

# **Bill of Exchange and Cheque Act No. 191/1950**

## **(“BECA”)**

### Article I

#### Bill of Exchange and Promissory Note

##### Part one

##### Bill of Exchange

##### Title one

#### Issue and Form of the Bill of Exchange

### Section 1

A bill of exchange contains: 1. The term “bill of exchange” 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 time of payment; 5. A statement of the place where payment is to be made; 6. The name of the person to whom or to whose order payment is to be made; 7. A statement of the date and of the place where the bill is issued; 8. The signature of the drawer.

### Section 2

(1) An instrument in which any of the requirements mentioned in the preceding section is wanting is invalid as a bill of exchange, except in the cases specified in the following paragraphs. (2) A bill of exchange in which the time of payment is not specified is deemed to be payable at sight. (3) In default of special mention, the place specified beside the name of the drawee is deemed to be place of payment, and at the same time the place of the domicile of the drawee. (4) A bill of exchange which does not mention the place of its issue is deemed to have been drawn in the place mentioned beside the name of the drawer.

### Section 3

(1) A bill of exchange may be drawn payable to drawer’s order. (2) A bill of exchange may be drawn on the drawer himself. (3) A bill of exchange may be drawn for account of third person.

#### Section 4

A bill of exchange may be payable at the third person either in the locality where the drawee has his domicile or in another locality.

#### Section 5

(1) When a bill of exchange is payable at sight, or at a fixed period after sight, the drawer may stipulate the sum payable shall bear interest. In the case of any other bill of exchange, this stipulation is deemed not to be written. (2) The rate of interest must be specified in the bill of exchange; in default of such specification, the stipulation shall be deemed not to be written. (3) Interest runs from the date of the bill of exchange, unless some other date is specified.

#### Section 6

(1) When the sum payable by bill of exchange 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. (2) When the sum payable by bill of exchange is expressed more than once in words or more than once in figures, and there is a discrepancy, the smaller sum is the sum payable.

#### Section 7

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

#### Section 8

Whosoever puts his signature on a bill of exchange as representing a person for whom he had no power to act is bound himself as a party to the bill of exchange 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 of agency.

## Section 9

(1) The drawer guarantees both acceptance and payment. (2) He may release himself from guaranteeing acceptance; every stipulation by which he releases himself from the guarantee of payment is deemed not to be written.

## Section 10

If a bill of exchange, 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 bill of exchange in bad faith or, in acquiring it, has been guilty of gross negligence.

## Title two

### Endorsement

## Section 11

(1) Every bill of exchange, even if not expressly drawn to order, may be transferred by the endorsement. (2) When the drawer has inserted in a bill of exchange the words "not to order" or an equivalent expression, the instrument can only be transferred according to the form, and with the effects, of an ordinary assignment. (3) The bill may be endorsed even to the drawee, whether he has accepted or not, or to the drawer, or to any other party to the bill. These persons may reendorse the bill.

## Section 12

(1) An endorsement must be unconditional. Any condition to which it is made subject is deemed not to be written. (2) A partial endorsement is null and void. (3) An endorsement to Bearer is deemed to be an endorsement in blank.

## Section 13

(1) An endorsement must be written on the bill of exchange or on a slip affixed thereto (allonge). It must be signed by the endorser. (2) The endorsement may leave the endorsee (to whom the bill is transferred by means of endorsement) unspecified;

the endorsement 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 bill of exchange or on the slip attached thereto.

#### Section 14

(1) An endorsement transfers all the rights arising out of a bill of exchange. (2) If the endorsement is in blank, the holder may: a) fill up the blank either with his own name or with the name of some other person; b) reendorse the bill in blank, or to some other person; c) transfer the bill to a third person without filling up the blank, and without endorsing it.

#### Section 15

(1) In the absence of any contrary stipulation the endorser guarantees acceptance and payment. (2) He may prohibit any further endorsement; in this case, he gives no guarantee to the persons to whom the bill is subsequently endorsed.

#### Section 16

(1) The possessor of a bill exchange is deemed to be the lawful holder if he establishes his title to the bill through an uninterrupted series of endorsements, even if the last endorsement is in blank. In this connection, cancelled endorsements are deemed not to be written. When an endorsement in blank is followed by another endorsement, the person who signed this last endorsement is deemed to have acquired the bill by the endorsement in blank. (2) Where a person has been dispossessed of a bill of exchange, in any manner whatsoever, the holder who establishes his right thereto in the manner mentioned in the preceding paragraph is not bound to give up the bill unless he has acquired it in bad faith, or unless in acquiring it he has been guilty of gross negligence.

#### Section 17

Persons sued on a bill of exchange 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 bill, has knowingly acted to the detriment of the debtor.

## Section 18

(1) When an endorsement contains the statements “value in collection”, “for collection”, “by procuration” or any other statement implying a simple mandate, the holder may exercise all rights arising out of the bill of exchange, but he can only endorse it by the means of the endorsement for collection. (2) In this case, the parties liable can only set up against the holder objectives which could be set up against the endorser. (3) The mandate contained in an endorsement by procuration does not terminate by reason of the death of the party giving the mandate or by reason of his becoming legally incapable.

## Section 19

(1) When an endorsement contains the statements “value in security”, “value in pledge” or any other phrase implying a pledge, the holder may exercise all rights arising out of the bill of exchange, but an endorsement by him has the effects only of an endorsement for collection. (2) The parties liable cannot set up against the holder defences founded on their personal relations with the endorser, unless the holder in receiving the bill, has knowingly acted to the detriment of the debtor.

## Section 20

(1) An endorsement after maturity has the same effects as an endorsement before maturity. Nevertheless, an endorsement after protest for nonpayment, or after expiration of the limit of time fixed for drawing up the protest, operates only as an ordinary assignment. (2) Failing proof to the contrary, an endorsement without date is deemed to have been placed on the bill before the expiration of the limit of time fixed for drawing up the protest.

## Title three

### Acceptance

## Section 21

Until maturity, a bill of exchange may be presented to the drawee for acceptance at his domicile, either by the holder or by a person who is merely in possession of the

bill.

## Section 22

(1) In any bill of exchange, the drawer may stipulate that it shall be presented for acceptance, with or without fixing a limit of time for presentment. (2) Except in the case of a bill payable at the address of a third party or in a locality other than that of the domicile of the drawee, or , except in the case of a bill drawn payable at a fixed period after sight, the drawer may prohibit presentment for acceptance. (3) He may also stipulate that presentment for acceptance shall not take place before a named date. (4) Unless the drawer has prohibited acceptance, every endorser may stipulate that the bill shall be presented for acceptance, with or without fixing a limit of time for presentment.

## Section 23

(1) Bill of exchange payable at a fixed period after sight must be presented for acceptance within one year of its date of issue. (2) The drawer may abridge or extend this period. (3) These periods may be abridged by the endorsers.

## Section 24

(1) The drawee may demand that a bill shall be presented to him a second time on the day after the first presentment. Parties interested are not allowed to set up that this demand has not been complied with unless this request is mentioned in the protest. (2) The holder is not obliged to surrender to the drawee a bill presented for acceptance.

## Section 25

(1) An acceptance is written on the bill of exchange. It is expressed by the word "accepted" or any other equivalent term; it is signed by the drawee. The simple signature of drawee on the face of the bill is deemed to be an acceptance. (2) When the bill is payable at a certain time after sight, or when it must be presented for acceptance within a certain limit of time in accordance with a special stipulation, the

acceptance must be dated as of the day when the acceptance is given, unless the holder requires that it shall be dated as of the day of presentment. If it is undated, the holder, in order to preserve his right of recourse against the endorsers and the drawer, must authenticate the omission by a protest drawn up within the proper time.

#### Section 26

(1) An acceptance is unconditional, but the drawee may restrict it to part of the sum payable. (2) Every other modification introduced by an acceptance into the tenor of the bill of exchange operates as a refusal to accept. Nevertheless, the acceptor is bound according to the terms of his acceptance.

#### Section 27

(1) When the drawee has designated on the bill a place of payment different from the place of domicile of the drawee, not stating a person with whom the payment is to be executed, the drawee may designate such a person when accepting the bill. Otherwise, it shall be deemed that the acceptant has undertaken an obligation to pay at the place of payment. (2) In case of a bill payable at the domicile of the drawee, the latter may designate in the acceptance the address of the place where payment is to be executed.

#### Section 28

(1) By accepting, the drawee undertakes to pay the bill of exchange at its maturity. (2) In default of payment, the holder, even if he is the drawer, has a direct action on the bill of exchange against the acceptor for all that can be demanded in accordance with Section 49 and 49.

#### Section 29

(1) Where the drawee who has put his acceptance on a bill has cancelled it before restoring the bill, acceptance is deemed to be refused. Failing proof to the contrary, the cancellation is deemed to have taken place before the bill was restored. (2) Nevertheless, if the drawee has notified his acceptance in writing to the holder or to

any party who has signed the bill, he is liable to such parties according to the terms of his acceptance.

#### Title four

#### Aval

#### Section 30

(1) Payment of a bill of exchange may be guaranteed by an aval as to the whole or part of its amount. (2) This guarantee may be given by a third person or even by a person who has signed as a party to the bill.

#### Section 31

(1) The aval is given either on the bill itself or on an allonge. (2) It is expressed by the words "as aval" or by any other equivalent formula. It is signed by the giver of the aval. (3) It is deemed to be constituted by the mere signature of the giver of the aval placed on the face of the bill, except in the case of the signature of the drawee of the drawer. (4) An aval must specify for whose account it is given. In default of this, it is deemed to be given for the drawer.

#### Section 32

(1) The giver of an aval is bound as the person for whom he has become guarantor. (2) His undertaking is valid even when the liability which he has guaranteed is inoperative for any reason other than defect of form. (3) He has, when he pays a bill of exchange, the rights arising out of the bill of exchange against the person guaranteed and against those who are liable to the latter on the bill of exchange.

#### Title five

#### Maturity of a Bill of Exchange

#### Section 33

(1) A bill of exchange may be drawn payable: at sight; at a fixed period after sight; at a fixed period after date; at a fixed date. (2) Bills of exchange at other maturities or payable by installments are null and void.



#### Section 34

(1) A bill of exchange payable at sight is payable on presentment. It must be presented for payment within a year of its date. The drawer may abridge or extend this period. These periods may be abridged by the endorsers. (2) The drawer may prescribe that a bill of exchange payable at sight must not be presented for payment before a named date. In this case the period for presentment begins from this date.

#### Section 35

(1) The maturity of a bill of exchange payable at a fixed period after sight is determined either by the date of the acceptance or by the date of the protest. (2) In the absence of the protest, an undated acceptance is deemed, so far as regards the acceptor, to have been given on the last day of the limit of time for presentment for acceptance.

#### Section 36

(1) Where a bill of exchange is drawn at one or more months after date or after sight the bill matures on the corresponding date of the month when payment must be made. If there be no corresponding date, the bill matures on the last day of this month. (2) When a bill of exchange is drawn at one or more months and a half after date or sight, entire months must first be calculated. (3) If the maturity is fixed at the commencement, in the middle or at the end of the month, the first, fifteenth or last day of the month is to be understood. (4) The expression "eight days" or "fifteen days" indicate not one or two weeks, but a period of eight or fifteen days. (5) The expression "halfmonth" means a period of fifteen days.

#### Section 37

(1) When a bill of exchange is payable on a fixed day in a place where the calendar is different from the calendar in the place of issue, the day of maturity is deemed to be fixed according to the calendar of the place of payment. (2) When a bill of exchange drawn between two places having different calendars is payable at a fixed period after date, the day of issue is referred to the corresponding day of the

calendar in the place of payment, and the maturity is fixed accordingly. (3) The time for presenting bills of exchange is calculated in accordance with the rules of the preceding paragraph. (4) Provisions of this article do not apply if a stipulation in the bill or even the simple terms of the instrument indicate an intention to adopt some different rule.

Title six  
Payment  
Section 38

(1) The holder of a bill of exchange payable on a fixed day or at a fixed period after date or after sight must present the bill for payment either on the day on which it is payable or on one of the two business days which follows. (2) The presentment of a bill of exchange at a clearinghouse is equivalent to a presentment for payment.

Section 39

(1) The drawee who pays a bill of exchange may require that it shall be given up to him receipted by the holder. (2) The holder may not refuse partial payment. (3) In case of partial payment the drawee may require that mention of this payment shall be made on the bill, and that a receipt therefore shall be given to him.

Section 40

(1) The holder of a bill of exchange cannot be compelled to receive payment before maturity. (2) The drawee who pays before maturity does so at his own risk. (3) Who pays at maturity is validly discharged, unless he has been guilty of fraud or gross negligence. He is bound to verify the regularity of the series of endorsements, but not the signature of the endorsers.

Section 41

(1) When a bill of exchange is drawn payable in a currency which is not that of the place of payment, the sum payable may be paid in the currency of the country, according to its value on the date of maturity. If the debtor is in default, the holder

may at his option demand that the amount of the bill be paid in the currency of the country according to the rate on the day of maturity or the day of payment. (2) The usages of the place of payment determine the value of foreign currency. Nevertheless, the drawer may stipulate that the sum payable shall be calculated according to a rate expressed in the bill. (3) 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 foreign currency). (4) If the amount of the bill of exchange 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.

#### Section 42

When a bill of exchange is not presented for payment within the limit of time fixed by Section 38, every debtor is authorized to deposit the amount with the competent court at the cost and risk of the holder.

#### Title seven

#### Recourse of Non-Acceptance and Non-Payment

#### Section 43

(1) The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable at the maturity if payment has not been made. (2) The holder has the same right even before maturity: 1. if there has been total or partial refusal to accept; 2. in the event of executive liquidation against the goods of the drawee, whether he has accepted or not, or in the event of a stoppage or where execution has been levied against his goods without result; 3. in the event of the executive liquidation against the drawer of a non-acceptable bill.

#### Section 44

(1) Default of acceptance or of payment must be evidenced by an authentic act (protest for non-acceptance or non-payment). (2) Protest for non-acceptance must be

made within the limit of time fixed for presentment for acceptance. If, in the case contemplated by Section 24, subsection 1, the first presentment takes place on the last day of that time, the protest may nevertheless be drawn up on the next day. (3) Protest for non-payment of a bill payable on a fixed day or at a fixed period after date or sight must be made on one of the two working days following the day on which the bill is payable. In the case of a bill payable at sight, the protest must be drawn up under the conditions specified in the foregoing subsection for the drawing up of a protest for non-acceptance. (4) Protest for non-acceptance dispenses with presentment for payment and protest for non-payment. (5) If there is a stoppage of payment on the part of the drawee, whether he has accepted or not, or if execution has been levied against his goods without result, the holder cannot exercise his right of recourse until after presentment of the bill to the drawee for payment and after the protest has been drawn up. (6) In the event of executive liquidation against the goods of the drawee, whether he has accepted or not, or against the good of the drawer of a non-acceptable bill, the decision ordering liquidation is sufficient for exercising the right of recourse. The decision can be replaced by a promulgation noticing its publication.

#### Section 45

(1) The holder must give notice of non-acceptance or non-payment to his endorsers and to the drawer within the four working days which follow the day for protest or, in case of a stipulation "free of expenses", the day for presentment. Every endorser must within the two working days following the day on which he receives notice, notify his endorser of the notice, notify his endorsers of the notice 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 run from the receipt of the preceding notice. (2) When, in conformity with the preceding subsection, notice is given to a person who has signed a bill, the same notice must be given within the same limit of time to his aval. (3) Where the endorser either has not specified his address or has specified it in an illegible manner, it is sufficient that notice should be given to the preceding endorser. (4) The notice may be given in any form whatever, even by simply returning the bill of exchange. (5) A person who must give notice must prove that he has given notice within the time allowed. This limit of

time is fulfilled if the notice has been posted within the prescribed time. (6) A person who does not give notice within the limit of time does not forfeit his rights. He is responsible for the injury, if any, caused by his negligence, but the damages shall not exceed the amount of the bill of exchange.

#### Section 46

(1) The drawer, an endorser, or an aval may, by stipulation "without costs", "without protest", or any other equivalent expression written on the instrument and signed, release the holder from having protest of non-acceptance or non-payment drawn up in order to preserve his right of recourse. (2) This stipulation does not release the holder from presenting the bill within the prescribed time, not from the notices he has to give. The burden of proving the non-observance of the limits lies on the person who seeks to set it up against the holder. (3) If the stipulation is written by the drawer, it is operative in respect of all persons who have signed the bill; if it is written by an endorsers or an aval, it is operative only in respect of such endorser or aval. If, in spite of such stipulation written by the drawer, the holder has the protest drawn up, he must bear the costs thereof. When the stipulation emanates from an endorser or aval, the costs of the protest, if one is drawn up, may be recovered from all the persons who have signed the bill.

#### Section 47

(1) All drawers, acceptors, endorsers or avals of a bill of exchange are jointly and severally liable to the holder. (2) The holder has the right of proceeding against all these persons individually or against some of them or collectively without being required to observe the order in which they have become bound. (3) The same right is possessed by any person signing the bill who has taken it up and paid for it. (4) Proceeding against of the parties liable do not prevent proceedings against the others, even though they may be subsequent to the party first proceeded against.

#### Section 48

(1) The holder may recover from the person against whom he exercises his right of recourse: 1. The amount of the unaccepted or unpaid bill of exchange with interest, if interest has been agreed; 2. Interest at the rate of 6 per cent from the date of maturity; 3. The expenses of protest and of the notices given as well as other expenses; 4. Provision at the rate of 1/3 per cent of the amount of the unaccepted or unpaid bill of exchange. (2) If the right of recourse is exercised before maturity the amount of the bill shall be subject to a discount; this discount shall be calculated according to the official rate of discount of the State bank of Czechoslovakia ruling on the date when recourse is exercised at the place of domicile of the holder.

#### Section 49

A party who takes up and pays a bill of exchange can recover from the parties liable to him: 1. The entire sum which he has paid; 2. Interests on the said sum calculated at the rate of 6 per cent, starting from the day when he made payment; 3. Any expenses which he has incurred; 4. provision, which is to be calculated according to Section 48 par. 1 and 4.

#### Section 50

(1) Every party liable against whom a right of recourse is or may be exercised, can require, against payment, that the bill shall be given up to him with the protest and receipted account. (2) Every endorser who has taken up and paid a bill of exchange may cancel his own endorsement and those of subsequent endorsers.

#### Section 51

In the case of the exercise of the right of recourse after partial acceptance, the party who pays the sum in respect of which the bill has not been accepted can require that this payment shall be specified on the bill and that he shall be given a receipt therefore. The holder must also give him a certified copy of the bill with the protest, in order to enable subsequent recourse to be exercised.

## Section 52

(1) Every person having the right of recourse may, in the absence of agreement to the contrary, reimburse himself by means of a fresh bill (redraft) to be drawn at sight on one of the parties liable to him and payable at the domicile of that party. (2) The redraft includes, in addition to the sum mentioned in Section 48 and 49, brokerage and the cost of stamping the redraft. (3) If the redraft is drawn by the holder, the sum payable is fixed according to the rate for a sight bill drawn at the place where the original bill was payable upon the party liable at the place of his domicile. If the redraft is drawn by an endorser, the sum payable is fixed according to the rate for a sight bill drawn at the place where the drawer of the redraft is domiciled upon the place of domicile of the party liable.

## Section 53

(1) After the expiration of the limits of time fixed for the presentment of a bill of exchange drawn at sight or at a fixed period after sight, for drawing up the protest for non-acceptance or non-payment, for presentment for payment in the case of a stipulation "without costs" the holder loses rights of recourse against the endorsers, against the drawer and against the other parties liable, with the exception of the acceptor. (2) In default of presentment for acceptance within the limit of time stipulated by the drawer, the holder loses his right of recourse for non-payment, as well as for non-acceptance, unless it appears from the terms of the stipulation that the drawer only meant to release himself from the guarantee of acceptance. (3) If the stipulation for a limit of time for presentment is contained in an endorsement, the endorser alone can avail himself of it.

## Section 54

(1) Should the presentment of the bill of exchange or the drawing up protest within the prescribed limits of time be prevented by an insurmountable obstacle (legal regulation by any State or other case of vis major), these limits of time shall be extended. (2) The holder is bound to give notice without delay of the case of vis major to his endorser and

to specify this notice, which he must date and sign, on the bill or on an allonge; in other respects the provisions of Article 45 shall apply. (3) When vis major has terminated, the holder must without delay present the bill of exchange for acceptance or payment and, if need be, draw up the protest. (4) If vis major continues to operate beyond thirty days after maturity, recourse may be exercised, and neither presentment nor the drawing up of a protest shall be necessary. (5) In the case of bills of exchange drawn at sight or at a fixed period after sight, the time limit of thirty days shall run from the date on which the holder has given notice of vis major to his endorser; the notice can be given even before the expiration of the time for presentment. In the case of bills of exchange drawn at the certain time after sight, the time limit of thirty days shall be added to the period after sight specified in the bills of exchange. (6) Facts which are purely personal to the holder or to the person whom he has entrusted with the presentment of the bill of exchange or drawing up the protest are not deemed to constitute case of vis major.

## Title eight

### Intervention for Honour

#### 1. General provisions

##### Section 55

(1) The drawer, an endorser, or an aval may specify a person who is to accept or pay in case of need (person named as referee in case of need). (2) A bill of exchange may, subject as hereinafter mentioned, be accepted or paid by a person who intervenes for the honor of any debtor against whom a right of recourse exists. (3) The person intervening by payment or acceptance may be a third party, even the drawee, or, save the acceptor, a party already liable on the bill of exchange. (4) The person intervening is bound to give, within two working days, notice of this intervention to the party for whose honor he has intervened. In default, he is responsible for the injury, if any, due to his negligence, but the damages shall not exceed the amount of the bill of exchange.

### Acceptance for Honour

##### Section 56



(1) There may be acceptance by intervention in all cases where the holder has a right of recourse before maturity on a bill which is capable of acceptance. (2) When the bill of exchange indicates a person who is designated to accept or pay it in case of need at the place of payment, the holder may not exercise his rights of recourse before maturity against the person naming such referee in case of need and against subsequent signatories, unless he has presented the bill of exchange to the referee in case of need and until, if acceptance is refused by the latter, this refusal has been authenticated by a protest. (3) In other cases of intervention the holder may refuse an acceptance by intervention. Nevertheless, if he allows it, he loses his right of recourse before maturity against the person on whose behalf such acceptance was given and against subsequent signatories.

#### Section 57

Acceptance by intervention is specified on the bill of exchange. It is signed by the person intervening. It mentions the person for whose honor it has been given and, in default of such mention, the acceptance is deemed to have been given for the honor of the drawer.

#### Section 58

(1) The acceptor by intervention is liable to the holder and to the endorsers, subsequent to the party for whose honor he intervened, in the same manner as such party. (2) Notwithstanding an acceptance by intervention, the party for whose honor it has been given and the parties liable to him may require the holder, in exchange for payment of the sum mentioned in Section 48, to deliver the bill, the protest, and an receipted account, if any.

#### Payment for Honour

#### Section 59

(1) Payment by intervention may take place in all cases where, either at maturity or before maturity, the holder has a right of recourse on the bill. (2) Payment must include the whole amount payable by the party for whose honor it is made. (3) It must

be made at the latest on the day following the last day allowed for drawing up the protest for non-payment.

#### Section 60

(1) If a bill of exchange has been accepted by persons intervening who are domiciled in the place of payment, or if persons domiciled there have been named as referees in case of need, the holder must present the bill to all these persons and, if necessary, have a protest for non-payment drawn up at the latest on the day following the last day allowed for drawing up the protest. (2) In default of protest within this limit of time, the party who has named the referee in case of need, or for whose account the bill has been accepted, and the subsequent endorsers, are discharged.

#### Section 61

The holder who refuses payment by intervention loses his right of recourse against any persons who would have been discharged thereby.

#### Section 62

(1) Payment by intervention must be authenticated by a receipt given on the bill of exchange mentioning the person for whose honor payment has been made. In default of such mention, payment is deemed to have been made for the honor of the drawer. (2) The bill of exchange and the protest, if any, must be given up to the person paying by intervention.

#### Section 63

(1) The person paying by intervention acquires the rights arising out of the bill of exchange against the party for whose honor he has paid and against persons who are liable to the latter on the bill of exchange. Nevertheless, he cannot re-endorse the bill of exchange. (2) Endorsers subsequent to the party for whose honor payment has been made are discharged. (3) In case of competition for payment by intervention, the payment which effects the greater number of releases has the preference. Any

person who, with a knowledge of the facts, intervenes in manner contrary to this rule, loses his right of recourse against those who would have been discharged.

## Title nine

### Parts of a Set and Copies

#### 1. Parts of a Set

##### Section 64

(1) A bill of exchange can be drawn in a set of two or more (counter)parts. (2) These counterparts must be numbered in the body of the instrument itself; in default, each part is considered as a separate bill of exchange. (3) Every holder of a bill which does not specify that it has been drawn as a sole bill may, at his own expense, require the delivery of two or more counterparts. For this purpose he must apply to his immediate endorser, who is to proceed against his own endorser, and so in the series until the drawer is reached. (4) The endorsers are bound to reproduce their endorsements on the new parts of the set.

##### Section 65

(1) Payment made on one counterpart operates as a discharge, even though there is no stipulation that this payment annuls the effect of the other parts. Nevertheless, the drawee is liable on each accepted part which he has not recovered. (2) An endorser who has transferred parts of a set to different persons, as well as subsequent endorsers, are liable on all the parts bearing their signature which have not been restored.

##### Section 66

(1) A party who has sent one counterpart for acceptance must indicate on the other parts the name of the person in whose hands this counterpart is to be found. That person is bound to give it up to the lawful holder of another party. (2) If he refuses, the holder cannot exercise his right of recourse until he has had a protest drawn up specifying: 1. That the counterpart sent for acceptance has not been given up to him

on his demand ; 2. That acceptance of payment could not be obtained on another of the counterparts.

## 2. Copies

### Section 67

(1) Every holder of a bill of exchange has the right to make copies of it. (2) A copy must reproduce the original exactly, with the endorsements and all other statements to be found therein. It must specify where the copy ends. (3) It may be endorsed and guaranteed by aval in the same manner and with the same effects as the original.

### Section 68

(1) A copy must specify the person in possession of the original instrument. The latter is bound to hand over the original instrument to the lawful holder of the copy. (2) If he refuses, the holder may not exercise his right of recourse against the persons who have endorsed the copy or guaranteed it by aval until he has had a protest drawn up specifying that the original had not been given up to him on his demand. (3) Where the original instrument, after the last endorsement before the making of the copy, contains a clause “commencing from here an endorsement is only valid if he made on the copy” or some equivalent formula, a subsequent endorsement on the original is null and void.

## Title ten

### Alterations

#### Section 69

In case of alteration of the text of a bill of exchange or promissory note, 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.

## Title eleven

### Limitation of Actions

## Section 70

(1) All actions arising out of a bill of exchange against the acceptor are barred after three years reckoned from the date of maturity. (2) Actions by the holder against the endorsers and against the drawer are barred after one year from the date of a protest drawn up within proper time, or from the date of maturity where there is a stipulation "without costs". (3) Actions by endorsers against each other and against the drawer are barred after six months, reckoned from the day when the endorser took up and paid the bill or from the day when he himself was sued.

## Section 71

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

## Title twelve

### General Provisions

## Section 72

(1) Payment of a bill of exchange which falls due on legal holiday cannot be demanded until the next business day. So, too, all other proceedings relating to a bill of exchange, in particular presentment for acceptance and protest, can only be taken on a business day. (2) Where any of these proceedings must be taken within a certain limit of time the last day of which 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.

## Section 73

Legal or contractual limits of time do not include the day on which the period commences.

## Section 74

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

Part two  
Promissory Note  
Section 75

A promissory note contains: 1. The term “promissory note” inserted in the body of the instrument and expressed in the language employed in drawing up the instrument; 2. An unconditional promise to pay a determinate sum of money; 3. A statement of the time of payment; 4. A statement of the place where payment is to be made; 5. The name of the person to whom or to whose order payment is to be made; 6. A statement of the date and of the place where the promissory note is issued; 7. The signature of the maker.

Section 76

(1) An instrument in which any of the requirements mentioned in the preceding section are wanting is invalid as a promissory note except in the cases specified in the following paragraphs. (2) A promissory note in which the time of payment is not specified is deemed to be payable at sight. (3) In default of special mention, the place where the instrument is made is deemed to be the place of the domicile of the maker. (4) A promissory note which does not mention the place of its issue is deemed to have been made in the place mentioned beside the name of the maker.

Section 77

(1) The following provisions relating to bills of exchange apply to promissory notes so far as they are not inconsistent with the nature of these instruments, viz.: Endorsement (Section 11 - 20), Time of payment (Section 33 – 37), Payment (Section 38 – 42), Recourse in case of non-payment (Section 43 – 50, 52 – 54), Payment by intervention (Section 55, 59 – 63), Copies (Section 67 – 68), Alternations (Section 69), Holidays, computation of limits of time and prohibition of days of grace (Section 72, 73 – 74). (2) The following provisions are also applicable to a promissory note: The provisions concerning a bill of exchange payable at the address of a third

party or in a locality other than that of the domicile of the drawee (Section 4 and 27), stipulation of interest (Section 5), discrepancies as regards the sum payable (Section 6), the consequences of signature under the conditions mentioned in Section 7, the consequences of signature by a person who acts without authority or who exceeds his authority (Section 8) and provisions concerning a bill of exchange in blank (Section 10). (3) The following provisions are also applicable to a promissory note: provisions relating to guarantee by aval (Section 30 – 32), in the case provided for in Section 31, last paragraph, if the aval does not specify on whose behalf it has been given on behalf of the maker of the promissory note.

### Section 78

(1) The maker of a promissory note is bound in the same manner as an acceptor of bill of exchange. (2) Promissory notes payable at a certain time after sight must be presented for the visa of the maker within the limits of time fixed by Section 23. The limit of time runs from the date of the visa signed by the maker on the note. The refusal of the maker to give his visa with the date thereon must be authenticated by a protest (Section 25), the date of which marks the commencement of the period of time after sight.

### Part three

#### Supplementary Provisions

#### Title one

#### Protest and Some Other Acts

### Section 79

Protest must be issued by a court, a notary public or a local national committee.

### Section 80

Protest must contain:

1. the names of the persons for whom and against whom it is being made;
2. the information that the person against whom the protest is being made has been, to no avail, requested to act on the bill of exchange, or that the person could not

be contacted, or that neither the premises where he does business nor his apartment could be located;

3. the information about the place and time when the request or the failed attempt at such a request has been made;
4. a note, in cases of acceptance or payment for honour, from whom, for whom and how the acceptance or the payment for honour was offered or made;
5. in the event that the drawee to whom the bill of exchange was presented for acceptance requests that it be presented to him again on the following day, a note about this fact;
6. a literal copy of the bill of exchange (copy) with all endorsements and a notes;
7. the signature of the protesting body and the official seal or the official stamp.

#### Section 81

If it is requested that acts on a bill of exchange are to be carried out by several persons or repeatedly by a single person, a single protest shall be sufficient.

#### Section 82

A bill of exchange may be paid into the hands of the protesting body. The authorization of the protesting body to accept the payment may not be excluded.

#### Section 83

(1) The protesting body is obliged to give up, in return for a reimbursement of expenses, the original of the protest to the holder of the bill of exchange or his authorized representative and, if requested, also its copy or its certified copy.(2) The body is likewise obliged to enter, on a day by day basis, the protests, in their entirety and ordered by dates and numbers, into a special book with individual pages marked with consecutive numbers. At any time, the body must issue, in return for a reimbursement of expenses, a copy of the entry in such a book to the parties or their legal assigns and successors.

#### Section 84



The party making the protest may, until the protest is issued, correct any misprints, omissions, and other defects in the protest. The corrections must be indicated as such and must be signed.

#### Section 85

Protests may only be made between nine a.m. and six p.m. In other times, the protest may be made only with the express approval of the person against whom the protest is being made; such an approval has to be marked in the protest.

#### Section 86

A note shall be made on the bill of exchange or the allonge of the fact that a protest has been made. The failure to make such a note shall not affect the validity of the protest.

#### Section 87

(1) The presentation of the bill of exchange for acceptance or payment, the drawing up of the protest, the request for a duplicate of the bill of exchange, as well as all other acts that a particular person must make, shall be made in the premises where he does business or, if there are no such premises or if they cannot be located, in his apartment. The acts may be performed in other places only with the consent of both parties; the consent shall be noted in the protest. (2) If the protest is marked with a note of the failure to locate either the premises where business is done or the apartment, the validity of the protest shall not be affected despite the fact that it would have been possible to locate either of them. (3) The provision of subsection 2 shall be valid without affecting the responsibility of the protesting body which has failed to carry out appropriate investigations. If a query with the record-keeping authority does not yield any results, the protesting body is not obliged to carry out any further investigations.

## Section 88

The acts which are to be performed in a certain location as specified on the bill of exchange may be performed in another location if the parties give their consent thereto when carrying out the particular act. If the performance of the act is to be certified in writing, the certification shall also include the consent.

### Title two

#### Enrichment

##### Section 89

(1) The drawer or acceptant, whose liabilities arising from a bill have ceased due to expiry or because of failure to perform acts required for the maintenance of rights arising from a bill, are responsible to the holder only in the case of unjust enrichment. (2) The right to surrender enrichment expires in three years from the day of extinction of obligation arising from a bill. (3) Such a right does not exist against those endorsers, whose obligation arising from a bill has extinguished.

### Title three

#### Lost and Damaged Bills and Protest Deeds

##### Section 90

(1) Lost or destroyed bills can be redeemed. (2) The protest, which has been lost or destroyed, can be replaced by an extract from the book of protests issued by a protesting body (Section 83 subsection 2).

### Part four

#### Special Provisions of International Bill Law

##### Section 91

(1) The capacity of a person to bind himself by a bill of exchange or promissory note shall be determined by his national law. If this national law provides that the law of another country is competent in the matter, this latter law shall be applied. (2) A

person who lacks capacity, according to the law specified in the preceding paragraph, is nevertheless bound, if his signature has been given in any territory in which according to the law in force there, he would have the requisite capacity.

#### Section 92

(1) The form of declarations on the bill of exchange or promissory note is regulated by the laws of the territory in which the declaration has been signed. (2) If, however the declarations on the bill of exchange or promissory note are not valid according to the provisions of the preceding paragraph, but are in conformity with the laws of the territory in which a subsequent declaration has been given, the circumstance that the previous declarations are irregular in form does not invalidate the subsequent declaration. (3)

Any declaration entered into abroad by a Czech citizen is applicable towards other Czech citizens as long as it complies with the formal requirements of the Czech law.

#### Section 93

(1) The effects of the obligations of the acceptor of a bill of exchange or maker of a promissory note are determined by the law of the place in which these instruments are payable. (2) The effects of the signature of the other parties liable of the bill of exchange or promissory note are determined by the law of the country in which is situated the place where the signature were affixed.

#### Section 94

The limits of time for exercise of rights of recourse shall be determined for all signatories by the law of the place where the bill of exchange or promissory note was created.

#### Section 95

The question whether there has been an assignment to the holder of the debt which has given rise to the issue of the instrument is determined by the law of the place where the instrument was issued.

#### Section 96

(1) The question whether acceptance may be restricted to part of the sum or whether the holder is bound to accept partial payment is governed by the law of the country in which the bill of exchange is payable. (2) The same rule governs the payment of promissory note.

#### Section 97

The form of protest and the limits of time for protest, as well as the form for the exercise or preservation of rights concerning bills of exchange or promissory notes, are regulated by the laws of the country in which the protest must be drawn up or the measures in question taken.

#### Section 98

The measures to be taken in case of the loss or theft of a bill of exchange or promissory note are determined by the law of the country in which the bill of exchange or promissory note is payable.

**Article II and III, BECA, is only in the original (Czech) version available – see the attached CD.**