
STATUTORY INSTRUMENTS

1996 No. 2993

DEREGULATION

The Deregulation (Bills of Exchange) Order 1996

Made - - - - - *27th November 1996*

Coming into force - - - - - *28th November 1996*

Whereas—

- (a) the Treasury are of the opinion that certain provisions of the Bills of Exchange Act 1882(1) and which are the subject of this Order impose burdens affecting persons in the carrying on of a trade, business, profession or otherwise and that by amending or repealing the provisions concerned and by making certain other provision it is possible to remove or reduce the burdens, without removing any necessary protection;
- (b) the Treasury have consulted such organisations as appear to them to be representative of interests substantially affected by their proposals and such other persons as they considered appropriate;
- (c) it appears to the Treasury that it is appropriate, following that consultation, to proceed with the making of this Order;
- (d) a document setting out the Treasury's proposals has been laid before Parliament as required by section 3 of the Deregulation and Contracting Out Act 1994(2) and the period for Parliamentary consideration under section 4 of that Act has expired;
- (e) the Treasury have had regard to the representations made during that period;
- (f) a draft of this Order has been laid before Parliament with a statement giving details of such representations and the change to the Treasury's proposals in the light of such representations; and
- (g) a draft of this Order has been approved by resolution of each House of Parliament.

Now, therefore, the Treasury, in exercise of the power conferred on them by section 1 of the Deregulation and Contracting Out Act 1994, hereby make the following Order:

Citation and commencement

- 1.—(1) This Order may be cited as the Deregulation (Bills of Exchange) Order 1996.
- (2) This Order shall come into force on the day after the day on which it is made.

(1) 45 & 46 Vict. c.61.
(2) 1994 c. 40.

Interpretation

2. In this Order “the 1882 Act” means the Bills of Exchange Act 1882.

Presentment of cheque for payment: alternative place of presentment

3. After section 74 of the 1882 Act there shall be inserted the following section—

“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.”.

Presentment of cheque for payment: alternative means of presentment by banker

- 4.—(1) After section 74A of the 1882 Act (as inserted by Article 3 of this Order) there shall be inserted the following sections—

“Presentment of cheque for payment: alternative means of presentment by banker

74B.—(1) A banker may present a cheque for payment to the banker on whom it is drawn by notifying him of its essential features by electronic means or otherwise, instead of by presenting the cheque itself.

(2) If a cheque is presented for payment under this section, presentment need not be made at the proper place or at a reasonable hour on a business day.

(3) If, before the close of business on the next business day following presentment of a cheque under this section, the banker on whom the cheque is drawn requests the banker by whom the cheque was presented to present the cheque itself—

- (a) the presentment under this section shall be disregarded, and
- (b) this section shall not apply in relation to the subsequent presentment of the cheque.

(4) A request under subsection (3) above for the presentment of a cheque shall not constitute dishonour of the cheque by non-payment.

(5) Where presentment of a cheque is made under this section, the banker who presented the cheque and the banker on whom it is drawn shall be subject to the same duties in relation to the collection and payment of the cheque as if the cheque itself had been presented for payment.

(6) For the purposes of this section, the essential features of a cheque are—

- (a) the serial number of the cheque,
- (b) the code which identifies the banker on whom the cheque is drawn,
- (c) the account number of the drawer of the cheque, and
- (d) the amount of the cheque is entered by the drawer of the cheque.

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

74C. Section 52(4) above—

- (a) so far as relating to presenting a bill for payment, shall not apply to presenting a cheque for payment under section 74B above, and

(b) so far as relating to a bill which is paid, shall not apply to a cheque which is paid following presentment under that section.”

(2) This Article has effect in relation to cheques drawn on or after the day on which this Order comes into force.

Unindorsed cheques as evidence of payment

5. In section 3 of the Cheques Act 1957⁽³⁾ (unindorsed cheques as evidence of payment) the existing provision shall become subsection (1) and after that subsection there shall be inserted the following subsection—

“(2) For the purposes of subsection (1) above, a copy of a cheque to which that subsection applies is evidence of the cheque if—

- (a) the copy is made by the banker in whose possession the cheque is after presentment and,
- (b) it is certified by him to be a true copy of the original.”.

27th November 1996

Bowen Wells
Roger Knapman
Two of the Lords Commissioners of Her
Majesty’s Treasury

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Bills of Exchange Act 1882.

First, it inserts a new section 74A into the Act to allow cheques to be presented at an address specified by the paying bank in the London, Edinburgh and Belfast Gazettes.

Second, it inserts a new section 74B into the Act to enable cheques to be presented for payment by notification of their essential features by electronic means or otherwise, rather than by physical presentment. It also inserts a new section 74C to disapply section 52(4) of the 1882 Act, which concerns the duties of holders of bills, to cheques presented as provided by section 74B.

Third, it amends section 3 of the Cheques Act 1957 to allow a certified copy of an unindorsed cheque to be accepted as evidence of receipt of payment.