

## Convention Providing a Uniform Law for Cheques

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THE PRESIDENT OF THE GERMAN REICH ; THE FEDERAL PRESIDENT OF THE AUSTRIAN REPUBLIC; HIS MAJESTY THE KING OF THE BELGIANS; HIS MAJESTY THE KING OF DENMARK AND ICELAND; THE PRESIDENT OF THE POLISH REPUBLIC, FOR THE FREE CITY OF DANZIG; THE PRESIDENT OF THE REPUBLIC OF ECUADOR; HIS MAJESTY THE KING OF SPAIN; THE PRESIDENT OF THE REPUBLIC OF FINLAND ; THE PRESIDENT OF THE FRENCH REPUBLIC ; THE PRESIDENT OF THE HELLENIC REPUBLIC; HIS SERENE HIGHNESS THE REGENT OF THE KINGDOM OF HUNGARY ; HIS MAJESTY THE KING OF ITALY; HIS MAJESTY THE EMPEROR OF JAPAN; HER ROYAL HIGHNESS THE GRAND-DUCHESS OF LUXEMBURG; THE PRESIDENT OF THE UNITED STATES OF MEXICO; HIS SERENE HIGHNESS THE PRINCE OF MONACO; HIS MAJESTY THE KING OF NORWAY; HER MAJESTY THE QUEEN OF THE NETHERLANDS ; THE PRESIDENT OF THE POLISH REPUBLIC ; THE PRESIDENT OF THE PORTUGUESE REPUBLIC; HIS MAJESTY THE KING OF ROUMANIA; HIS MAJESTY THE KING OF SWEDEN ; THE SWISS FEDERAL COUNCIL; THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC; THE PRESIDENT OF THE TURKISH REPUBLIC; HIS MAJESTY THE KING OF YUGOSLAVIA,

Being desirous of avoiding the difficulties caused by differences in the laws of countries in which cheques circulate, and of thus giving more security and stimulus to international trade relations,

Have appointed as their plenipotentiaries :

THE PRESIDENT OF THE GERMAN REICH :

M. Leo QUASSOWSKI, Ministerial Counsellor in the Reich Ministry of justice;

Dr. Erich ALBRECHT, Counsellor of Legation in the Reich Ministry for Foreign Affairs;

Dr. Erwin PÄTZOLD, " Landgerichtsrat " at the Court of Schweidnitz.

THE FEDERAL PRESIDENT OF THE AUSTRIAN REPUBLIC :

Dr. Guido STROBELE, Ministerial Counsellor in the Federal Ministry of justice.

HIS MAJESTY THE KING OF THE BELGIANS :

M. J. DE LA VALLÉE POUSSIN, Honorary Secretary-General of the Ministry of Science and Arts.

HIS MAJESTY THE KING OF DENMARK AND ICELAND :

M. Axel HELPER, Ministerial Counsellor in the Ministry of Commerce and Industry;

M. Valdemar EIGTVED, General Manager of the " Privatbanken ", Copenhagen.

THE PRESIDENT OF THE POLISH REPUBLIC, FOR THE FREE CITY OF DANZIG :

M. Józef SULKOWSKI, Professor at the University of Poznan, Member of the Polish Codification Commission.

THE PRESIDENT OF THE REPUBLIC OF ECUADOR :

Dr. Alejandro GASTELÚ, Consul at Geneva.

HIS MAJESTY THE KING OF SPAIN:

Professor Francisco BERNIS, Secretary-General of the " Consejo superior Bancario ".

THE PRESIDENT OF THE REPUBLIC OF FINLAND :

M. Filip GRÖNWALL, Counsellor of State, Member of the High Administrative Court.

THE PRESIDENT OF THE FRENCH REPUBLIC :

M. Louis jean PERCEROU, Professor in the Faculty of Law of the University of Paris.

THE PRESIDENT OF THE HELLENIC REPUBLIC :

M. R. RAPHAËL, Permanent Delegate accredited to the League of Nations ;

M. A. CONTOUMAS, First Secretary of the Permanent Delegation accredited to the League of Nations.

His SERENE HIGHNESS THE REGENT OF THE KINGDOM OF HUNGARY :

M. jean PELÉNYI, Resident Minister, Head of the Royal Delegation accredited to the League of Nations.

His MAJESTY THE KING OF ITALY :

M. Amedeo GIANNINI, Counsellor of State, First-Class Minister Plenipotentiary;

M. Giovanni ZAPPALÀ, Barrister-at-Law, Head of Section in the Ministry of Finance.

His MAJESTY THE EMPEROR OF JAPAN :

M. Nobutaro KAWASHIMA, Envoy Extraordinary and Minister Plenipotentiary to the President of the Hellenic Republic ;

M. Ukitsu TANAKA, judge at the Supreme Court of Japan.

HER ROYAL HIGHNESS THE GRAND-DUCHESS OF LUXEMBURG :

M. Charles VERMAIRE, Consul at Geneva.

THE PRESIDENT OF THE UNITED STATES OF MEXICO :

M. Antonio CASTRO-LEAL, Observer accredited to the League of Nations.

His SERENE HIGHNESS THE PRINCE OF MONACO :

M. Conrad E. HENTSCH, Consul-General of the Principality at Geneva.

His MAJESTY THE KING OF NORWAY :

M. C. Stub HOLMBOE, Advocate at the Supreme Court.

HER MAJESTY THE QUEEN OF THE NETHERLANDS :

Dr. J. KOSTERS, Counsellor at the High Court of justice, former Professor at the University of Groningen.

THE PRESIDENT OF THE POLISH REPUBLIC :

M. Józef SULKOWSKI, Professor at the University of Poznan, Member of the Polish Codification Commission.

THE PRESIDENT OF THE PORTUGUESE REPUBLIC :

Dr. Jose CAEIRO DA MATTA, Rector of the University of Lisbon, Professor in the Faculty of Laws, Director of the Bank of Portugal, and Deputy judge at the Permanent Court of International justice.

His MAJESTY THE KING OF ROUMANIA :

M. Constantin ANTONIADE, Envoy Extraordinary and Minister Plenipotentiary accredited to the League of Nations.

His MAJESTY THE KING OF SWEDEN :

Baron Erik Teodor MARKS VON WÜRTEMBERG, President of the Stockholm Court of Appeal, former Minister for Foreign Affairs.

M. L. Birger EKEBERG, former Minister of Justice, President of the Civil Legislation Commission, former Counsellor of the Supreme Court ;

M. Knut DAHLBERG, former Minister of Agriculture, Director of the Association of Swedish Banks.

THE SWISS FEDERAL COUNCIL :

Dr. Max VISCHER, Barrister-at-Law and Notary, First Secretary of the Swiss Bankers' Association at Basle ;

Dr. O. HULFTEGGER, First Secretary to the Board of the Swiss Commercial and Industrial Union at Zurich.

THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC :

Dr. Karel HERMANN-OTAVSKÝ, Professor at the University of Prague, President of the Codification Commission for Commercial Law in the Ministry of Justice.

THE PRESIDENT OF THE TURKISH REPUBLIC :

CEMAL HÜSNÜ Bey, Envoy Extraordinary and Minister Plenipotentiary to the Swiss

Federal Council, former Minister of Public Instruction.

DIS MAJESTY THE KING OF YUGOSLAVIA :

M. I. CHOUMENKOVITCH, Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

Who, having communicated their full powers found in good and due form, have agreed upon the following provisions :

## **Article I**

The High Contracting Parties undertake to introduce in their respective territories, either in one of the original texts or in their own languages, the Uniform Law forming Annex I of the present Convention.

This undertaking shall, if necessary, be subject to such reservations as each High Contracting Party shall notify at the time of its ratification or accession. These reservations shall be chosen from among those mentioned in Annex II of the present Convention.

The reservations referred to in Articles 9, 22, 27 and 30 of the said Annex II may, however, be made after ratification or accession, provided that they are notified to the Secretary-General of the League of Nations, Who shall forthwith communicate the text thereof to the Members of the League of Nations and to the non-member States on whose behalf the present Convention has been ratified or acceded to. Such reservations shall not take effect until the ninetieth day following the receipt by the Secretary-General of the above-mentioned notification.

Each of the High Contracting Parties may, in urgent cases, make use of the reservations contained in Articles 17 and 28 of the said Annex II, even after ratification or accession. In such cases, they must immediately notify direct all other High Contracting Parties and the Secretary-General of the League of Nations. The notification of these reservations shall take effect two days following its receipt by the High Contracting Parties.

## **Article II**

In the territories of each of the High Contracting Parties, the Uniform Law shall not apply to cheques already issued at the time of the coming into force of the present Convention.

## **Article III**

The present Convention, the French and English texts of which shall be equally authentic, shall bear this day's date.

It may be signed thereafter until July 15th, 1931, on behalf of any Member of the League of Nations or non-member State.

## **Article IV**

The present Convention shall be ratified. The instruments of ratification shall be deposited before September 1, 1933, with the Secretary-General of the League of Nations, who shall forthwith notify receipt thereof to all the Members of the League of Nations and to the non-member States on whose behalf the present Convention has been signed or acceded to.

## **Article V**

As from July 15, 1931, any Member of the League of Nations and any non-member State may accede thereto.

Such accession shall be effected by a notification to the Secretary-General of the League of Nations, such notification to be deposited in the archives of the Secretariat.

The Secretary-General shall notify such deposit forthwith to all the Members of the League of Nations and to the non-member States on whose behalf the present Convention has been signed or acceded to.

## **Article VI**

The present Convention shall not come into force until it has been ratified or acceded to on behalf of seven Members of the League of Nations or non-member States, including therein three of the Members of the League permanently represented on the Council.

The date of entry into force shall be the ninetieth day following the receipt by the Secretary-General of the League of Nations of the seventh ratification or accession in accordance with the first paragraph of the present Article.

The Secretary-General of the League of Nations, when making the notifications provided for in Articles IV and V, shall state in particular that the ratifications or accessions referred to in the first paragraph of the present Article have been received.

## **Article VII**

Every ratification or accession effected after the entry into force of the Convention in accordance with Article VI shall take effect on the ninetieth day following the date of receipt thereof by the Secretary-General of the League of Nations.

## **Article VIII**

Except in urgent cases, the present Convention may not be denounced before the expiry of two years from the date on which it has entered into force in respect of the Member of the League or non-member State denouncing it ; such denunciation shall take effect as from the ninetieth day following the receipt by the Secretary-General of the notification addressed to him.

Every denunciation shall be immediately communicated by the Secretary-General of the League of Nations to all the other High Contracting Parties.

In urgent cases a High Contracting Party which denounces the Convention shall immediately notify direct all other High Contracting Parties, and the denunciation shall take effect two days after the receipt of such notification by the said High Contracting Parties. A High Contracting Party denouncing the Convention in these circumstances shall also inform the Secretary-General of the League of Nations of its decision.

Each denunciation shall take effect only as regards the High Contracting Party on whose behalf it has been made.

## **Article IX**

Every Member of the League of Nations and every non-member State in respect of which the present Convention is in force may forward to the Secretary-General of the League of Nations, after the expiry of the fourth year following the entry into force of the Convention, a request for the revision of some or all of the provisions of this Convention.

If such request, after being communicated to the other Members or non-member States between which the Convention is at that time in force, is supported within one year by at least six of them, the Council of the League of Nations shall decide whether a Conference shall be convened for the purpose.

## **Article X**

The High Contracting Parties may declare at the time of signature, ratification or accession, that it is not their intention in accepting the present Convention to assume any liability in respect of all or any of their colonies, protectorates or territories under suzerainty or mandate, in which case the present Convention shall not be applicable to the territories mentioned in such declaration.

The High Contracting Parties may at any time subsequently inform the Secretary-General of the League of Nations that they intend to apply the present Convention to all or any of their territories referred to in the declaration provided for in the preceding paragraph. In this case, the Convention shall apply to the territories referred to in the notification ninety days after its receipt by the Secretary-General of the League of Nations.

They further reserve the right to denounce it, in accordance with the conditions of Article VIII, on behalf of all or any of their colonies, protectorates or territories under suzerainty or mandate.

## **Article XI**

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it comes into force.

In faith whereof the above-mentioned Plenipotentiaries have signed the present Convention.

Done at Geneva, the nineteenth day of March, one thousand nine hundred and thirty-one, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-member States represented at the Conference.

Annex I

Uniform law on cheques

## **Chapter I - The drawing and form of a cheque**

### **Article 1**

A cheque contains :

1. The term " cheque " inserted in the body of the instrument and expressed in the language employed in drawing up the instrument ;
2. An unconditional order to pay a determinate sum of money ;
3. The name of the person who is to pay (drawee) ;
4. A statement of the place where payment is to be made ;
5. A statement of the date when and the place where the cheque is drawn ;
6. The signature of the person who draws the cheque (drawer).

### **Article 2**

An instrument in which any of the requirements mentioned in the preceding article is wanting is invalid as a cheque, except in the cases specified in the following paragraphs :

In the absence of special mention, the place specified beside the name of the drawee is deemed to be the place of payment. If several places are named beside the name of the drawee, the cheque is payable at the first place named.

In the absence of these statements, and of any other indication, the cheque is payable at the place where the drawee has his principal establishment.

A cheque which does not specify the place at which it was drawn is deemed to have been drawn in the place specified beside the name of the drawer.

### **Article 3**

A cheque must be drawn on a banker holding funds at the disposal of the drawer and in conformity with an agreement, express or implied, whereby the drawer is entitled to dispose

of those funds by cheque. Nevertheless, if these provisions are not complied with, the instrument is still valid as a cheque.

#### **Article 4**

A cheque cannot be accepted. A statement of acceptance on a cheque shall be disregarded.

#### **Article 5**

A cheque may be made payable :

To a specified person with or without the express clause " to order ", or

To a specified person, with the words " not to order " or equivalent words, or

To bearer.

A cheque made payable to a specified person with the words, " or to bearer ", or any equivalent words, is deemed to be a cheque to bearer.

A cheque which does not specify the payee is deemed to be a cheque to bearer.

#### **Article 6**

A cheque may be drawn to the drawer's own order.

A cheque may be drawn for account of a third person.

A cheque may not be drawn on the drawer himself unless it is drawn by one establishment on another establishment belonging to the same drawer.

#### **Article 7**

Any stipulation concerning interest which may be embodied in the cheque shall be disregarded.

#### **Article 8**

A cheque may be payable at the domicile of a third person either in the locality where the drawee has his domicile or in another locality, provided always that such third person is a banker.

#### **Article 9**

Where the sum payable by a cheque is expressed in words and also in figures, and there is any discrepancy, the sum denoted by the words is the amount payable.

Where the sum payable by a cheque is expressed more than once in words or more than once in figures, and there is any discrepancy, the smaller sum is the sum payable.

#### **Article 10**

If a cheque bears signatures of persons incapable of binding themselves by a cheque, or forged signatures, or signatures of fictitious persons, or signatures which for any other reason cannot bind the persons who signed the cheque or on whose behalf it was signed, the obligations of the other persons who have signed it are none the less valid.

#### **Article 11**

Whosoever puts his signature on a cheque as representing a person for whom he had no power to act is bound himself as a party to the cheque and, if he pays, has the same rights as

the person for whom he purported to act. The same rule applies to a representative who has exceeded his powers.

## **Article 12**

The drawer guarantees payment. Any stipulation by which the drawer releases himself from this guarantee shall be disregarded.

## **Article 13**

If a cheque which was incomplete when issued has been completed otherwise than in accordance with the agreements entered into, the non-observance of such agreements may not be set up against the holder unless he has acquired the cheque in bad faith or, in acquiring it, has been guilty of gross negligence.

## **Chapter II - Negotiation**

### **Article 14**

A cheque made payable to a specified person, with or without the express clause " to order ", may be transferred by means of endorsement.

A cheque made payable to a specified person, in which the words " not to order " or any equivalent expression have been inserted, can only be transferred according to the form and with the effects of an ordinary assignment.

A cheque may be endorsed even to the drawer or to any other party to the cheque. These persons may re-endorse the cheque.

### **Article 15**

An endorsement must be unconditional. Any condition to which it is made subject shall be disregarded.

A partial endorsement is null and void.

An endorsement by the drawee is also null and void.

An endorsement " to bearer " is equivalent to an endorsement in blank.

An endorsement to the drawee has the effect only of a receipt, except in the case where the drawee has several establishments and the endorsement is made in favour of an establishment other than that on which the cheque has been drawn.

### **Article 16**

An endorsement must be written on the cheque or on a slip affixed thereto (allonge). It must be signed by the endorser.

The endorsement may leave the beneficiary unspecified or may consist simply of the signature of the endorser (endorsement in blank). In the latter case, the endorsement, to be valid, must be written on the back of the cheque or on the slip attached thereto (allonge).

### **Article 17**

An endorsement transfers all the rights arising out of a cheque. If the endorsement is in blank, the holder may :

- (1) Fill up the blank either with his own name or with the name of some other person ;
- (2) Re-endorse the cheque in blank or to some other person ;
- (3) Transfer the cheque to a third person without filling up the blank and without endorsing it.



## **Article 18**

In the absence of any contrary stipulation, the endorser guarantees payment. He may prohibit any further endorsement ; in this case he gives no guarantee to the persons to whom the cheque is subsequently endorsed.

## **Article 19**

The possessor of an endorsable cheque is deemed to be the lawful holder if he establishes his title to the cheque through an uninterrupted series of endorsements, even if the last endorsement is in blank. In this connection, cancelled endorsements shall be disregarded. When an endorsement in blank is followed by another endorsement, the person who signed this last endorsement is deemed to have acquired the cheque by the endorsement in blank.

## **Article 20**

An endorsement on a cheque to bearer renders the endorser liable in accordance with the provisions governing the right of recourse ; but it does not convert the instrument into a cheque to order.

## **Article 21**

Where a person has, in any manner whatsoever, been dispossessed of a cheque (whether it is a cheque to bearer or an endorsable cheque to which the holder establishes his right in the manner mentioned in Article 19), the holder into whose possession the cheque has come is not bound to give up the cheque unless he has acquired it in bad faith or unless in acquiring it he has been guilty of gross negligence.

## **Article 22**

Persons sued on a cheque cannot set up against the holder defences founded on their personal relations with the drawer or with previous holders, unless the holder in acquiring the cheque has knowingly acted to the detriment of the debtor.

## **Article 23**

When an endorsement contains the statement " value in collection " (" valeur en recouvrement") for collection " (" pour encaissement "), " by procuracy " (" par procuracy"), or any other phrase implying a simple mandate, the holder may exercise all rights arising out of the cheque, but he can endorse it only in his capacity as agent.

In this case the parties liable can only set up against the holder defences which could be set up against the endorser.

The mandate contained in an endorsement by procuracy does not terminate by reason of the death of the party giving the mandate or by reason of his becoming legally incapable.

## **Article 24**

An endorsement after protest or after an equivalent declaration or after the expiration of the limit of time for presentment operates only as an ordinary assignment.

Failing proof to the contrary, an undated endorsement is deemed to have been placed on the cheque prior to the protest or equivalent declaration or prior to the expiration of the limit of time referred to in the preceding paragraph.

## **Chapter III - Avals**

## **Article 25**

Payment of a cheque may be guaranteed by an " aval " as to the whole or part of its amount. This guarantee may be given by a third person other than the drawee, or even by a person who has signed the cheque.

## **Article 26**

An " aval " is given either on the cheque itself or on an " allonge ".

It is expressed by the words " good as aval ", or by any other equivalent formula. It is signed by the giver of the " aval ".

It is deemed to be constituted by the mere signature of the giver of the " aval ", placed on the face of the cheque, except in the case of the signature of the drawer.

An " aval " must specify for whose account it is given. In default of this, it is deemed to be given for the drawer.

## **Article 27**

The giver of an " aval " is bound in the same manner as the person for whom he has become guarantor.

His undertaking is valid even when the liability which he has guaranteed is inoperative for any reason other than defect of form.

He has, when he pays the cheque, the rights arising out of the cheque against the person guaranteed and against those who are liable to the latter on the cheque.

## **Chapter IV - Presentment and payment**

### **Article 28**

A cheque is payable at sight. Any contrary stipulation shall be disregarded.

A cheque presented for payment before the date stated as the date of issue is payable on the day of presentment.

### **Article 29**

A cheque payable in the country in which it was issued must be presented for payment within eight days.

A cheque issued in a country other than that in which it is payable must be presented within a period of twenty days or of seventy days, according as to whether the place of issue and the place of payment are situated respectively in the same continent or in different continents.

For the purposes of this article cheques issued in a European country and payable in a country bordering on the Mediterranean or vice versa are regarded as issued and payable in the same continent.

The date from which the above-mentioned periods of time shall begin to run shall be the date stated on the cheque as the date of issue.

### **Article 30**

Where a cheque is drawn in one place and is payable in another having a different calendar, the day of issue shall be construed as being the corresponding day of the calendar of the place of payment.

### **Article 31**

Presentment of a cheque at a clearing-house is equivalent to presentment for payment.

### **Article 32**

The countermand of a cheque only takes effect after the expiration of the limit of time for presentment.

If a cheque has not been countermanded, the drawee may pay it even after the expiration of the time-limit.

### **Article 33**

Neither the death of the drawer nor his incapacity taking place after the issue of the cheque shall have any effect as regards the cheque.

### **Article 34**

The drawee who pays a cheque may require that it shall be given up to him receipted by the holder.

The holder may not refuse partial payment.

In case of partial payment the drawee may require that the partial payment shall be mentioned on the cheque and that a receipt shall be given to him.

### **Article 35**

The drawee who pays an endorsable cheque is bound to verify the regularity of the series of endorsements, but not the signature of the endorsers.

### **Article 36**

When a cheque is drawn payable in a currency which is not that of the place of payment, the sum payable may, within the limit of time for the presentment of the cheque, be paid in the currency of the country according to its value on the date of payment. If payment has not been made on presentment, the holder may at his option demand that payment of the amount of the cheque in the currency of the country shall be made according to the rate on the day of presentment or on the day of payment.

The usages of the place of payment shall be applied in determining the value of foreign currency. Nevertheless, the drawer may stipulate that the sum payable shall be calculated according to a rate expressed in the cheque.

The foregoing rules shall not apply to the case in which the drawer has stipulated that payment must be made in a certain specified currency (stipulation for effective payment in a foreign currency).

If the amount of the cheque is specified in a currency having the same denomination but a different value in the country of issue and the country of payment, reference is deemed to be made to the currency of the place of payment.

## **Chapter V - Crossed cheques and cheques payable in account**

### **Article 37**

The drawer or holder of a cheque may cross it with the effects stated in the next article hereof.

A crossing takes the form of two parallel lines drawn on the face of the cheque. The crossing may be general or special.

The crossing is general if it consists of the two lines only or if between the lines the term "banker" or some equivalent is inserted ; it is special if the name of a banker is written between the lines.

A general crossing may be converted into a special crossing, but a special crossing may not be converted into a general crossing.

The obliteration either of a crossing or of the name of the banker shall be regarded as not having taken place.

### **Article 38**

A cheque which is crossed generally can be paid by the drawee only to a banker or to a customer of the drawee.

A cheque which is crossed specially can be paid by the drawee only to the named banker, or if the latter is the drawee, to his customer. Nevertheless, the named banker may procure the cheque to be collected by another banker.

A banker may not acquire a crossed cheque except from one of his customers or from another banker. He may not collect it for the account of other persons than the foregoing.

A cheque bearing several special crossings may not be paid by the drawee except in a case where there are two crossings, one of which is for collection through a clearing-house.

The drawee or banker who fails to observe the above provisions is liable for resulting damage up to the amount of the cheque.

### **Article 39**

The drawer or the holder of a cheque may forbid its payment in cash by writing transversally across the face of the cheque the words "payable in account" ("à porter en compte") or a similar expression.

In such a case the cheque can only be settled by the drawee by means of book-entry (credit in account, transfer from one account to another, set off or clearing-house settlement). Settlement by book-entry is equivalent to payment.

Any obliteration of the words "payable in account" shall be deemed not to have taken place.

The drawee who does not observe the foregoing provisions is liable for resulting damage up to the amount of the cheque.

## **Chapter VI - Recourse for non-payment**

### **Article 40**

The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable if the cheque on presentment in due time is not paid, and if the refusal to pay is evidenced :

- (1) By a formal instrument (protest), or
- (2) By a declaration dated and written by the drawee on the cheque and specifying the day of presentment, or
- (3) By a dated declaration made by a clearing-house, stating that the cheque has been delivered in due time and has not been paid.

### **Article 41**

The protest or equivalent declaration must be made before the expiration of the limit of time for presentment.

If the cheque is presented on the last day of the limit of time, the protest may be drawn up or the equivalent declaration made on the first business day following.

### **Article 42**

The holder must give notice of non-payment to his endorser and to the drawer within the four business days which follow the day on which the protest is drawn up or the equivalent declaration is made or, in case of a stipulation (retour sans frais), the day of presentment. Every endorser must, within the two business days following the day on which he receives notice, inform his endorser of the notice which he has received, mentioning the names and addresses of those who have given the previous notices and so on through the series until the drawer is reached. The periods mentioned above run from the receipt of the preceding notice.

When, in conformity with the preceding paragraph, notice is given to a person who has signed a cheque, the same notice must be given within the same limit of time to his avaliseur.

Where an endorser either has not specified his address or has specified it in an illegible manner, it is sufficient if notice is given to the endorser preceding him.

The person who must give notice may give it in any form whatever, even by simply returning the cheque.

He must prove that he has given notice within the limit of time prescribed. This time-limit shall be regarded as having been observed if a letter giving the notice has been posted within the said time.

A person who does not give notice within the limit of time prescribed above does not forfeit his rights. He is liable for the damage, if any, caused by his negligence, but the amount of his liability shall not exceed the amount of the cheque.

### **Article 43**

The drawer, an endorser, or an avaliseur may, by the stipulation " retour sans frais ", " sans protêt ", or any other equivalent expression written on the instrument and signed, release the holder from having a protest drawn up or an equivalent declaration made in order to exercise his right of recourse.

This stipulation does not release the holder from presenting the cheque within the prescribed limit of time, or from giving the requisite notices. The burden of proving the non-observance of the limit of time lies on the person who seeks to set it up against the holder.

If the stipulation is written by the drawer, it is operative in respect of all persons who have signed the cheque ; if it is written by an endorser or an avaliseur, it is operative only in respect of such endorser or avaliseur. If, in spite of the stipulation written by the drawer, the holder has the protest drawn up or the equivalent declaration made, he must bear the expenses thereof. When the stipulation emanates from an endorser or avaliseur, the costs of the protest or equivalent declaration, if drawn up or made, may be recovered from all the persons who have signed the cheque.

### **Article 44**

All the persons liable on a cheque are jointly and severally bound to the holder.

The holder has the right to proceed against all these persons individually or collectively without being compelled to observe the order in which they have become bound.

The same right is possessed by any person signing the cheque who has taken it up and paid it.

Proceedings against one of the parties liable do not prevent proceedings against the others, even though such other parties may be subsequent to the party first proceeded against.

### **Article 45**

The holder may claim from the party against whom he exercises his right of recourse :

- (1) The unpaid amount of the cheque ;
- (2) Interest at the rate of 6 % as from the date of presentment ;
- (3) The expenses of the protest or equivalent declaration, and of the notices given as well as other expenses.

## **Article 46**

A party who takes up and pays a cheque can recover from the parties liable to him :

- (1) The entire sum which he has paid ;
- (2) Interest on the said sum calculated at the rate of 6 %, as from the day on which he made payment ;
- (3) Any expenses which he has incurred.

## **Article 47**

Every party liable against whom a right of recourse is, or may be, exercised, can require against payment, that the cheque shall be given up to him with the protest or equivalent declaration and a receipted account.

Every endorser who has taken up and paid a cheque may cancel his own endorsement and those of subsequent endorsers.

## **Article 48**

Should the presentment of the cheque or the drawing up of the protest or the making of the equivalent declaration within the prescribed limits of time be prevented by an insurmountable obstacle (legal prohibition (prescription legale) by any State or other case of vis major), these limits of time shall be extended.

The holder is bound to give notice without delay of the case of vis major to his endorser and to make a dated and signed declaration of this notice, on the cheque or on an allonge ; in other respects, the provisions of Article 42 shall apply.

When vis major has terminated, the holder must without delay present the cheque for payment and, if need be, procure a protest to be drawn up or an equivalent declaration made.

If vis major continues to operate beyond fifteen days after the date on which the holder, even before the expiration of the time-limit for presentment, has given notice of vis major to his endorser, recourse may be exercised and neither presentment nor a protest nor an equivalent declaration shall be necessary.

Facts which are purely personal to the holder or to the person whom he has entrusted with the presentment of the cheque or the drawing up of the protest or the making of the equivalent declaration are not deemed to constitute cases of vis major.

## **Chapter VII - Parts of a Set**

### **Article 49**

With the exception of bearer cheques, any cheque issued in one country and payable in another or payable in a separate part overseas of the same country or vice versa, or issued and payable in the same or in different parts overseas of the same country, may be drawn in a set of identical parts. When a cheque is in a set of parts, each part must be numbered in the body of the instrument, failing which each part is deemed to be a separate cheque.

### **Article 50**

Payment made on one part operates as a discharge, even though there is no stipulation that such payment shall render the other parts of no effect.

An endorser who has negotiated parts to different persons and also the endorsers subsequent to him are liable on all the parts bearing their signatures, which have not been given up.

## **Chapter VIII - Alterations**

## **Article 51**

In case of alteration of the text of a cheque, parties who have signed subsequent to the alteration are bound according to the terms of the altered text ; parties who have signed before the alteration are bound according to the terms of the original text.

## **Chapter IX - Limitation of Actions**

### **Article 52**

Actions of recourse by the holder against the endorsers, the drawer and the other parties liable are barred after six months as from the expiration of the limit of time fixed for presentment.

Actions of recourse by the different parties liable for the payment of a cheque against other such parties are barred after six months as from the day on which the party liable has paid the cheque or the day on which he was sued thereon.

### **Article 53**

Interruption of the period of limitation is only effective against the person in respect of whom the period has been interrupted.

## **Chapter X - General Provisions**

### **Article 54**

In the present law the word " banker " includes the persons or institutions assimilated by the law to bankers.

### **Article 55**

The presentment or protest of a cheque may only take place on a business day.

When the last day of the limit of time prescribed by the law for performing any act relating to a cheque, and particularly for presentment or for the drawing up of a protest or the making of an equivalent declaration, is a legal holiday, the limit of time is extended until the first business day which follows the expiration of that time. Intermediate holidays are included in computing limits of time.

### **Article 56**

The limits of time stipulated in the present law shall not include the day on which the period commences.

### **Article 57**

No days of grace, whether legal or judicial, are permitted.

Annex II

### **Article 1**

Each of the High Contracting Parties may prescribe that the obligation to insert in cheques drawn in his territory the term " cheque ", as laid down in Article 1, No. 1 of the Uniform Law, and the obligation stipulated in No. 5 of the said article to state the place where the cheque

was drawn, shall not apply until six months after the entry into force of the present Convention.

## **Article 2**

Each of the High Contracting Parties may, as regards undertakings entered into in respect of cheques in his own territory, determine in what manner an actual signature may be replaced by an authentic declaration written on the cheque which evidences the consent of the party who should have signed.

## **Article 3**

By way of derogation from Article 2, paragraph 3, of the Uniform Law, each of the High Contracting Parties may prescribe that a cheque which does not specify the place of payment shall be regarded as payable at the place where it was drawn.

## **Article 4**

Each of the High Contracting Parties reserves the right, with regard to cheques issued and payable in his territory, to decide that instruments drawn on persons other than bankers or persons or institutions assimilated by the law to bankers, shall not be valid as cheques. Each of the High Contracting Parties also reserves the right to embody Article 3 of the Uniform Law in his national law in the form and in the terms best suited to the use he may make of the provisions of the preceding paragraph.

## **Article 5**

Each of the High Contracting Parties may determine the moment at which the drawer must have funds available with the drawee.

## **Article 6**

Each of the High Contracting Parties may provide that a drawee may write on the cheque a statement of certification, confirmation, visa, or other equivalent declaration, provided that such declaration shall not operate as an acceptance, and may also determine the legal effects thereof.

## **Article 7**

By way of derogation from Articles 5 and 14 of the Uniform Law, each of the High Contracting Parties reserves the right to prescribe, as regards cheques payable in his territory, and marked "not transferable", that a cheque of this description may be paid only to the holder who has received it thus marked.

## **Article 8**

Each of the High Contracting Parties reserves the right to determine whether, apart from the cases referred to in Article 6 of the Uniform Law, a cheque may be drawn on the drawer himself.

## **Article 9**

By way of derogation from Article 6 of the Uniform Law, each of the High Contracting Parties, whether as a general rule he allows cheques to be drawn on the drawer himself (Article 8 of



the present Annex), or whether he allows such cheques to be drawn only in the case of businesses with several establishments (Article 6 of the Uniform Law), reserves the right to prohibit the issue of cheques of this kind to bearer.

## **Article 10**

By way of derogation from Article 8 of the Uniform Law, each of the High Contracting Parties reserves the right to allow a cheque to be made payable at the domicile of a third person other than a banker.

## **Article 11**

Each of the High Contracting Parties reserves the right not to embody Article 13 of the Uniform Law in his national law.

## **Article 12**

Each of the High Contracting Parties reserves the right not to apply Article 21 of the Uniform Law so far as bearer cheques are concerned.

## **Article 13**

By way of derogation from Article 26 of the Uniform Law, each of the High Contracting Parties has the right to decide that an "aval" may be given in his territory by a separate instrument specifying the place in which the instrument has been executed.

## **Article 14**

Each of the High Contracting Parties reserves the right to prolong the time-limit provided for in the first paragraph of Article 29 of the Uniform Law and to fix the limits of time for presentment as regards the territories under his sovereignty or authority.

Each of the High Contracting Parties, by way of derogation from Article 29, paragraph 2, of the Uniform Law, reserves the right to prolong the time-limits provided for in the said paragraph for cheques issued and payable in different continents or in different countries in a continent other than Europe.

Two or more of the High Contracting Parties may agree, as regards cheques issued and payable in their respective territories, to modify the time-limits provided for in Article 29, paragraph 2, of the Uniform Law.

## **Article 15**

For the purpose of giving effect to Article 31 of the Uniform Law, each of the High Contracting Parties may determine the institutions which according to his national law are to be regarded as clearing-houses.

## **Article 16**

By way of derogation from Article 32 of the Uniform Law, each of the High Contracting Parties reserves the right in regard to cheques payable in his territory :

- (a) To allow the countermand of a cheque even before the expiration of the limit of the time for presentment ;
- (b) To prohibit the countermand of a cheque even after the expiration of the limit of time for presentment.

Furthermore, each of the High Contracting Parties may determine the measures to be taken in case of the loss or theft of a cheque, and may regulate the legal consequences thereof.

## **Article 17**

Each of the High Contracting Parties may, if he deems it necessary, in exceptional circumstances connected with the rate of exchange of the currency of his country, derogate from the stipulation contained in Article 36 of the Uniform Law for effective payment in foreign currency as regards cheques payable in his territory. The above rule may also be applied as regards the issue in the national territory of cheques payable in foreign currency.

## **Article 18**

Each of the High Contracting Parties reserves the right, by way of derogation from Articles 37, 38, and 39 of the Uniform Law, to recognise in his national law only crossed cheques or only cheques payable in account. Nevertheless, crossed cheques and cheques payable in account issued abroad and payable in the territory of each of the High Contracting Parties shall be treated as cheques payable in account and as crossed cheques respectively.

Each of the High Contracting Parties may also determine the wording which, under its national law, shall indicate that the cheque is a cheque payable in account.

## **Article 19**

The question whether the holder has special rights to the cover and the consequences of these rights remain outside the scope of the Uniform Law.

The same applies to any other question concerning the legal relations on the basis of which the cheque is issued.

## **Article 20**

Each of the High Contracting Parties reserves the right not to make it a condition for the exercise of the right of recourse against the drawer that the cheque must be presented and the protest drawn up or an equivalent declaration made within due time, and to determine the effects of this recourse.

## **Article 21**

Each of the High Contracting Parties reserves the right to prescribe, as regards cheques payable in his territory, that the declaration of the refusal of payment stipulated in Articles 40 and 41 of the Uniform Law as a condition of the preservation of the right of recourse must in each and every case take the form of a protest to the exclusion of any equivalent declaration.

Each of the High Contracting Parties may also prescribe that the declarations provided for in Nos. 2 and 3 of Article 40 of the Uniform Law must be entered in a public register within the limit of time fixed for the protest.

## **Article 22**

By way of derogation from Article 42 of the Uniform Law, each of the High Contracting Parties may maintain or introduce the following system of notification by the public official - viz., that, when drawing up the protest, the notary or official who, under the national law, is authorised to draw up the protest is required to give notice in writing to the persons liable on the cheque whose addresses are specified in the cheque or are known to the public official drawing up the protest, or are specified by the persons demanding the protest. The expenses of such notice shall be added to the expenses of the protest.

## **Article 23**

Each of the High Contracting Parties may prescribe, as regards cheques which are both issued and payable in his territory, that the rate of interest mentioned in Article 45, No. 2, and in Article 46, No. 2, of the Uniform Law may be replaced by the legal rate in force in his territory.

## **Article 24**

By way of derogation from Article 45 of the Uniform Law, each of the High Contracting Parties reserves the right to insert in his national law a rule prescribing that the holder may claim from the party against whom he is exercising his right of recourse a commission the amount of which shall be determined by that law.

By way of derogation from Article 46 of the Uniform Law, the same applies to a person who, having taken up and paid the cheque, claims the amount from the parties liable to him.

## **Article 25**

Each of the High Contracting Parties is free to decide that, in the event of forfeiture of rights or limitation of actions, proceedings may be taken in his territory against a drawer who has not provided cover or against a drawer or endorser who has made an inequitable gain (condictiones).

## **Article 26**

It is for the legislation of each of the High Contracting Parties to determine the causes of interruption or suspension of limitation in the case of actions on cheques which are brought before his courts.

The other High Contracting Parties may determine the conditions under which they will recognise such causes. The same applies to the effect of an action as a means of indicating the commencement of the period of limitation laid down in Article 52, paragraph 2, of the Uniform Law.

## **Article 27**

Each of the High Contracting Parties may prescribe that certain business days shall be assimilated to legal holidays as regards the limit of time for presentment and all acts relating to cheques.

## **Article 28**

Each of the High Contracting Parties may enact exceptional measures of a general nature relating to the postponement of payment and to the limits of time for conservatory measures in relation to recourse (actes conservatoires des recours).

## **Article 29**

For the purpose of giving effect to the Uniform Law, it is within the competence of each of the High Contracting Parties to determine what persons are to be regarded as bankers and what persons or institutions are, in view of the nature of their activities, to be assimilated to bankers.

## **Article 30**

Each of the High Contracting Parties reserves the right to exclude the application of the Uniform Law in whole or in part in regard to postal cheques, and in regard to the special cheque of banks of issue or of public revenue offices or of public credit institutions, in so far as the instruments mentioned above are subject to special regulations.

### **Article 31**

Each of the High Contracting Parties undertakes to recognise the provisions adopted by every other High Contracting Party in virtue of Articles 1 to 13, 14 (paragraphs 1 and 2), 15 and 16, 18 to 25, 27, 29 and 30 of the present Annex.

Protocol to the Convention

At the time of signing the Convention of this day's date providing a Uniform Law for cheques, the undersigned, duly authorised, have agreed upon the following provisions :

A. The Members of the League of Nations and the non-member States which may not have been able to deposit their ratifications of the said Convention before September 1, 1933, undertake to forward within fifteen days from that date a communication to the Secretary-General of the League of Nations informing him of their situation as regards ratification.

B. If on November 1, 1933, the conditions laid down in Article VI, paragraph 1 for the entry into force of the Convention are not fulfilled, the Secretary-General of the League of Nations shall convene a meeting of the Members of the League and the non-member States on whose behalf the Convention has been signed or acceded to.

The purpose of this meeting shall be to examine the situation and any measures to be taken to meet it.

C. The High Contracting Parties shall communicate to each other, immediately upon their coming into force, the legislative measures taken by them in execution of the Convention in their respective territories.

In faith whereof the Plenipotentiaries have signed the present Protocol.

Done at Geneva, the nineteenth day of March, one thousand nine hundred and thirty-one, in a single copy, which shall be deposited in the archives of the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all Members of the League of Nations and non-member States represented at the Conference.