

- (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,

- (a) countermand of payment;  
(b) notice of the customer's death.

## CROSSED CHEQUES

## PART III

## CHEQUES ON A BANKER

Cheque defined.

- 73.** 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 Ordinance applicable to a bill of exchange payable on demand apply to a cheque.

Presentment of cheque for payment.

- 74.** Subject to the provisions of this Ordinance—

- (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.

Revocation of banker's authority.

- 75.** The duty and authority of a banker to pay a cheque drawn on him by his customer are determined by—

- 76.** (1) Where a cheque bears across its face an addition of two parallel transverse lines, either with or without the words

General and special crossings defined.  
[§4, 30 of 1961.]

"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

[§ 4, 30 of 1961.]

"not negotiable", that addition constitutes a crossing, and the cheque is crossed specially and to that banker.

- 77.** (1) A cheque may be crossed generally or specially by the drawer,

Crossing by drawer or after issue.

- (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 [ § 5,30 of 1961-]  
"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.

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

Crossing a material part of cheque.

- 79.** (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.

Duties of banker-as to crossed cheque.

(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 authorized by this Ordinance, 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 authorized by this Ordinance, 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.

Protection to banker and drawer where cheque is crossed.

**80.** Where the banker on whom a crossed cheque 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.

Effect of crossing with words "not negotiable" on holder. [S. 6.30 of 1961.]

**81.** 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.

Protection to collecting banker.

**82.** (1) Where a banker in good faith and without negligence receives payment for a customer of a cheque crossed generally or

specially to himself, and the customer has no title or a defective title thereto, the banker shall not incur any liability to the true owner of the cheque by reason only of having received such payment.

(2) A banker receives payment of a crossed cheque for a customer within the meaning of this section notwithstanding that he credits his customer's account with the amount of the cheque before receiving payment thereof.

**83.** Sections 76 to 82, both inclusive, of this Ordinance shall extend to any document issued by a customer of any banker, and intended to enable any person or body corporate to obtain payment from such banker of the sum mentioned in such document, and shall so extend in like manner as if the said document were a cheque:

Extension of sections 76 to 82 to certain drafts on bankers.

Provided that nothing in this Ordinance shall be deemed to render any such document a negotiable instrument.

For the purpose of this section, the Deputy Secretary to the Treasury shall be deemed to be a banker, and the public officers drawing on him shall be deemed customers.

**84.** Sections 76 to 82, both inclusive, of this Ordinance shall apply to a banker's draft as if that draft were a cheque.

Application of sections 76 to 82 to drafts drawn by a bank on itself.

For the purposes of this section, the expression "banker's draft" means a draft payable on demand drawn by or on behalf of a bank upon itself, whether payable at the head office or some other office of the bank.

## **PART IV**

### **' PROMISSORY NOTES**

**85.** (1) A promissory note is an Promissory unconditional promise in writing made by note defined. 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.