

No. 20 OF 1928.

TO AMEND THE LAW RELATING TO BILLS OF EXCHANGE, A.D. 1928.
 CHEQUES, AND PROMISSORY NOTES. 20 of 1928.

RONALD STORES.]

[May 9, 1928.

BE it enacted :—

PART I.

Preliminary.

1. This Law may be cited as the Bills of Exchange Law, Short title, 1928.

2. In this Law unless the context otherwise requires— In interpreta-
tion of terms.

“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, note or cheque, complete in form to a person who takes it as a holder.

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“ Person ” includes a body of persons whether incorporated or not.

“ Value ” means valuable consideration.

“ Written ” includes printed, and “ writing ” includes print.

PART II.

BILLS OF EXCHANGE.

FORM AND INTERPRETATION.

Bill of
exchange
defined.

3.—(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 of 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 reimburse 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.

Inland and
foreign bills.

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

(a) both drawn and payable within Cyprus; or,

(b) drawn within Cyprus upon some person resident therein. Any other bill is a foreign bill.

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

5.—(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.

Effect where different parties to bill are the same person.

(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.—(1) The drawee must be named or otherwise indicated in a bill with reasonable certainty.

Address to drawee.

(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.—(1) Where a bill is not payable to bearer, the payee must be named or otherwise indicated therein with reasonable certainty.

Certainty required as to payee.

(2) A bill may be made payable to two or more payees jointly, or it may be made payable in the alternative to one or 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.—(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.

What bills are negotiable.

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

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

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

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

Sum payable. 9.—(1) The sum payable by a bill is a sum certain within the meaning of this Law, although it is 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.

Bill payable on demand.

10.—(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.

Bill payable at a future time.

11. A bill is payable at a determinable future time within the meaning of this Law 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.

Omission of date in bill payable after date.

12. 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 inserted had been the true date.

13.—(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. Ante-dating and post-dating.

(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. Where a bill is not payable on demand, the day on which it falls due is determined as follows:— Computation of time of payment.

(1) The bill is due and payable on the day of payment as fixed by the bill provided that when such day of payment falls on a "non-business" day the bill is due and payable on the next following 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 and protest, if the bill be noted and protested for non-acceptance or for non-delivery

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

15. 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. Case of need.

16. The drawer of a bill, and any indorser, may insert therein an expressed stipulation— Optional stipulation by drawer or indorser.

(1) Negating or limiting his own liability to the holder;

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