

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

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“.

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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)

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 may 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