

## BILLS OF EXCHANGE AMENDMENT BILL

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### EXPLANATORY NOTE

THIS Bill substitutes a new section 75 in the Bills of Exchange Act 1908.

Under paragraph (b) of the existing section the duty and authority of a banker to pay a cheque drawn on him by his customer are determined by notice of the customer's death. Subsection (2) of the new section will enable a banker to pay a cheque drawn on him, notwithstanding that he has notice of the death of the customer who drew it, if the cheque is presented not more than 10 days after the date of the customer's death unless—

- (a) The cheque is dated after that date; or
- (b) The banker receives a countermand of payment by a person who claims to be entitled to a grant of administration in respect of, or to be a beneficiary of, the customer's estate.

The proposed amendment was recommended by the Contracts and Commercial Law Reform Committee in a report entitled "Validation of Cheques after Death" presented to the Minister of Justice in September 1969.

*Hon. Mr Riddiford*

## BILLS OF EXCHANGE AMENDMENT

### ANALYSIS

Title

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|-------------------------------------|
| 1. Short Title                      |
| 2. Revocation of banker's authority |

### A BILL INTITULED

#### An Act to amend the Bills of Exchange Act 1908

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

**1. Short Title**—This Act may be cited as the Bills of Exchange Amendment Act 1970, and shall be read together with and deemed part of the Bills of Exchange Act 1908\* (hereinafter referred to as the principal Act).

10 **2. Revocation of banker's authority**—The principal Act is hereby amended by repealing section 75, and substituting the following section:

“75. (1) The duty and authority of a banker to pay a cheque drawn on him by his customer are determined by—

- 15 “(a) Countermand of payment:  
“ (b) Notice of the customer's death.

\*1957 Reprint, Vol. 1, p. 545  
Amendments: 1960, No. 17; 1963, No. 75

“(2) Notwithstanding the provisions of paragraph (b) of subsection (1) of this section, a banker may pay a cheque drawn on him, notwithstanding that he has notice of the death of the customer who drew it, if the cheque is presented not more than 10 days after the date of the customer’s death, 5 unless—

“(a) The cheque is dated after that date; or

“(b) The banker receives a countermand of payment by a person who claims to be entitled to a grant of administration in respect of or to be a beneficiary 10 of the customer’s estate.”