the drawer may enforce payment thereof against the acceptor, but may not re-issue the bill;
- (b) where a bill is paid by an indorser, or where a bill payable to drawer's order is paid by the drawer, the party paying it is remitted to his former rights as regards

BILLS OF EXCHANGE ACT 1934

the acceptor or antecedent parties, and he may, if he thinks fit, strike out his own and subsequent indorsements, and again negotiate the bill.

(3) Where an accommodation bill is paid in due course by the party accommodated the bill is discharged.

Banker paying on demand draft whereon endorsement is forged

59 When a bill payable to order on demand is drawn on a banker, and the banker on whom it is drawn pays the bill in good faith and in the ordinary course of business, it is not incumbent on the banker to show that the indorsement of the payee or any subsequent indorsement was made by or under the authority of the person whose indorsement it purports to be, and the banker is deemed to have paid the bill in due course, although such indorsement has been forged or made without authority.

Acceptor the holder at maturity

60 When the acceptor of a bill is or becomes the holder of it at or after its maturity, in his own right, the bill is discharged.

Express waiver

61 (1) When the holder of a bill at or after its maturity absolutely and unconditionally renounces his rights against the acceptor the bill is discharged.

(2) The renunciation must be in writing, unless the bill is delivered up to the acceptor.

(3) The liabilities of any party to a bill may in like manner be renounced by the holder before, at, or after its maturity; but nothing in this section shall affect the rights of a holder in due course without notice of the renunciation.

Cancellation of bill

62 (1) Where a bill is intentionally cancelled by the holder or his agent, and the cancellation is apparent thereon, the bill is discharged.

(2) In like manner any party liable on a bill may be discharged by the intentional cancellation of his signature by the holder or his agent. In such case any indorser who would have had a right of recourse against the party whose signature is cancelled, is also discharged.

(3) A cancellation made unintentionally, or under a mistake, or without the authority of the holder, is inoperative; but where a bill or any signature thereon appears to have been cancelled the burden of proof lies on the party who alleges that the cancellation was made unintentionally, or under a mistake, or without authority.

Alteration of bill

63 (1) Where a bill or acceptance is materially altered without the assent of all parties liable on the bill, the bill is avoided except as against a party who has himself made, authorized, or assented to the alteration, and subsequent indorsers:

Provided that where a bill has been materially altered, but the alteration is not apparent, and the bill is in the hands of a holder in due course, such holder may avail himself of the bill as if it had not been altered, and may enforce payment of it according to its original tenor.

(2) In particular the following alterations are material, that is to say, any alteration of the date, the sum payable, the time of payment, the place of payment, and, where a bill has been accepted generally, the addition of a place of payment without the acceptor's assent.

Acceptance for honour supra protest

64 (1) Where a bill of exchange has been protested for dishonour by non-acceptance, or protested for better security, and is not overdue, then any person, not being a party already liable thereon, may, with the consent of the holder, intervene and accept the bill supra protest, for the honour of any party liable thereon, or for the honour of the person for whose account the bill is drawn.

(2) A bill may be accepted for honour for part only of the sum for which it is drawn.

(3) An acceptance for honour supra protest must, in order to be valid—

(a) be written on the bill, and indicate that it is an acceptance for honour;

(b) be signed by the acceptor for honour.

(4) Where an acceptance for honour does not expressly state for whose honour it is made, it is deemed to be an acceptance for the honour of the drawer.

(5) Where a bill payable after sight is accepted for honour its maturity is calculated from the date of the noting, for non-acceptance, and not from the date of the acceptance for honour.

Liability of acceptor for honour

65 (1) The acceptor for honour of a bill by accepting it engages that he will, on due presentment, pay the bill according to the tenor of his acceptance, if it is not paid by the drawee, provided it has been duly presented for payment, and protested for non-payment, and that he receives notice of these facts.

BILLS OF EXCHANGE ACT 1934

(2) The acceptor for honour is liable to the holder and to all parties to the bill subsequent to the party for whose honour he has accepted.

Presentment to acceptor for honour

66 (1) Where a dishonoured bill has been accepted for honour supra protest, or contains a reference in case of need, it must be protested for non-payment before it is presented for payment to the acceptor for honour, or referee in case of need.

(2) Where the address of the acceptor for honour is in the same place where the bill is protested for non-payment, the bill must be presented to him not later than the day following its maturity; and where the address of the acceptor for honour is in some place other than that place where it was protested for non-payment, the bill must be forwarded not later than the day following its maturity for presentment to him.

(3) Delay in presentment or non-presentment is excused by any circumstance which would excuse delay in presentment for payment or non-presentment for payment.

(4) When a bill of exchange is dishonoured by the acceptor for honour it must be protested for non-payment by him.

Payment for honour supra protest

67 (1) Where a bill has been protested for non-payment, any person may intervene and pay it supra protest for the honour of any party liable thereon, or for the honour of the person for whose account the bill is drawn.

(2) Where two or more persons offer to pay a bill for the honour of different parties, the person whose payment will discharge most parties to the bill shall have the preference.

(3) Payment for honour supra protest, in order to operate as such and not as a mere voluntary payment, must be attested by a notarial act of honour which may be appended to the protest or form an extension of it.

(4) The notarial act of honour must be founded on a declaration made by the payer for honour, or his agent in that behalf, declaring his intention to pay the bill for honour, and for whose honour he pays.

(5) Where a bill has been paid for honour, all parties subsequent to the party for whose honour it is paid are discharged, but the payer for honour is subrogated for, and succeeds to both the rights and duties of, the holder as regards the party for whose honour he pays, and all parties liable to that party.

(6) The payer for honour on paying to the holder the amount of the bill and the notarial expenses incidental to its dishonour is entitled

to receive both the bill itself and the protest. If the holder do not on demand deliver them up he shall be liable to the payer for honour in damages.

(7) Where the holder of a bill refuses to receive payment supra protest he shall lose his right of recourse against any party who would have been discharged by such payment.

Rights of holder to duplicate of lost bill

68 (1) Where a bill has been lost before it is overdue, the person who was the holder of it may apply to the drawer to give him another bill of the same tenor, giving security to the drawer if required to indemnify him against all persons whatever in case the bill alleged to have been lost shall be found again.

(2) If the drawer on request as aforesaid refuses to give such duplicate bill, he may be compelled to do so.

Action on lost bill

69 In any action or proceeding upon a bill, the Court or a Judge may order that the loss of the instrument shall not be set up, provided an indemnity is given to the satisfaction of the Court or Judge against the claims of any other person upon the instrument in question.

Rules as to bills drawn in sets

70 (1) Where a bill is drawn in a set, each part of the set being numbered, and containing a reference to the other parts, the whole of the parts constitute one bill.

(2) Where the holder of a set indorses two or more parts to different persons, he is liable on every such part, and every indorser subsequent to him is liable on the part he has himself indorsed as if the said parts were separate bills.

(3) Where two or more parts of a set are negotiated to different holders in due course, the holder whose title first accrues is, as between such holders, deemed to be the true owner of the bill; but nothing in this subsection shall affect the rights of a person who in due course accepts or pays the part first presented to him.

(4) The acceptance may be written on any part, and it must be written on one part only.

If the drawee accepts more than one part, and such accepted parts get into the hands of different holders in due course, he is liable on every such part as if it were a separate bill.

(5) When the acceptor of a bill drawn in a set pays it without requiring the part bearing his acceptance to be delivered up to him, and

BILLS OF EXCHANGE ACT 1934

that part at maturity is outstanding in the hands of a holder in due course, he is liable to the holder thereof.

(6) Subject to the preceding rules, where any one part of a bill drawn in a set is discharged by payment or otherwise, the whole bill is discharged.

Rules where laws conflict

71 Where a bill drawn in one country is negotiated, accepted, or payable in another, then the rights, duties, and liabilities of the parties thereto are determined as follows—

- (a) the validity of a bill as regards requisites in form is determined by the law of the place of issue, and the validity as regards requisites in form of supervening contracts, such as acceptance, or indorsements, or acceptance supra protest, is determined by the law of the place where such contract was made:

Provided that—

- (i) where a bill is issued out of Bermuda it is not invalid by reason only that it is not stamped in accordance with the law of the place of issue;
- (ii) where a bill, issued out of Bermuda conforms, as regards requisites in form to the law of Bermuda, it may, for the purposes of enforcing payment thereof, be treated as valid as between all persons who negotiate, hold, or become parties to it in Bermuda;
- (b) subject to this Act, the interpretation of the drawing, indorsement, acceptance, or acceptance supra protest of a bill, is determined by the law of the place where such contract is made:

Provided that where an inland bill is indorsed in a foreign country the indorsement shall as regards the payer, be interpreted according to the law of Bermuda;

- (c) the duties of the holder with respect to presentment for acceptance or payment and the necessity for or sufficiency of a protest or notice of dishonour, or otherwise, are determined by the law of the place where the act is done or bill is dishonoured;
- (d) where the bill is drawn out of, but payable in, Bermuda and the sum payable is not expressed in the currency of the United Kingdom, the amount shall, in the absence of some expressed stipulation, be calculated according to the rate of exchange for sight drafts at the place of payment on the day the bill is paid; and

- (e) where the bill is drawn in one country and is payable in another, the due date thereof is determined according to the law of the place where it is payable.

Definition of cheque; application of Act

72 (1) A cheque is a bill of exchange drawn on a banker payable on demand.

(2) Except as otherwise provided in the next two following sections, this Act applicable to a bill of exchange on demand apply to a cheque.

Presentment of cheque for payment

73 Subject to this Act—

- (a) 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;
- (b) in determining what is a reasonable time regard shall be had to the nature of the instrument, the usage of trade and of bankers, and the facts of the particular case;
- (c) the holder of such cheque as to which such drawer or person is discharged shall be a 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.

Revocation of banker's authority

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

- (a) by countermand of payment;
- (b) by notice of the customer's death.

Definition of promissory note

75 (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.

BILLS OF EXCHANGE ACT 1934

(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 is not 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 Bermuda is an inland note; and any other note is a foreign note.

Effect of delivery of promissory note

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

Joint and several promissory notes

77 (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.

Promissory note payable on demand

78 (1) Where a note payable on demand has been indorsed, it must be presented for payment within a reasonable time of the indorsement; and if it is not so presented the indorser is discharged.

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

(3) Where a note payable on demand is negotiated, it is not deemed to be overdue, for the purpose of affecting the holder with 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.

Presentment of promissory note for payment

79 (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; but 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 that place is sufficient to render the indorser liable; but a presentment to the maker elsewhere, if sufficient in other respects, shall also suffice.

Liability of maker of promissory note

80 The maker of a promissory note by making it—

- (a) engages that he will pay it accordingly to its tenor;
- (b) is precluded from denying to a holder in due course the existence of the payee and his then capacity to indorse.

Application of certain provisions of Act to promissory notes

81 (1) Subject sections 75 to 80 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—

- (a) provisions relating to presentment for acceptance;
- (b) provisions relating to acceptance;
- (c) provisions relating to acceptance supra protest; and
- (d) provisions relating to bills in a set.

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

Good faith

82 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.

Signature of instrument

83 (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 is sealed with the corporate seal:

Provided that nothing in this section shall be construed as requiring the bill or note of a corporation to be under seal.

BILLS OF EXCHANGE ACT 1934

Computation of time

84 (1) Where, by this Act, the time allowed for doing any act or thing, is less than three days, then in reckoning time, nonbusiness days are excluded.

(2) For the purpose of this Act, "nonbusiness day" means a public holiday.

When noting equivalent to protest

85 For the purposes of this Act, where a bill or note is required to be protested within a specified time or before some further proceeding is taken, it is sufficient that the bill had been noted for protest before the expiration of the specified time or the taking of the proceeding; and the formal protest may be extended at any time thereafter as of the date of noting.

Protest when notary not accessible

86 (1) Where a dishonoured bill or note is authorized or required to be protested, and the services of a notary cannot be obtained at the place where the bill is dishonoured, then any householder or substantial resident of the place may, in the presence of two witnesses, give a certificate, signed by them, attesting the dishonour of the bill, and the certificate shall in all respects operate as if it were a formal protest of the bill.

(2) The form set out in the Schedule may be used with necessary modifications, and if used shall be sufficient.

Saving for rules of common law

87 The rules of common law, including the law merchant, save in so far as they are inconsistent with the express provisions of this Act, shall continue to apply to bills of exchange, promissory notes, and cheques.

SCHEDULE

Form of protest which may be used when the services of a notary cannot
be obtained

Know all men that I, A.B. [*householder,*] of

Parish in Bermuda, at the request of C.D., there being no notary public
available, did on the [*blank*] day of [*blank*] 19 [*blank*], at [*blank*] 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.

Witnesses.

J.K.

N.B. The bill itself should be annexed, or a copy of the bill and all that is
written thereon should be underwritten.

[Amended by
1947 : 35]