Purpose

To amend the Bills of Exchange Act 1909 (BEA) in order to confine that Act to bills of exchange other than the cheques included in the Cheques Bill 1985; to revise certain provisions of the BEA; and to incorporate recommendations of the Manning Committee Report.[1]

Background

This digest is to be read in conjunction with the Bills Digest for the Cheques Bill 1985 (No. 85/143).

Main Provisions

The Bill will come into operation on the operative date of the Cheques Bill (clause 2).

Clause 3 provides that the Bill will not apply to an instrument covered by the Cheques Bill.

In accordance with the Manning Committee's recommendations, section 14 of the BEA is to be amended by clause 4 to clarify and expand the meaning of "sum payable". A sum payable by a bill of exchange will be a sum certain even though it is expressed to be payable with bank charges. Furthermore, where more than one sum is stated in a bill of exchange, the least of the sums will be taken to be the amount ordered.

The Bill will extend the time limits for the noting or protesting of bills of exchange by an amendment to section 56 of the BEA. The time for noting a bill will be extended from 24 to 48 hours, and a bill which has been returned dishonoured by post will be able to be protested not later than the next business day after the day of its return.
The Bill revises provisions of the BEA in relation to the replacement of lost or destroyed bills of exchange by substituting a new section 74 (clause 6). A request for a replacement bill of exchange must be in the form of a notice in writing given to the drawer. The notice must contain sufficient information to enable the drawer to identify the original bill with reasonable certainty and to enable the drawer to draw a replacement bill. The drawer will be required to provide a replacement bill within certain time limits.

For further information, if required, contact:

Law & Government Group
LEGISLATIVE RESEARCH SERVICE

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Reference

1. Report dated 1 May 1964 of the Committee (Manning) appointed by the Commonwealth Government to review the Bills of Exchange Act 1909.