Bill of Exchange Law Introduction

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History of Legal Regulation of Bill of Exchange

- Local particular sources, lex mercatoria
- Bill of Exchange Patent from 22 December 1763
- Imperial Patent No. 51/1850
- Bill of Exchange and Cheque Act No. 1/1928
- Government Regulation No. 111/1941 from 19
 December 1940
- Bill of Exchange and Cheque Act No. 191/1950 "BECA"

Geneva Bill of Exchange System (1930)

3 Conventions

- Convention on unified bill of exchange act with the first appendix - Uniform Law on Bills of Exchange and Promissory Notes (78 articles).
- Convention for the settlement of certain conflicts of laws in connection with bills of exchange and promissory notes.
- Fees

Economic Importance of Commercial Papers

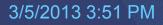
- payment instrument
 - payment by a bill of exchange (bill of exchange issued "pro soluto"),
 - payment by means of bill of exchange (bill of exchange issued "pro solvendo")
- security instrument
- instruments for foreign exchange transactions

bills of exchange payable at future dates, in other places, and different currencies

short term credit transactions (consumer credits)

Types of Bill of Exchange

- Bill of Exchange
- Promissory Note



Promissory Note

- Special variant of a credit paper
- Promise of a drawer (maker) to pay to a creditor (payee) certain financial sum
- Characteristic expression "I will pay"

SEVT 3

- Two basic participants maker and creditor (payee).
- Maker of a promissory note is a direct debtor obliged by his sign to pay at the maturity

	Misto a datum vystaven/ (měsíc slovy)	
	Za tuto směnku zaplatím	Údaje splatnosti (měslo slovy)
	ne řed (komu)	
	Catalia story	
기관하	Aplathost v (misto placeni) v (domicil)	
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Bill of Exchange

- higher number of participants
- drawer, payee and drawee
- payment order of a drawer to a drawee to pay certain financial sum to a payee
- characteristic expression "Pay to".

Podpis příjemce	dne 20 Místo a datum vystavení (měsic slovy)	Kč	hal
	Za tuto směnku zaplaťte dne	Mên	20 k slovy
	na řad: Jornu		
	Kč Částka slovy		hal
	Smènečník:		
	Splatno v:		
	H: Misto placent		
	Domicil	Jméno, adresa a podpis výstavce	

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Participants of the Bill of Exchange and Promissory Note

• Drawer (maker)

- maker of a promissory note obliges himself to pay at the maturity, direct debtor
- drawer of a bill of exchange (trasant) is in a position of indirect, regress debtor (Article 9)

Payee

- person, in whose favour the bill is issued,
- "remitent"
- person named on the face of the bill of exchange or a promissory note to receive payment

Drawee

- addressee of payment promise of the drawer
- a real debtor only by the acceptance (till this moment he is obliged only potentially; under certain circumstances he even does not have to know that he became a drawee)

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Participants of the Bill of Exchange and Promissory Note II

• Persons giving an **aval** guarantee

- Section 30-32
- special guarantee for payment of a bill ("aval,,).
- guarantee my be given by a person who has signed the bill as well
- the giver of an aval is bound in the same manner as the person for whom he has become a guarantor

Parties of endorsement

- Indorser
- Indorsee