Bills of Exchange Act 1882

1882 CHAPTER 61 45 and 46 Vict

An Act to codify the law relating to Bills of Exchange, Cheques, and Promissory Notes. [18th August 1882]

Modifications etc. (not altering text)

C1 Act amended by Consumer Credit Act 1974 (c. 39, SIF 60), **s. 125(2)**

Commencement Information

I1 Act wholly in force at Royal Assent

PART I

PRELIMINARY

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 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 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 to a person who takes it as a holder.

"Person" includes a body of persons whether incorporated or not.

[[F1]"postal operator" has the meaning given by **[**[F2]section 27 of the Postal Services Act 2011**].]**

"Value" means valuable consideration.

"Written" includes printed, and "writing" includes print.

Textual Amendments

F1 S. 2: Definition of "postal operator" inserted (26.3.2001) by S.I. 2001/1149, art. 3(1), **Sch. 1 para. 4(2)**

F2 Words in s. 2 substituted (1.10.2011) by Postal Services Act 2011 (c. 5), s. 93(2)(3), **Sch. 12 para. 73**; S.I. 2011/2329, art. 3

Modifications etc. (not altering text)

C2 S. 2 extended by City of London (Various Powers) Act 1937 (c. xlv), s. 28(1), **Sch. 2**, Local Government (Scotland) Act 1947 (c. 43, SIF:81:2), **s. 290(3)**, S.I. 1957/2228 (1957 I, p. 801) and 1974/519

PART II

BILLS OF EXCHANGE

Form and Interpretation

3 Bill of exchange defined.

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

(4) A bill is not invalid by reason—

(a) That it is not dated;

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

(c) That it does not specify the place where it is drawn or the place where it is payable.

Modifications etc. (not altering text)

C3 S. 3 amended by Decimal Currency Act 1969 (c. 19), **s. 2**

4 Inland and foreign bills.

(1) An inland bill is a bill which is or on the face of it purports to be (a) both drawn and payable within the British Islands, or (b) drawn within the British Islands upon some person resident therein. Any other bill is a foreign bill.

For the purposes of this Act "British Islands" mean any part of the United Kingdom of Great Britain and Ireland, the islands of Man, Guernsey, Jersey, Alderney, and Sark, and the islands adjacent to any of them being part of the dominions of Her Majesty.

(2) Unless the contrary appear on the face of the bill the holder may treat it as an inland bill.

5 Effect where different parties to bill are the same person.

(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 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.

6 Address to drawee.

(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.

7 Certainty required as to payee.

(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 or 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.

8 What bills are negotiable.

(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.

Status: *Point in time view as at 31/07/2018.*
Changes to legislation: *There are currently no known outstanding effects for the Bills of Exchange Act 1882. (See end of Document for details)*

(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.

9 Sum payable.

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

(a) With interest.

(b) By stated instalments.

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

(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, unless the instrument otherwise provides, interest runs from the date of the bill, and if the bill is undated from the issue thereof.

10 Bill payable on demand.

(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 a bill payable on demand.

11 Bill payable at a future time.

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

(1) At a fixed period after date or sight.

(2) 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.

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

12 Omission of date in bill payable after date.

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 (1) where the holder in good faith and by mistake inserts a wrong date, and (2) 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.

13 Ante-dating and post-dating.

(1) Where a bill or an acceptance or any indorsement on a bill is dated, the date shall, unless the contrary be 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

14 Computation of time of payment.

Where a bill is not payable on demand the day on which it falls due is determined as follows: [F3]

[(1) The bill is due and payable in all cases on the last day of the time of payment as fixed bythe bill or, if that is a non-business day, on the succeeding business day**]**

(2) 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.

(3) 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.

(4) The term “month” in a bill means a calendar month.

Textual Amendments

F3 S. 14(1) substituted except in relation to bills drawn and notes made before 16.1.1972 by Banking and Financial Dealings Act 1971 (c. 80), **s. 3(2)(3)**

15 Case of need.

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 non-acceptance or non-payment. Such person is called the referee in case of need. It is in the option of the holder to resort to the referee in case of need or not as he may think fit.

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16 Optional stipulations by drawer or indorser.

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

(1) Negativing or limiting his own liability to the holder.

(2) Waiving as regards himself some or all of the holder's duties.

17 Definition and requisites of acceptance.

(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, namely:
   (a) It must be written on the bill and be signed by the drawee. The mere signature of the drawee without additional words is sufficient.
   (b) It must not express that the drawee will perform his promise by any other means than the payment of money.

18 Time for acceptance.

A bill may be accepted—

(1) Before it has been signed by the drawer, or while otherwise incomplete:

(2) When it is overdue, or after it has been dishonoured by a previous refusal to accept, or by non-payment:

(3) When a bill payable after sight is dishonoured by non-acceptance, 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.

19 General and qualified acceptances.

(1) An acceptance is either (a) general or (b) qualified.

(2) A general acceptance assents without qualification to the order of the drawer. A qualified acceptance in expressed terms varies the effect of the bill as drawn.

In particular an acceptance is qualified which is—
   (a) conditional, that is to say, which makes payment by the acceptor dependent on the fulfilment of a condition therein stated:
   (b) partial, that is to say, an acceptance to pay part only of the amount for which the bill is drawn:
   (c) local, that is to say, an acceptance to pay only at a particular specified place:

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:
   (d) qualified as to time:
   (e) the acceptance of some one or more of the drawees, but not of all.

20 Inchoate instruments.

(1) Where a simple signature on a blank . . . [F4] paper is delivered by the signer in order that it may be converted into a bill, it operates as a prima facie authority to fill it up as a complete bill for any amount . . . [F4], 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 a prima facie 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. Reasonable time for this purpose is 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.

Textual Amendments

F4 Words repealed by Finance Act 1970 (c. 24), **Sch. 8 Pt. V** and Finance Act (Northern Ireland) 1970 (c. 21), **Sch. 3 Pt. III**.

21 Delivery.

(1) Every contract on a bill, whether it be the drawer's, the acceptor's, or an indorser's, is incomplete and revocable, until 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.

But if the bill be 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 drawer, acceptor, or indorser, a valid and unconditional delivery by him is presumed until the contrary is proved.

Capacity and Authority of Parties

22 Capacity of parties.

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

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Provided that nothing in this section shall enable a corporation to make itself liable as drawer, acceptor, or indorser of a bill unless it is competent to it so to do 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.

23 Signature essential to liability.

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

(1) 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:

(2) 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 in that firm.

24 Forged or unauthorised signature.

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 unauthorised 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 unauthorised signature not amounting to a forgery.

25 Procuration signatures.

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.

26 Person signing as agent or in representative capacity.

(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.

The Consideration for a Bill

27 Value and holder for value.

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

(a) Any consideration sufficient to support a simple contract;

(b) An antecedent debt or liability. Such a debt or liability is deemed valuable consideration whether the bill is payable on demand or at a future time.

(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.

28 Accommodation bill or party.

(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.

29 Holder in due course.

(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; namely,

(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 force and fear, or other unlawful means, or an illegal consideration, or when he negotiates it in breach of faith, or under such circumstances as amount to a 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.

Modifications etc. (not altering text)

C4 S. 29 excluded by Consumer Credit Act 1974 (c. 39, SIF 60), **s. 125(1)**

C5 S. 29(2) amended by Consumer Credit Act 1974 (c. 39, SIF 60), **s. 125(2)**

30 Presumption of value and good faith.

(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 affected with fraud, duress, or force and fear, 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

31 Negotiation of bill.

(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.

32 Requisites of a valid indorsement.

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

(1) It must be written on the bill itself and be signed by the indorser. 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 recognised, is deemed to be written on the bill itself.

(2) It must be an indorsement of the entire bill. 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.

(3) 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.

(4) Where, in a bill payable to order, the payee or indorsee is wrongly designated, or his name is mis-spelt, he may indorse the bill as therein described, adding, if he thinks fit, his proper signature.

(5) 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.

(6) An indorsement may be made in blank or special. It may also contain terms making it restrictive.

33 Conditional indorsement.

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.

34 Indorsement in blank and special indorsement.

(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.

35 Restrictive indorsement.

(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 be 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 authorise him to do so.

(3) Where a restrictive indorsement authorises 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.

36 Negotiation of overdue or dishonoured bill.

(1) Where a bill is negotiable in its origin it continues to be negotiable until it has been (a) restrictively indorsed or (b) 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. What is an unreasonable length of time for this purpose is a question of fact.

Status: *Point in time view as at 31/07/2018.*
Changes to legislation: *There are currently no known outstanding effects for the Bills of Exchange Act 1882. (See end of Document for details)*

(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 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 sub-section shall affect the rights of a holder in due course.

37 Negotiation of bill to party already liable thereon.

Where a bill is negotiated back to the drawer, or to a prior indorser or to the acceptor, such party may, subject to the provisions of 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.

38 Rights of the holder.

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

(1) He may sue on the bill in his own name:

(2) 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:

(3) Where his title is defective (a) if he negotiates the bill to a holder in due course, that holder obtains a good and complete title to the bill, and (b) if he obtains payment of the bill the person who pays him in due course gets a valid discharge for the bill.

General Duties of the Holder

39 When presentment for acceptance is necessary.

(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, the delay caused by presenting the bill for acceptance before presenting it for payment is excused, and does not discharge the drawer and indorsers.

40 Time for presenting bill payable after sight.

(1) Subject to the provisions of 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 do not do so, 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.

41 Rules as to presentment for acceptance, and excuses for non-presentment.

(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 authorised 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 authorised by agreement or usage, a presentment through **[**[F5]a postal operator**]** 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.

Textual Amendments

F5 Words in s. 41(1)(e) substituted (26.3.2001) by S.I. 2001/1149, art. 3(1), **Sch. 1 para. 4(3)**

42 Non-acceptance.

When a bill is duly presented for acceptance and is not accepted within the customary time, the person presenting it must treat it as dishonoured by non-acceptance. If he do not, the holder shall lose his right of recourse against the drawer and indorsers.

43 Dishonour by non-acceptance and its consequences.

(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 the provisions of 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.

44 Duties as to qualified acceptances.

(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 authorised 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.

The provisions of this sub-section do not apply to a partial acceptance, whereof due notice has been given. Where a foreign bill has been accepted as to part, it must be protested as to the balance.

(3) 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.

45 Rules as to presentment for payment.

Subject to the provisions of this Act a bill must be duly presented for payment. If it be not so presented the drawer and indorsers shall be discharged.

A bill is duly presented for payment which is presented in accordance with the following rules:—

(1) Where the bill is not payable on demand, presentment must be made on the day it falls due.

(2) Where the bill is payable on demand, then, subject to the provisions of 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.

(3) Presentment must be made by the holder or by some person authorised to receive payment on his behalf at a reasonable hour on a business day, at the proper place as herein-after defined, either to the person designated by the bill as payer, or to some person authorised to pay or refuse payment on his behalf if with the exercise of reasonable diligence such person can there be found.

(4) A bill is presented at the proper place:—

(a) Where a place of payment is specified in the bill and the bill is there presented.

(b) 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.

(c) Where no place of payment is specified and no address 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.

(d) If 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.

(5) Where a bill is presented at the proper place, and after the exercise of reasonable diligence no person authorised to pay or refuse payment can be found there, no further presentment to the drawee or acceptor is required.

(6) 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.

(7) 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 be, and with the exercise of reasonable diligence he can be found.

(8) Where authorised by agreement or usage a presentment through **[**[F6]a postal operator**]** is sufficient.

Textual Amendments

F6 Words in s. 45(8) substituted (26.3.2001) by S.I. 2001/1149, art. 3(1), **Sch. 1 para. 4(4)**

46 Excuses for delay or non-presentment for payment.

(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. 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.

47 Dishonour by non-payment.

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

48 Notice of dishonour and effect of non-notice.

Subject to the provisions of 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—

(1) 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.

(2) 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 shall in the meantime have been accepted.

49 Rules as to notice of dishonour.

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

(1) 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.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) The return of a dishonoured bill to the drawer or an indorser is, in point of form, deemed a sufficient notice of dishonour.

(7) A written notice need not be signed, and an insufficient written notice may be supplemented and validated by verbal communication. A misdescription of the bill shall not vitiate the notice unless the party to whom the notice is given is in fact misled thereby.

(8) 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.

(9) Where the drawer or indorser is dead, and the party giving notice knows it, the notice must be given to a personal representative if such there be, and with the exercise of reasonable diligence he can be found.

(10) Where the drawer or indorser is bankrupt, notice may be given either to the party himself or to the trustee.

(11) 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.

(12) 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—

(a) 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.

(b) 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 be a post at a convenient hour on that day, and if there be no such post on that day then by the next post thereafter.

(13) 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. If he give 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.

(14) 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.

(15) 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 **[**[F7]postal operator concerned**]**.

Textual Amendments

F7 Words in s. 49(15) substituted (26.3.2001) by S.I. 2001/1149, art. 3(1), **Sch. 1 para. 4(5)**

50 Excuses for non-notice and delay.

(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. 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, namely, (1) where drawer and drawee are the same person, (2) where the drawee is a fictitious person or a

Status: *Point in time view as at 31/07/2018.*
Changes to legislation: *There are currently no known outstanding effects for the Bills of Exchange Act 1882. (See end of Document for details)*

person not having capacity to contract, (3) where the drawer is the person to whom the bill is presented for payment, (4) where the drawee or acceptor is as between himself and the drawer under no obligation to accept or pay the bill, (5) where the drawer has countermanded payment:

(d) As regards the indorser in the following cases, namely, (1) 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, (2) where the indorser is the person to whom the bill is presented for payment, (3) where the bill was accepted or made for his accommodation.

51 Noting or protest of bill.

(1) Where an inland bill has been dishonoured it may, if the holder think 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 be duly protested for non-payment. If it be not so protested the drawer and indorsers are discharged. Where a bill does not appear on the face of it to be a foreign bill, protest thereof in case of dishonour is unnecessary.

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

(4) Subject to the provisions of this Act, when a bill is noted or protested, **[**[F8]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.

(5) Where the acceptor of a bill becomes 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.

(6) A bill must be protested at the place where it is dishonoured: Provided that—

(a) When a bill is presented through **[**[F9]a postal operator**]**, 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.

(7) 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.

[F10(7A) In subsection (7) " notary " includes a person who, for the purposes of the Legal Services Act 2007, is an authorised person in relation to any activity which constitutes a notarial activity (within the meaning of that Act).]

(8) 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.

(9) 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.

Textual Amendments

F8 Words substituted by Bills of Exchange (Time of Noting) Act 1917 (c. 48), **s. 1**.

F9 Words in s. 51(6)(a) substituted (26.3.2001) by S.I. 2001/1149, art. 3(1), **Sch. 1 para. 4(6)**

F10 S. 51(7A) inserted (1.1.2010) by Legal Services Act 2007 (c. 29), s. 211(2), **Sch. 21 para. 9** (with ss. 29, 192, 193); S.I. 2009/3250, art. 2(h)

52 Duties of holder as regards drawee or acceptor.

(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) [F11Subject to Part 4A (presentment by electronic means),] 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.

Textual Amendments

F11 Words in s. 52(4) inserted (26.3.2015, 31.7.2016 in so far as not already in force) by Small Business, Enterprise and Employment Act 2015 (c. 26), **ss. 13(3)**, 164(4)

Liabilities of Parties

53 Funds in hands of drawee.

(1) 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. This sub-section shall not extend to Scotland.

(2) **[**[F12]**[**[F13]Subject to section 75A of this Act,**]**in Scotland, where the drawee of a bill **[**[F14]other than a cheque**]** has in his hands funds available for the payment thereof, the bill operates as an assignment of the sum for which it is drawn in favour of the holder, from the time when the bill is presented to the drawee.

Textual Amendments

F12 Words in s. 53(2) cease to have effect (12.4.2009) by Banking Act 2009 (c. 1), **ss. 254(4)(a)(i)**, 263(2) (with s. 247)

F13 Words inserted (S.) by Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 (c. 73, SIF 30), **s. 11**(*a*)

F14 Words in s. 53(2) inserted (12.4.2009) by Banking Act 2009 (c. 1), **ss. 254(4)(a)(ii)**, 263(2) (with s. 247)

54 Liability of acceptor.

The acceptor of a bill, by accepting it—

(1) Engages that he will pay it according to the tenor of his acceptance:

(2) Is precluded from denying to a holder in due course:

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

(b) 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;

(c) 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.

55 Liability of drawer or indorser.

(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 be dishonoured he will compensate the holder or any indorser who is compelled to pay it, provided that the requisite proceedings on dishonour be 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 be dishonoured he will compensate the holder or a subsequent indorser who is compelled to pay it, provided that the requisite proceedings on dishonour be 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.

56 Stranger signing bill liable as indorser.

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

57 Measure of damages against parties to dishonoured bill.

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

(1) 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 a prior indorser—

(a) The amount of the bill:

(b) 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:

(c) The expenses of noting, or, when protest is necessary, and the protest has been extended, the expenses of protest.

(2) . . . . . [F15]

(3) Where by this Act interest may be recovered as damages, such interest may, if justice require 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.

Textual Amendments

F15 Ss. 57(2), 72(4) repealed by Administration of Justice Act 1977 (c. 38), **s. 4(2)**(*a*)(3) with saving for bills drawn before 29.8.1977

58 Transferor by delivery and transferee.

(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

59 Payment in due course.

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

"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 herein-after 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 the acceptor or antecedent parties, and he may, if he thinks fit, strike out his own 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.

60 Banker paying demand draft whereon indorsement is forged.

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.

61 Acceptor the holder at maturity.

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.

62 Express waiver.

(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.

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

(2) 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.

63 Cancellation.

(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.

64 Alteration of bill.

(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, authorised, 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, namely, 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.

Modifications etc. (not altering text)
C6 S. 64 excluded by Decimal Currency Act 1969 (c. 19), **s. 3(2)**

Acceptance and Payment for Honour

65 Acceptance for honour supra protest.

(1) Where a bill of exchange has been protested for dishonour by non-acceptance, or protested for better security, and is not overdue, 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 in order to be valid must—
(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.

66 Liability of acceptor for honour.

(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.

(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.

67 Presentment to acceptor for honour.

(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 the 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.

68 Payment for honour supra protest.

(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.

Lost Instruments

69 Holder's right to duplicate of lost bill.

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.

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

[F16 70 Action on lost bill.

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 be given to the satisfaction of the court or judge against the claims of any other person upon the instrument in question.]

Textual Amendments

F16 S. 70 repealed (N.I.) by Judicature (Northern Ireland) Act 1978 (c. 23, SIF 38), s. 122(3), **Sch. 7**

Bill in a Set

71 Rules as to sets.

(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 the true owner of the bill; but nothing in this sub-section 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 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.

Conflict of Laws

72 Rules where laws conflict.

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

(1) 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 the supervening contracts, such as acceptance, or indorsement, or acceptance supra protest, is determined by the law of the place where such contract was made.
Provided that—
(a) Where a bill is issued out of the United Kingdom it is not invalid by reason only that it is not stamped in accordance with the law of the place of issue:
(b) Where a bill, issued out of the United Kingdom, conforms, as regards requisites in form, to the law of the United Kingdom, it may, for the purpose of enforcing payment thereof, be treated as valid as between all persons who negotiate, hold, or become parties to it in the United Kingdom.

(2) Subject to the provisions of 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 the United Kingdom.

(3) 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 the bill is dishonoured.

(4) . . . . . [F17]

(5) Where a 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.

Textual Amendments

F17 Ss. 57(2), 72(4) repealed by Administration of Justice Act 1977 (c. 38), **s. 4(2)**(*a*)(3) with saving for bills drawn before 29.8.1977

PART III

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.

Modifications etc. (not altering text)

C7 S. 73 extended by Finance Act 1939 (c. 41), **s. 35(2)**, S.I. 1957/2228 (1957 I, p. 801) and National Loans Act 1968 (c. 13), **s. 14(7)**

74 Presentment of cheque 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 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 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.

[F18][F18]74A Presentment of cheque for payment: alternative place of presentment.

Where the banker on whom a cheque is drawn—

(a) has by notice published in the London, Edinburgh and Belfast Gazettes specified an address at which cheques drawn on him may be presented, and

(b) has not by notice so published cancelled the specification of that address,

the cheque is also presented at the proper place if it is presented there.**]**

Textual Amendments

F18 S. 74A inserted (28.11.96) by S.I. 1996/2993 art. 3.

[F19]74B Presentment of cheque for payment: alternative means of presentment by banker

. . . . . .

Textual Amendments

F19 Ss. 74B, 74C omitted (26.3.2015, 31.7.2016 in so far as not already in force) by virtue of Small Business, Enterprise and Employment Act 2015 (c. 26), **ss. 13(4)**, 164(4)

[F19] 74C Cheques presented for payment under section 74B: disapplication of section 52(4).

. . . . . .

Textual Amendments

F19 Ss. 74B, 74C omitted (26.3.2015, 31.7.2016 in so far as not already in force) by virtue of Small Business, Enterprise and Employment Act 2015 (c. 26), **ss. 13(4)**, 164(4)

75 Revocation of banker's 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.

[F20 75A

[F21 (1) On the countermand of payment of a cheque, the banker shall be treated as having no funds available for the payment of the cheque.

(2) This section applies to Scotland only.]]

Textual Amendments

F20 S. 75A inserted (S.) by Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 (c. 73, SIF 30), **s. 11**(*b*)

F21 S. 75A ceases to have effect (12.4.2009) by virtue of Banking Act 2009 (c. 1), **ss. 254(4)(b)**, 263(2) (with s. 247)

Crossed Cheques

76 General and special crossings defined.

(1) Where a cheque bears across its face an addition of—

(a) The words "and company" or any abbreviation thereof between two parallel transverse lines, either with or without the words "not negotiable"; or

(b) Two parallel transverse lines simply, either with or without the words "not negotiable";

that addition constitutes a crossing, and the cheque is crossed generally.

(2) Where a cheque bears across its face an addition of the name of a banker, either with or without the words "not negotiable," that addition constitutes a crossing, and the cheque is crossed specially and to that banker.

Modifications etc. (not altering text)

C8 S. 76 extended by Cheques Act 1957 (c. 36, SIF 14), **s. 5**, 1972/641, reg. 7(2), 1972/764, reg. 21(5), 1972/765, reg. 8(2) and 1976/2012, reg. 22(2)

C9 S. 76 extended by S.I. 1984/779, **reg. 7(2)**
S. 76 extended by S.I. 1991/1031, **reg. 7(2)**
S. 76 applied by S.I. 1991/1407, **reg. 7(2)**

C10 S. 76(1) applied (with modifications) (6.4.2015) by The National Savings Regulations 2015 (S.I. 2015/623), regs. 1(1), **58**

C11 S. 76(1) applied (6.4.2015) by The National Savings (No. 2) Regulations 2015 (S.I. 2015/624), regs. 1(1), **96**

77 Crossing by drawer or after issue.

(1) A cheque may be crossed generally or specially by the drawer.

(2) Where a cheque is uncrossed, the holder may cross it generally or specially.

(3) Where a cheque is crossed generally the holder may cross it specially.

(4) Where a cheque is crossed generally or specially, the holder may add the words "not negotiable."

(5) Where a cheque is crossed specially, the banker to whom it is crossed may again cross it specially to another banker for collection.

(6) Where an uncrossed cheque, or a cheque crossed generally, is sent to a banker for collection, he may cross it specially to himself.

Modifications etc. (not altering text)

C12 S. 77 extended by Cheques Act 1957 (c. 36, SIF 14), **s. 5** and S.I. 1976/2012, **reg. 22(2)**

C13 S. 77 subsections (1), (3), (4) and (5) and, so far as it relates to crossed cheques, subsection (6) of section 77, extended by S.I. 1984/779, **reg. 7(2)**
S. 77 subsections (1), (3), (4) and (5) and, so far as it relates to crossed cheques, subsection (6), extended by S.I. 1991/1031, **reg. 7(2)**
S. 77 subsections (1), (3), (4) and (5) and, so far as it relates to crossed cheques, subsection (6), applied by S.I. 1991/1407, **reg. 7(2)**

C14 S. 77(1)(3)-(5) and, so far as it relates to crossed cheques, (6) extended by S.I. 1972/641, 764, 765

C15 S. 77(6) applied (with modifications) (6.4.2015) by The National Savings Regulations 2015 (S.I. 2015/623), regs. 1(1), **58**

C16 S. 77(6) applied (6.4.2015) by The National Savings (No. 2) Regulations 2015 (S.I. 2015/624), regs. 1(1), **96**

78 Crossing a material part of cheque.

A crossing authorised by this Act is a material part of the cheque; it shall not be lawful for any person to obliterate or, except as authorised by this Act, to add to or alter the crossing.

Modifications etc. (not altering text)

C17 S. 78 extended by Cheques Act 1957 (c. 36, SIF 14), **s. 5**, S.I 1972/641, reg.7(2), 1972/764, reg. 21(5), 1972/765, reg. 8(2) and 1976/2012, reg.22(2)

C18 Ss. 78–81 extended by S.I. 1984/779, **reg. 7(2)**
Ss. 78-81 extended by S.I. 1991/1031, **reg. 7(2)**
Ss. 78-81 applied by S.I. 1991/1407, **reg. 7(2)**

C19 Ss. 78-81 applied (6.4.2015) by The National Savings (No. 2) Regulations 2015 (S.I. 2015/624), regs. 1(1), **96**

C20 Ss. 78-81 applied (with modifications) (6.4.2015) by The National Savings Regulations 2015 (S.I. 2015/623), regs. 1(1), **58**

79 Duties of banker as to crossed cheques.

(1) Where a cheque is crossed specially to more than one banker except when crossed to an agent for collection being a banker, the banker on whom it is drawn shall refuse payment thereof.

(2) Where the banker on whom a cheque is drawn which is so crossed nevertheless pays the same, or pays a cheque crossed generally otherwise than to a banker, or if crossed specially otherwise than to the banker to whom it is crossed, or his agent for collection being a banker, he is liable to the true owner of the cheque for any loss he may sustain owing to the cheque having been so paid.
Provided that where a cheque is presented for payment which does not at the time of presentment appear to be crossed, or to have had a crossing which has been obliterated, or to have been added to or altered otherwise than as authorised by this Act, the banker paying the cheque in good faith and without negligence shall not be responsible or incur any liability, nor shall the payment be questioned by reason of the cheque having been crossed, or of the crossing having been obliterated or having been added to or altered otherwise than as authorised by this Act, and of payment having been made otherwise than to a banker or to the banker to whom the cheque is or was crossed, or to his agent for collection being a banker, as the case may be.

Modifications etc. (not altering text)

C19 Ss. 78-81 applied (6.4.2015) by The National Savings (No. 2) Regulations 2015 (S.I. 2015/624), regs. 1(1), **96**

C20 Ss. 78-81 applied (with modifications) (6.4.2015) by The National Savings Regulations 2015 (S.I. 2015/623), regs. 1(1), **58**

C21 S. 79 extended by Cheques Act 1957 (c. 36, SIF 14), **s. 5**, S.I 1972/641, reg.7(2), 1972/764, reg. 21(5), 1972/765, reg. 8(2) and 1976/2012, reg.22(2)

C22 Ss. 78–81 extended by S.I. 1984/779, **reg. 7(2)**
Ss. 78-81 extended by S.I. 1991/1031, **reg. 7(2)**
Ss. 78-81 applied by S.I. 1991/1407, **reg. 7(2)**

80 Protection to banker and drawer where cheque is crossed.

Where the banker, on whom a crossed cheque **[**[F22](including a cheque which under section 81A below or otherwise is not transferable)**]** is drawn, in good faith and without negligence pays it, if crossed generally, to a banker, and if crossed specially, to the banker to whom it is crossed, or his agent for collection being a banker, the banker paying the cheque, and, if the cheque has come into the hands of the payee, the drawer, shall respectively be entitled to the same rights and be placed in the same position as if payment of the cheque had been made to the true owner thereof.

Textual Amendments

F22 Words in s. 80 inserted (16. 6. 1992) by Cheques Act 1992 (c. 32), **ss. 2**, 4(2).

Modifications etc. (not altering text)

C19 Ss. 78-81 applied (6.4.2015) by The National Savings (No. 2) Regulations 2015 (S.I. 2015/624), regs. 1(1), **96**

C20 Ss. 78-81 applied (with modifications) (6.4.2015) by The National Savings Regulations 2015 (S.I. 2015/623), regs. 1(1), **58**

C23 S. 80 extended by Cheques Act 1957 (c. 36, SIF 14), **s. 5**, S.I 1972/641, reg.7(2), 1972/764, reg. 21(5), 1972/765, reg. 8(2) and 1976/2012, reg.22(2)
C24 Ss. 78–81 extended by S.I. 1984/779, **reg. 7(2)**
Ss. 78-81 extended by S.I. 1991/1031, **reg. 7(2)**
Ss. 78-81 applied by S.I. 1991/1407, **reg. 7(2)**
C25 S. 80 applied (31.7.2018) by The Electronic Presentment of Instruments (Evidence of Payment and Compensation for Loss) Regulations 2018 (S.I. 2018/832), regs. 1, **7**

81 Effect of crossing on holder.

Where a person takes a crossed cheque which bears on it the words "not negotiable," he shall not have and shall not be capable of giving a better title to the cheque than that which the person from whom he took it had.

Modifications etc. (not altering text)
C19 Ss. 78-81 applied (6.4.2015) by The National Savings (No. 2) Regulations 2015 (S.I. 2015/624), regs. 1(1), **96**
C20 Ss. 78-81 applied (with modifications) (6.4.2015) by The National Savings Regulations 2015 (S.I. 2015/623), regs. 1(1), **58**
C26 S. 81 extended by Cheques Act 1957 (c. 36, SIF 14), **s. 5**, S.I 1972/641, reg.7(2), 1972/764, reg. 21(5), 1972/765, reg. 8(2) and 1976/2012, reg.22(2)
C27 Ss. 78–81 extended by S.I. 1984/779, **reg. 7(2)**
Ss. 78-81 extended by S.I. 1991/1031, **reg. 7(2)**
Ss. 78-81 applied by S.I. 1991/1407, **reg. 7(2)**

[81A [F23]Non-transferable cheques.

(1) Where a cheque is crossed and bears across its face the words "account payee" or "a/c payee", either with or without the word "only", the cheque shall not be transferable, but shall only be valid as between the parties thereto.

(2) A banker is not to be treated for the purposes of section 80 above as having been negligent by reason only of his failure to concern himself with any purported indorsement of a cheque which under subsection (1) above or otherwise is not transferable.**]**

Textual Amendments
F23 S. 81A inserted (16. 6. 1992) by Cheques Act 1992 (c. 32), **ss.1**, 4(2).

82 . . . . . [F24]

Textual Amendments
F24 S. 82 repealed by Cheques Act 1957 (c. 36), **Sch.**

PART IV

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 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 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 tenour.

(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.

(2) 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.

(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.

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

[[F25](4) This section is subject to Part 4A (presentment by electronic means).**]**

Textual Amendments

F25 S. 87(4) inserted (26.3.2015, 31.7.2016 in so far as not already in force) by Small Business, Enterprise and Employment Act 2015 (c. 26), **ss. 13(5)**, 164(4)

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;
(d) Bills in a set.

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

[[F26]PART 4A

PRESENTMENT OF CHEQUES AND OTHER INSTRUMENTS BY ELECTRONIC MEANS

Textual Amendments

F26 Pt. 4A inserted (26.3.2015, 31.7.2016 in so far as not already in force) by Small Business, Enterprise and Employment Act 2015 (c. 26), **ss. 13(2)**, 164(4)

Status: *Point in time view as at 31/07/2018.*
Changes to legislation: *There are currently no known outstanding effects for the Bills of Exchange Act 1882. (See end of Document for details)*

89A Presentment of instruments by electronic means

(1) Presentment for payment of an instrument to which this section applies may be effected by provision of an electronic image of both faces of the instrument, instead of by presenting the physical instrument, if the person to whom presentment is made accepts the presentment as effective.

This is subject to regulations under subsection (2) and to section 89C.

(2) The Treasury may by regulations prescribe circumstances in which subsection (1) does not apply.

(3) Regulations under subsection (2) may in particular prescribe circumstances by reference to—

(a) descriptions of instrument;

(b) arrangements under which presentment is made;

(c) descriptions of persons by or to whom presentment is made;

(d) descriptions of persons receiving payment or on whose behalf payment is received.

(4) Where presentment for payment is made under subsection (1)—

(a) any requirement—

(i) that the physical instrument must be exhibited, presented or delivered on or in connection with presentment or payment (including after presentment or payment or in connection with dishonour for non-payment), or

(ii) as to the day, time or place on or at which presentment of the physical instrument may be or is to be made, and

(b) any other requirement which is inconsistent with subsection (1),

does not apply.

(5) Subsection (4) does not affect any requirement as to the latest time for presentment.

(6) References in subsections (4) and (5) to a requirement are to a requirement or prohibition, whether imposed by or under any enactment, by a rule of law or by the instrument in question.

(7) Where an instrument is presented for payment under this section—

(a) any banker providing the electronic image,

(b) any banker to whom it is provided, and

(c) any banker making payment of the instrument as a result of provision of the electronic image,

are subject to the same duties in relation to collection and payment of the instrument as if the physical instrument had been presented.

This is subject to any provision made by or under this Part.

89B Instruments to which section 89A applies

(1) Subject to subsection (2), section 89A applies to—

(a) a cheque, or

(b) any other bill of exchange or any promissory note or other instrument—

(i) which appears to be intended by the person creating it to enable a person to obtain payment from a banker indicated in it of the sum so mentioned,

(ii) payment of which requires the instrument to be presented, and

(iii) which, but for section 89A, could not be presented otherwise than by presenting the physical instrument.

(2) Section 89A does not apply to any banknote (within the meaning given in section 208 of the Banking Act 2009).

(3) The reference in subsection (1) to the person creating an instrument is—

(a) in the case of a bill of exchange, a reference to the drawer;

(b) in the case of a promissory note, a reference to the maker.

(4) For the purposes of subsection (1)(b)(i) an indication may be by code or number and need not indicate that payment is intended to be obtained from the banker.

89C Banker's obligation in relation to accepting physical instrument for presentment

Provision of an electronic image of an instrument does not constitute presentment of the instrument under section 89A if the arrangements between—

(a) the banker authorised to collect payment of the instrument on behalf of a customer, and

(b) that customer,

do not permit the customer to pay in the physical instrument but instead require an electronic image to be provided (whether to that banker or to any other person).

89D Copies of instruments and evidence of payment

(1) The Treasury may by regulations make provision for—

(a) requiring a copy of an instrument paid as a result of presentment under section 89A to be provided, on request, to the creator of the instrument by the banker who paid the instrument;

(b) a copy of an instrument provided in accordance with the regulations to be evidence of receipt by a person identified in accordance with the regulations of the sum payable by the instrument.

(2) Regulations under subsection (1)(a) may in particular—

(a) prescribe the manner and form in which a copy is to be provided;

(b) require the copy to be certified to be a true copy of the electronic image provided to the banker making the payment on presentment under section 89A;

(c) provide for the copy to be accompanied by prescribed information;

(d) require any copy to be provided free of charge or permit charges to be made for the provision of copies in prescribed circumstances.

(3) The reference in subsection (1)(a) to the creator of the instrument is—

(a) in the case of a bill of exchange, a reference to the drawer;

(b) in the case of a promissory note, a reference to the maker.

Status: *Point in time view as at 31/07/2018.*
Changes to legislation: *There are currently no known outstanding effects for the Bills of Exchange Act 1882. (See end of Document for details)*

89E Compensation in cases of presentment by electronic means

(1) The Treasury may by regulations make provision for the responsible banker to compensate any person for any loss of a kind specified by the regulations which that person incurs in connection with electronic presentment or purported electronic presentment of an instrument.

(2) In this section "electronic presentment or purported electronic presentment of an instrument" includes—

(a) presentment of an instrument to which section 89A applies under that section;

(b) presentment of any other instrument by any means involving provision of an electronic image by which it may be presented for payment;

(c) purported presentment for payment by any means involving provision of an electronic image of an instrument that may not be presented for payment in that way;

(d) provision, in purported presentment for payment, of—

(i) an electronic image that purports to be, but is not, an image of a physical instrument (including an image that has been altered electronically), or

(ii) an electronic image of an instrument which has no legal effect; or

(e) provision, in presentment or purported presentment for payment, of an electronic image which has been stolen.

(3) In this section, the "responsible banker", in relation to electronic presentment or purported electronic presentment of an instrument, means—

(a) the banker who is authorised to collect payment of the instrument on a customer's behalf, or

(b) if the holder of the instrument is a banker, that banker.

(4) In this section—

(a) references to an instrument include references to an instrument which has no legal effect (whether because it has been fraudulently altered or created, or because it has been discharged, or otherwise);

(b) in relation to an electronic image which is not an image of a physical instrument, references to the instrument are to a purported instrument (of which it purports to be an image); and

(c) in relation to an instrument which is not a bill of exchange or promissory note, references to the holder are to the payee or indorsee of the instrument who is in possession of it or, if it is payable to bearer, the person in possession of it.

(5) Regulations under this section may in particular make provision for—

(a) the responsible banker to be required to pay compensation irrespective of fault;

(b) the amount of compensation to be reduced by virtue of anything done, or any failure to act, by the person to whom compensation is payable.

(6) Nothing in this section or regulations under it is to be taken to—

(a) prevent the responsible banker claiming a contribution from any other person, or

(b) affect any remedy available to the responsible banker in contract or otherwise.

(7) Except so far as regulations under this section provide expressly, nothing in this section or regulations under it is to be taken to affect any liability of the responsible banker which exists apart from this section or any such regulations.

89F Supplementary

(1) Regulations under this Part may—
  (a) include incidental, supplementary and consequential provision;
  (b) make transitory or transitional provision or savings;
  (c) make different provision for different cases or circumstances or for different purposes;
  (d) make provision subject to exceptions.

(2) The power to make regulations under this Part is exercisable by statutory instrument.

(3) An instrument containing—
  (a) regulations under section 89A or 89D, or
  (b) the first regulations to be made under section 89E,

may not be made unless a draft of the instrument has been laid before, and approved by resolution of, each House of Parliament.

(4) An instrument containing any other regulations under section 89E is subject to annulment in pursuance of a resolution of either House of Parliament.

(5) For the purposes of this Part, a banker collects payment of an instrument on behalf of a customer by—
  (a) receiving payment of the instrument for the customer, or
  (b) receiving payment of the instrument for the banker (but not as holder), having—
    (i) credited the customer's account with the amount of the instrument, or
    (ii) otherwise given value to the customer in respect of the instrument.

(6) Section 89E(4) applies for the purposes of subsection (5) in its application to section 89E.**]**

PART V

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) **[**[F27]Saturday**]** Sunday, Good Friday, Christmas Day:

(b) A bank holiday under **[**[F28]the [M1]Banking and Financial Dealings Act 1971:**]**

(c) A day appointed by Royal proclamation as a public fast or thanksgiving day.

[[F29](d) A day declared by an order under section 2 of the Banking and Financial Dealings Act 1971 to be a non-business day.**]**

Any other day is a business day.

Textual Amendments

F27 Word inserted by Banking and Financial Dealings Act 1971 (c. 80), **s. 3(1)(3)**

F28 Words substituted by Banking and Financial Dealings Act 1971 (c. 80), **s. 4(4)**

F29 S. 92(d) added by Banking and Financial Dealings Act 1971 (c. 80) s. 4(4)

Marginal Citations

M1 1971 c. 80.

93 When noting equivalent to protest.

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 has 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 the noting.

94 Protest when notary not accessible.

[[F30](1)**]** Where a dishonoured bill or note is authorised or required to be protested, and the services of a notary cannot be obtained at the place where the bill is dishonoured, 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. The form given in Schedule 1 to this Act may be used with necessary modifications, and if used shall be sufficient.

[[F31](2) In subsection (1), " notary " includes a person who, for the purposes of the Legal Services Act 2007, is an authorised person in relation to any activity which constitutes a notarial activity (within the meaning of that Act). **]**

Textual Amendments

F30 S. 94 renumbered (1.1.2010) as s. 94(1) by Legal Services Act 2007 (c. 29), s. 211(2), **Sch. 21 para. 10(a)** (with ss. 29, 192, 193); S.I. 2009/3250, art. 2(h)

F31 S. 94(2) inserted (1.1.2010) by Legal Services Act 2007 (c. 29), s. 211(2), **Sch. 21 para. 10(b)** (with ss. 29, 192, 193); S.I. 2009/3250, art. 2(h)

95 Dividend warrants may be crossed.

The provisions of this Act as to crossed cheques shall apply to a warrant for payment of dividend.

96 . . . . . F32

Textual Amendments

F32 S. 96, Sch. 2 repealed by Statute Law Revision Act 1898 (c. 22)

97 Savings.

(1) The rules in bankruptcy relating to bills of exchange, promissory notes, and cheques, shall continue to apply thereto notwithstanding anything in this Act contained.

(2) 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.

(3) Nothing in this Act or in any repeal effected thereby shall affect—

(a) . . . F33 any law or enactment for the time being in force relating to the revenue:

(b) The provisions of the M2Companies Act 1862, or Acts amending it, or any Act relating to joint stock banks or companies:

(c) The provisions of any Act relating to or confirming the privileges of the Bank of England or the Bank of Ireland respectively:

(d) The validity of any usage relating to dividend warrants, or the indorsements thereof.

Textual Amendments

F33 Words repealed by Statute Law Revision Act 1898 (c. 22)

Marginal Citations

M2 1862 c. 89.

98 Saving of summary diligence in Scotland.

Nothing in this Act or in any repeal effected thereby shall extend or restrict, or in any way alter or affect the law and practice in Scotland in regard to summary diligence.

99 Construction with other Acts, &c.

Where any Act or document refers to any enactment repealed by this Act, the Act or document shall be construed, and shall operate, as if it referred to the corresponding provisions of this Act.

100 Parole evidence allowed in certain judicial proceedings in Scotland.

In any judicial proceeding in Scotland, any fact relating to a bill of exchange, bank cheque, or promissory note, which is relevant to any question of liability thereon, may be proved by parole evidence: Provided that this enactment shall not in any way affect the existing law and practice whereby the party who is, according to the tenour of any bill of exchange, bank cheque, or promissory note, debtor to the holder in the amount thereof, may be required, as a condition of obtaining a sist of diligence, or suspension of a charge, or threatened charge, to make such consignation, or to find such caution as the court or judge before whom the cause is depending may require.

. . . . . [F34]

Textual Amendments

F34 Words repealed by Prescription and Limitation (Scotland) Act 1973 (c. 52), **s. 16(2) Sch. 5 Pt. I**

SCHEDULES

FIRST 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 in the county of in the United Kingdom, at the request of *C.D.*, there being no notary public available, did on the day of 188 at 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.

[F35][F35]SECOND SCHEDULE

Textual Amendments

F35 S. 96, Sch. 2 repealed by Statute Law Revision Act 1898 (c. 22)

. . . . . [F35]

Status:
Point in time view as at 31/07/2018.

Changes to legislation:
There are currently no known outstanding effects for the Bills of Exchange Act 1882.