



Banking Act 2009

2009 CHAPTER 1

PART 7

MISCELLANEOUS

Funds attached rule (Scotland)

254 Abolition for cheques

- (1) A reference to the “funds attached” rule is a reference to the rule of law in Scotland by virtue of which a bill of exchange, when presented to the drawee for payment, operates as an assignation of the sum for which it is drawn (or, if the drawee holds insufficient funds, of those funds) in favour of the holder of the bill.
- (2) The “funds attached” rule is abolished for cheques presented for payment after the commencement of this section.
- (3) Expressions used in this section have the same meaning as in the Bills of Exchange Act 1882.
- (4) In that Act—
 - (a) in section 53(2) (funds in hands of drawee: Scotland)—
 - (i) the words “Subject to section 75A of this Act,” cease to have effect, and
 - (ii) after “drawee of a bill” insert “other than a cheque”, and
 - (b) section 75A(countermanded cheques) ceases to have effect.
- (5) Section 11 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 (countermanded cheques) ceases to have effect.