

# Bills of Exchange.

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## A BILL INTITULED

### AN ACT to amend the law relating to Cheques, Bills of Exchange, and Promissory Notes.

**W**HEREAS it is expedient to amend the law relating to cheques or drafts on bankers: And whereas doubts have arisen whether by the custom of merchants a bill of exchange or promissory note purporting to be payable at sight or on presentation is payable until the expiration of a certain number of "days of grace": And whereas it is expedient that such bills of exchange and promissory notes should be payable in the same manner as bills of exchange and promissory notes purporting to be payable on demand:

BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. The Short Title of this Act shall be "The Bills of Exchange Act, 1876."
2. This Act shall commence and come into operation at the expiration of one month next after the passing hereof, and in the construction of it the word "banker" shall include any person or persons or corporation or joint-stock company acting as a banker or bankers.
3. Whenever a cheque or draft on any banker payable to bearer or to order on demand shall be issued crossed with the name of a banker, or with two transverse lines with or without the words "and company," or the word "bank," or any abbreviation thereof respectively, such crossing shall be deemed a material part of the cheque or draft, and except as hereinafter mentioned shall not be obliterated or added to or altered by any person whomsoever after the issuing thereof, and the banker upon whom such cheque or draft shall be drawn shall not pay such cheque or draft to any other than the banker with whose name such cheque or draft shall be so crossed, or if the same be so crossed as aforesaid without a banker's name, to any other than a banker.

Holder of cheque  
may cross it.

4. Whenever any such cheque or draft shall have been crossed with two transverse lines with or without the words "and company," or the word "bank," or any abbreviation thereof respectively, and without the name of any banker, any lawful holder of such cheque or draft, while the same remains so crossed and without the name of any banker, may cross the same with the name of a banker; and whenever any such cheque or draft shall be uncrossed, any such lawful holder may cross the same with the name of a banker or with two transverse lines, with or without the words "and company," or the word "bank," or any abbreviation thereof respectively, and any such crossing as in this section mentioned shall be deemed a material part of the cheque or draft, and shall not be obliterated or added to or altered by any person whomsoever after the making thereof, and the banker upon whom such cheque or draft shall be drawn shall not pay such cheque or draft to any other than the banker with whose name such cheque or draft shall be so crossed, or if the same be so crossed without a banker's name, to any other than a banker.

Punishment for  
obliterating &c.  
the crossing.

5. If any person shall obliterate add to or alter any such crossing with intent to defraud, or offer utter dispose of or put off with intent to defraud any cheque or draft on a banker whereon such fraudulent obliteration addition or alteration has been made, knowing it to have been so made, such person shall be guilty of felony, and being convicted thereof shall be liable at the discretion of the Court to such punishment as is or shall be enacted and provided for those guilty of forgery of bills of exchange in any Statute now or hereafter to be in force.

Indemnity to  
bankers.

6. Any banker paying a cheque or draft which does not at the time when it is presented for payment plainly appear to be or to have been crossed as aforesaid, or to have been obliterated added to or altered as aforesaid, shall not be in any way responsible or incur any liability, nor shall such payment be questioned by reason of such cheque or draft having been so crossed as aforesaid, or having been so obliterated added to or altered as aforesaid, and of his having paid the same to a person other than a banker, or other than the banker with whose name such cheque or draft shall have been so crossed, unless such banker shall have acted *malá fide*, or been guilty of negligence in so doing.

Drafts to order on  
demand payable  
without proof of  
indorsement.

7. Any cheque or draft upon a banker for a sum of money payable to order on demand, which shall, when presented for payment, purport to be indorsed by the person to whom the same shall be drawn payable, shall (subject to the provisions hereinbefore contained) be a sufficient authority to such banker to pay the amount of such cheque or draft to the bearer thereof; and it shall not be incumbent on such banker to prove that such indorsement, or any subsequent indorsement, was made by or under the direction or authority of the person to whom the said cheque or draft was or is made payable, either by the drawer or any indorser thereof.

Cheques under  
twenty shillings.

8. Notwithstanding anything in any Act of Parliament contained to the contrary, it shall be lawful for any person to draw upon his banker, who shall *bona fide* hold money to or for his use, any cheque or draft, for the payment to the bearer or to order on demand, of any sum of money less than twenty shillings.

Days of grace on  
bills and notes  
at sight.

9. Every bill of exchange or promissory note drawn after this Act comes into operation, and purporting to be payable at sight or on presentation, shall, for all purposes whatsoever, be deemed to be a bill of exchange or promissory note payable on demand, any law or custom to the contrary notwithstanding.