

CAYMAN ISLANDS



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**A BILL FOR A LAW TO AMEND THE BILLS OF EXCHANGE LAW
(1997 REVISION) TO PROVIDE FOR THE PRESENTMENT OF
CHEQUES BY ELECTRONIC MEANS FOR THE PURPOSE OF
FACILITATING AUTOMATIC CHEQUE CLEARING; AND FOR
INCIDENTAL AND CONNECTED PURPOSES**

THE BILLS OF EXCHANGE (AMENDMENT) BILL, 2019

MEMORANDUM OF OBJECTS AND REASONS

The Bill seeks to amend the Bills of Exchange Law (1997 Revision) to provide for the electronic presentment of cheques by way of digital images for the purpose of facilitating automatic cheque clearing. The electronic presentment would be effected where a banker presents a cheque for payment by providing notification of the essential features of a cheque by electronic means to the banker on whom it is drawn.

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ENACTED by the Legislature of the Cayman Islands.

1. (1) This Law may be cited as the Bills of Exchange (Amendment) Law, 2019.

Short title and commencement

(2) This Law shall come into force on such date as may be appointed by Order made by the Cabinet.

2. The Bills of Exchange Law (1997 Revision) is amended by inserting after section 74 the following section -

Insertion of section 74A of the Bills of Exchange Law (1997 Revision) - alternative means of presentment by banker

“Alternative means of presentment by banker

74A. (1) Notwithstanding the provisions of section 45, a banker may present a cheque for payment to the banker on whom it is drawn by providing notification of the essential features of a cheque by electronic means to the banker on whom it is drawn.

(2) If the presentment of a cheque is carried out in accordance with this section, the presentment may take place in a location other than the proper place or may be carried out at a time other than at a reasonable hour on a business day as required under section 45(2).

(3) If, before the close of business on the next business day following presentment of a cheque under this section, the banker on whom the cheque is drawn requests presentment of the cheque otherwise than in accordance with this section -

- (a) any presentment that took place in accordance with subsections (1) and (2) shall be disregarded; and
- (b) the provisions in this section relating to electronic presentment shall not be applicable to the subsequent presentment of the cheque.

(4) A request under subsection (3) for the presentment of a cheque shall not constitute dishonour by non-payment of the cheque.

(5) Where presentment of a cheque is made electronically in accordance with this section, the banker who presented the cheque and the banker on whom it is drawn shall be subject to the same duties in relation to the collection and payment of the cheque as if the cheque itself had been presented in accordance with section 45 for payment.

(6) For the purposes of this section, the essential features of a cheque are -

- (a) the serial number of the cheque;
- (b) the code which identifies the banker on whom the cheque is drawn;
- (c) the account number of the drawer of the cheque;
- (d) the amount of the cheque entered by the drawer of the cheque; and

(e) the signature of the drawer.”.

Passed by the Legislative Assembly the day of , 2019.

Speaker.

Clerk of the Legislative Assembly.