

Legislative Council.

39^o VICTORIÆ, 1875.

A BILL

To amend the Law respecting Cheques on Bankers.

[SIR ALFRED STEPHEN ;—25 November, 1875.]

WHEREAS it is expedient to amend the Law respecting Cheques Preamble.
on Bankers Be it enacted by the Queen's Most Excellent
Majesty by and with the advice and consent of the Legislative Council
and Legislative Assembly of New South Wales in Parliament
5 assembled and by the authority of the same as follows:—

1. In the construction of this Act the word "Banker" shall Definition of Cheque
and Banker.
include every person or partnership or Corporation or Joint Stock
Company carrying on the business of banking and the word "cheque"
shall include every draft or order on a Banker for money payable on
10 demand whether to order or to bearer.

2. When a cheque on any Banker has been crossed with the The crossing to be
deemed a material
part of a cheque.
name of a Banker or two transverse lines with the word "Bank" or
the words "and Company" or any abbreviation thereof such crossing
whether made when the cheque was issued or afterwards by the holder
15 thereof shall be deemed a material part of the cheque and except as
hereafter mentioned no addition shall be made thereto And the
Banker upon whom such cheque is drawn shall not pay it to any other
than the Banker with whose name it is crossed or if crossed without a
Banker's name to any other than a Banker.

Paying a cheque which does not plainly appear crossed &c.

3. Provided always that where a Banker pays a cheque which does not when presented plainly appear crossed or on which the crossing does not plainly appear to have been obliterated or altered such Banker shall incur no liability by reason of such cheque having been crossed or of the crossing thereon having in fact been obliterated or altered and of his having paid the cheque to a person other than a Banker or other than the Banker with whose name it was crossed unless he shall have been guilty of fraud or negligence in making such payment. 5

The lawful holder of a cheque may cross the same.

4. When a cheque has been crossed with the word "Bank" or the words "and Company" or any abbreviation thereof but without any Banker's name any lawful holder of such cheque may cross the same with the name of a Banker and when a cheque is uncrossed any such holder may cross the same with the word "Bank" or the words "and Company" or any abbreviation thereof with or without a Banker's name and such crossings respectively shall be of the same effect as if on the cheque when issued. 10 15

Obliterating crossing on cheques or drafts.

5. When any cheque on a Banker has been crossed as aforesaid whosoever with intent to defraud shall obliterate or alter any such crossing or offer utter dispose of or put off any cheque whereon any such obliteration or alteration has been made knowing the same to have been so made shall be guilty of felony and be liable to imprisonment for any term not exceeding *two* years with or without hard labour. 20

As to proof of endorsement in certain cases.

6. Every cheque upon a Banker for money payable on demand *to order* which when presented purports to be endorsed by the payee named therein shall be a sufficient authority to such Banker to pay the amount for which it was drawn to the bearer although such endorsement may not have been by or with the authority of the payee unless the Banker shall have been guilty of fraud or negligence in making such payment. 25 30

Title of Act.

7. This Act may for all purposes be cited as the "Bankers' Cheques Amendment Act."

Act 16 & 17 Victoria Chapter 59 Section 19, 1853.

Provided always that any draft or order drawn upon a Banker for a sum of money payable to order on demand which shall when presented for payment purport to be endorsed by the person to whom the same shall be drawn payable shall be a sufficient authority to such Banker to pay the amount of such draft or order to the bearer thereof and it shall not be incumbent on such Banker to prove that such endorsement or any subsequent endorsement was made by or under the direction or authority of the person to whom the said draft or order was or is made payable either by the drawer or any endorser thereof.

Section 6 in the pending Bill.

Every cheque upon a Banker for money payable on demand *to order* which when presented purports to be endorsed by the payee named therein shall be a sufficient authority to such Banker to pay { the amount for which it was drawn to the bearer although such } endorsement may not have been by the authority of the payee { unless the Banker shall have been guilty of fraud or negligence in making such payment.

[*Proposed Amendment.*]

{ the same to the bearer although such endorsement may not have }
{ been by the payee or by his authority }

Provided also that any debt or liability incurred by the State for any amount of money payable to or for the benefit of any individual or corporation for payment for services rendered to the State shall be a debt of the State and shall be paid out of the State Treasury as such debt and shall not be a debt of or for the benefit of any individual or corporation and shall not be paid out of any fund or account other than the State Treasury.

Section 10.000

Every individual or corporation who shall be indebted to the State for any amount of money payable to or for the benefit of any individual or corporation for services rendered to the State shall be a debtor of the State and shall be liable to the State for the payment of such debt and shall not be liable to the State for the payment of such debt out of any fund or account other than the State Treasury.

Section 10.001

The State shall not be liable for the payment of any debt or liability incurred by any individual or corporation for services rendered to the State out of any fund or account other than the State Treasury.