



# Mercantile Law Amendment Act Scotland 1856

## 1856 CHAPTER 60

An Act to amend the Laws of *Scotland* affecting Trade and  
Commerce. [21st July 1856]

WHEREAS Inconvenience is felt by Persons engaged in Trade by reason of the Laws of *Scotland* being in some Particulars different from those of *England* and *Ireland* in Matters of common Occurrence in the course of such Trade, and with a view to remedy such Inconvenience it is expedient to amend the Law of *Scotland* as herein-after is mentioned:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, as follows :

### **I Goods sold, but not delivered, not to be attachable by Creditors of the Seller.**

From and after the passing of this Act, where Goods have been sold, but the same have not been delivered to the Purchaser, and have been allowed to remain in the Custody of the Seller, it shall not be competent for any Creditor of such Seller, after the Date of such Sale, to attach such Goods as belonging to the Seller by any Diligence or Process of Law, including Sequestration, to the Effect of preventing the Purchaser or others in his Right from enforcing Delivery of the same; and the Right of the Purchaser to demand Delivery of such Goods shall from and after the Date of such Sale be attachable by or transferable to the Creditors of the Purchaser.

### **II Seller not entitled to a Right of Retention generally against Second Purchaser.**

Where a Purchaser of Goods who has not obtained Delivery thereof shall after the passing of this Act sell the same, the Purchaser from him or any other subsequent Purchaser shall be entitled to demand that Delivery of the said Goods shall be made to him and not to the original Purchaser; and the Seller, on Intimation being made to him

of such subsequent Sale, shall be bound to make such Delivery, on Payment of the Price of such Goods, or Performance of the Obligations or Conditions of the Contract of Sale, and shall not be entitled, in any Question with a subsequent Purchaser, or others in his Right, to retain the said Goods for any separate Debt or Obligation alleged to be due to such Seller by the original Purchaser : Provided always, that nothing in this Act contained shall prejudice or affect the Right of Retention of the Seller for Payment of the Purchase Price of the Goods sold, or such Portion thereof as may remain unpaid, or for Performance of the Obligations or Conditions of the Contract of Sale, or any Right of Retention competent to the Seller, except as between him and such subsequent Purchaser, or any such Right of Retention arising from express Contract with the original Purchaser.

### **III Arrestment and Poining of Goods by Seller.**

Any Seller of Goods may attach the same while in his own Hands or Possession, by Arrestment or Poining, at any Time prior to the Date when the Sale of such Goods to a subsequent Purchaser shall have been intimated to such Seller, and such Arrestment or Poining shall have the same Operation and Effect in a Competition or otherwise as an Arrestment or Poining by a Third Party.

### **IV Rights of Landlord not to be affected.**

Nothing herein-before contained shall prejudice or affect the Landlord's Right of Hypothec and Sequestration for Rent.

### **V Seller not held to warrant Goods, except there be an express Warranty in Contract.**

Where Goods shall, after the passing of this Act, be sold, the Seller, if at the Time of the Sale he was without Knowledge that the same were defective or of bad Quality, shall not be held to have warranted their Quality or Sufficiency, but the Goods, with all Faults, shall be at the Risk of the Purchaser, unless the Seller shall have given an express Warranty of the Quality or Sufficiency of such Goods, or unless the Goods have been expressly sold for a specified and particular Purpose, in which Case the Seller shall be considered, without such Warranty, to warrant that the same are fit for such Purpose.

### **VI Guarantees, &c. to be in Writing.**

From and after the passing of this Act, all Guarantees, Securities, or Cautionary Obligations made or granted by any Person for any other Person, and all Representations and Assurances as to the Character, Conduct Credit, Ability, Trade, or Dealings of any Person, made or granted to the Effect or for the Purpose of enabling such Person to obtain Credit, Money, Goods, or Postponement of Payment of Debt, or of any other Obligation demandable from him, shall be in Writing, and shall be subscribed by the Person undertaking such Guarantee, Security, or Cautionary Obligation, or making such Representations and Assurances, or by some Person duly authorized by him or them, otherwise the same shall have no Effect.

**VII Guarantees to or for a Firm not to be binding after any Change of the Firm, except in special Cases.**

No Guarantee, Security, Cautionary Obligation, Representation, or Assurance granted or made after the passing of this Act to or for a Company or Firm consisting of Two or more Persons, or to or for a single Person trading under the Name of a Firm, shall be binding on the Granter or Maker of the same in respect of anything done or omitted to be done, after a Change shall have taken place in any One or more of the Partners of the Company or Firm to which the same has been granted or made, or of the Company or Firm for which the same has been granted or made: Unless the Intention of the Parties that such Guarantee, Security, Cautionary Obligation, Representation, or Assurance, shall continue to be binding, notwithstanding such Change, shall appear either by express Stipulation, or by necessary Implication from the Nature of the Firm or otherwise.

**VIII Cautioners not to be entitled to Benefit of Discussion.**

Where any Person shall, after the passing of this Act, become bound as Cautioner for any Principal Debtor, it shall not be necessary for the Creditor to whom such Cautionary Obligation shall be granted, before calling on the Cautioner for Payment of the Debt to which such Cautionary Obligation refers, to discuss or do Diligence against the Principal Debtor, as now required by Law; but it shall be competent to such Creditor to proceed against the Principal Debtor and the said Cautioner, or against either of them, and to use all Action or Diligence against both or either of them which is competent according to the Law of *Scotland*: Provided always, that nothing herein contained shall prevent any Cautioner from stipulating in the Instrument of Caution that the Creditor shall be bound before proceeding against him to discuss and do Diligence against the Principal Debtor.

**IX Discharge of One Cautioner to operate as a Discharge to all.**

From and after the passing of this Act, where Two or more Parties shall become bound as Cautioners for any Debtor, any Discharge granted by the Creditor in such Debt or Obligation to any One of such Cautioners without the Consent of the other Cautioners shall be deemed and taken to be a Discharge granted to all the Cautioners ; but nothing herein contained shall be deemed to extend to the Case of a Cautioner consenting to the Discharge of a Co-cautioner who may have become bankrupt.

**X Date of Bills or Notes may be proved by Parole.**

From and after the passing of this Act, where any Bill of Exchange or Promissory Note shall be issued without Date, it shall be competent to prove by Parole Evidence the true Date at which such Bill or Note was issued : Provided always, that Summary Diligence shall not be competent on any Bill or Note issued without a Date.

**XI Acceptance of Bill of Exchange must be in Writing.**

No Acceptance of any Bill of Exchange, whether Inland or Foreign, made after the Thirty-first Day of *December* One thousand eight hundred and fifty-six, shall be sufficient to bind or charge any Person unless the same be in Writing on such Bill, or if there be more than One Part of such Bill, on One of the said Parts, and signed by the Acceptor or some Person duly authorized by him.

**XII All Bills drawn within the United Kingdom, &c. on any Party within the United Kingdom) &c. to be held Inland Bills.**

Every Bill of Exchange drawn in 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, and made payable in or drawn upon any Person resident in any Part of the said United Kingdom or Islands, shall be deemed to be an Inland Bill; but nothing herein contained shall alter or affect the Stamp Duty, if any, which but for this Enactment would be payable in respect of any such Bill.

**XIII Notarial Protest not to be necessary, except for the Purpose of Summary Diligence.**

From and after the passing of this Act, where any Inland Bill of Exchange shall be presented for Acceptance or Payment, and the same shall be dishonoured by not being accepted or paid, or where any Promissory Note shall be presented for Payment, and dishonoured by not being paid, it shall not be necessary that a Notarial Protest shall be taken on such Bill of Exchange or Promissory Note in order to preserve Recourse against the Drawer or indorser of such Bill or Promissory Note respectively; but it shall be sufficient to prove such Presentment and Dishonour, to the Effect of preserving Recourse as aforesaid by other competent Evidence, either written or parole: Provided always, that nothing herein contained shall be taken to affect the Necessity for a Notarial Protest in order to entitle the Holder of any Bill or Note to proceed with Summary Diligence thereon.

**XIV Notice of Dishonour in the Case of Inland Bills to be given as in the Case of Foreign Bills.**

Where any Inland Bill of Exchange shall be presented for Acceptance or Payment, and such Acceptance or Payment shall be refused, or where any Promissory Note shall be presented for Payment, and Payment shall be refused, Notice of the Dishonour of such Bill or Promissory Note by such Refusal to accept or pay shall, in order to entitle the Holder to have Recourse to any other Party, be given in the same Manner and within the same Time as is required in the Case of Foreign Bills by the Law of *Scotland*.

**XV When Bill lost, stolen, or fraudulently obtained, Holder must prove Value given.**

Where any Bill or Note has been lost, stolen, or fraudulently obtained, the Holder of such Bill or Note suing or doing Diligence thereon shall be bound to prove that Value was given by him for the same; but such Proof may be made by Parole Evidence.

**XVI Holder of Bill or Note indorsed after Period of Payment to be subject to Objections, &c.**

When any Bill of Exchange or Promissory Note shall, after the passing of this Act, be indorsed after the Period when such Bill of Exchange or Promissory Note became payable, the Indorsee of such Bill or Note shall be deemed to have taken the same subject to all Objections or Exceptions to which the said Bill or Note was subject in the Hands of the indorser.

**XVII Carriers to be liable for Losses by accidental Fires.**

From and after the passing of this Act, all Carriers for Hire of Goods within *Scotland* shall be liable to make good to the Owner of such Goods all Losses arising from accidental Fire while such Goods were in the Custody or Possession of such Carriers.

**XVIII Every Port in United Kingdom, &c. to be deemed a Home Port.**

In relation to the Rights and Remedies of Persons having Claims for Repairs done to or Supplies furnished to or for Ships, every Port within 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, shall be deemed a Home Port.

**XIX Court of Session to make Regulations for carrying Act into effect.**

The Court of Session is hereby empowered from Time to Time, after the passing of this Act, to make such Regulations by Act or Acts of Sederunt as the said Court may deem meet for carrying into effect the Purposes of this Act: Provided always, that within Fourteen Days from the Commencement of any future Session of Parliament there shall be transmitted to both Houses of Parliament Copies of all Acts of Sederunt made and passed under the Powers hereby given.

**XX Title of Act.**

In citing this Act it shall be sufficient to use the Expression " The Mercantile Law Amendment Act, *Scotland*, 1856."

**XXI Act to apply to Scotland only.**

Nothing in this Act contained shall apply to any Part of the United Kingdom except *Scotland*.