

- (e) *Note by the Secretariat: draft Convention on International Bills of Exchange and International Promissory Notes: text of draft articles 46-85 as revised by the Drafting Group: corrections made by the Drafting Group to articles 1-45 (A/CN.9/WG.IV/WP.24/Add.1)**

CORRECTIONS MADE BY THE DRAFTING GROUP TO
ARTICLES 1-45 (ISSUED AS A/CN.9/WG.IV/WP.24)

Article 8

In the penultimate line of paragraph (2), insert the word "particular" before the word "State".

Article 11

In the second line of paragraph (2), replace the word "agreements" by "an agreement".

Article 25 bis

Insert "(1)" before the existing paragraph.

Add a new paragraph reading as follows:

"(2) If a party pays the instrument in accordance with article 67 and the instrument is transferred to him, such transfer does not vest in that party the rights to and upon the instrument which any previous protected holder had."

Article 34

In the third line of paragraph (1), delete the words "takes up and".

Article 34 bis

In the second line of paragraph (1), delete the words "takes up and".

Article 36

In the second line of paragraph (2), delete the words "takes up and".

Article 41

In the third line of paragraph (1), delete the words "takes up and".

TEXT OF DRAFT ARTICLES 46-85 AS REVISED
BY THE DRAFTING GROUP

Article 46

- (1) A bill may be presented for acceptance.
- (2) A bill must be presented for acceptance:

(a) When the drawer has stipulated on the bill that it must be presented for acceptance;

(b) When the bill is drawn payable at a fixed period after sight; or

(c) When the bill is drawn payable elsewhere than at the residence or place of business of the drawee, except where such a bill is payable on demand.

Article 47

(1) Notwithstanding the provisions of article 46 the drawer may stipulate on the bill that it must not be presented for acceptance or that it must not be so presented before a specified date or before the occurrence of a specified event.

(2) If a bill is presented for acceptance notwithstanding a stipulation permitted under paragraph (1) and acceptance is refused, the bill is not thereby dishonoured.

(3) If the drawee accepts a bill notwithstanding a stipulation that it must not be presented for acceptance, the acceptance is effective.

Article 48

A bill is duly presented for acceptance if it is presented in accordance with the following rules:

(a) The holder must present the bill to the drawee on a business day at a reasonable hour;

(b) A bill drawn upon two or more drawees may be presented to any one of them, unless the bill clearly indicates otherwise;

(c) Presentment for acceptance may be made to a person or authority other than the drawee if that person or authority is entitled under the applicable law to accept the bill;

(d) If a bill is drawn payable on a fixed date, presentment for acceptance must be made before or on the date of maturity;

(e) A bill drawn payable on demand or at a fixed period after sight must be presented for acceptance within one year of its date;

(f) A bill in which the drawer has stated a date or time-limit for presentment for acceptance must be presented on the stated date or within the stated time-limit.

Article 49

Presentment for acceptance is dispensed with:

(a) If the drawee is dead or has no longer the power

* 31 July 1981.

freely to deal with his assets by reason of his insolvency, or is a fictitious person or a person not having capacity to incur liability on the instrument as an acceptor, or if the drawee is a corporation, partnership, association or other legal entity which has ceased to exist;

(b) When, with reasonable diligence, presentment cannot be effected within the time-limits prescribed for presentment for acceptance.

Article 50

If a bill which must be presented for acceptance is not so presented, the drawer, the endorsers and their guarantors are not liable on the bill.

Article 51

(1) A bill is considered to be dishonoured by non-acceptance:

(a) When the drawee, upon due presentment, expressly refuses to accept the bill or acceptance cannot be obtained with reasonable diligence or when the holder cannot obtain the acceptance to which he is entitled under this Convention;

(b) If presentment for acceptance is dispensed with pursuant to article 49, unless the bill is in fact accepted.

(2) If a bill is dishonoured by non-acceptance the holder may:

(a) Subject to the provisions of article 57, exercise an immediate right of recourse against the drawer, the endorsers and their guarantors;

(b) Exercise an immediate right of recourse against the guarantor of the drawee.

Article 53

An instrument is duly presented for payment if it is presented in accordance with the following rules:

(a) The holder must present the instrument to the drawee or to the acceptor or to the maker on a business day at a reasonable hour;

(b) A bill drawn upon or accepted by two or more drawees, or a note signed by two or more makers, may be presented to any one of them, unless the instrument clearly indicates otherwise;

(c) If the drawee or the acceptor or the maker is dead, presentment must be made to the persons who under the applicable law are his heirs or the persons entitled to administer his estate;

(d) Presentment for payment may be made to a person or authority other than the drawee, the acceptor or the maker if that person or authority is entitled under the applicable law to pay the instrument;

(e) An instrument which is not payable on demand must be presented for payment on the date of maturity or on one of the two business days which follow:

(f) An instrument which is payable on demand must be presented for payment within one year of its date;

(g) An instrument must be presented for payment:

(i) At the place of payment specified on the instrument; or

(ii) If no place of payment is specified, at the address of the drawee or the acceptor or the maker indicated on the instrument; or

(iii) If no place of payment is specified and the address of the drawee or the acceptor or the maker is not indicated, at the principal place of business or habitual residence of the drawee or the acceptor or the maker;

(h) An instrument may be presented for payment at a clearing-house of which the drawee or acceptor or the maker is a member.

Article 54

(1) Delay in making presentment for payment is excused when the delay is caused by circumstances which are beyond the control of the holder and which he could neither avoid nor overcome. When the cause of delay ceases to operate, presentment must be made with reasonable diligence.

(2) Presentment for payment is dispensed with:

(a) If the drawer, an endorser or guarantor has waived presentment expressly or by implication; such waiver:

(i) If made on the instrument by the drawer, binds any subsequent party and benefits any holder;

(ii) If made on the instrument by a party other than the drawer, binds only that party but benefits any holder;

(iii) If made outside the instrument, binds only the party making it and benefits only a holder in whose favour it was made;

(b) If an instrument is not payable on demand, and the cause of delay in making presentment continues to operate beyond 30 days after maturity;

(c) If an instrument is payable on demand, and the cause of delay continues to operate beyond 30 days after the expiration of the time-limit for presentment for payment;

(d) If the drawee, the maker or the acceptor has no longer the power freely to deal with his assets, by reason of his insolvency, or is a fictitious person or a person not having capacity to make payment, or if the drawee, the maker or the acceptor is a corporation, partnership, association or other legal entity which has ceased to exist;

(e) [See new paragraph 3 below]

(g) If there is no place at which the instrument must be presented in accordance with article 53 (g).

(3) Presentment for payment is also dispensed with as regards a bill, if the bill has been protested for dishonour by non-acceptance.

Article 55

(1) If a bill is not duly presented for payment, the drawer, the endorsers and their guarantors are not liable thereon.

(2) If a note is not duly presented for payment, the endorsers and their guarantors are not liable thereon.

(3) Failure to present an instrument for payment does not discharge the acceptor or the maker or their guarantors or the guarantor of the drawee of liability thereon.

Article 56

(1) An instrument is considered to be dishonoured by non-payment:

(a) When payment is refused upon due presentment or when the holder cannot obtain the payment to which he is entitled under this Convention;

(c) If presentment for payment is dispensed with pursuant to article 54 (2) and the instrument unpaid at maturity.

(2) If a bill is dishonoured by non-payment, the holder may, subject to the provisions of article 57, exercise a right of recourse against the drawer, the endorsers and their guarantors.

(3) If a note is dishonoured by non-payment, the holder may, subject to the provisions of article 57, exercise a right of recourse against the endorsers and their guarantors.

Article 57

If an instrument has been dishonoured by non-acceptance or by non-payment, the holder may exercise a right of recourse only after the instrument has been duly protested for dishonour in accordance with the provisions of articles 58 to 61.

Article 58

(1) A protest is a statement of dishonour drawn up at the place where the instrument has been dishonoured and signed and dated by a person authorized in that respect by the law of that place. The statement must specify:

(a) The person at whose request the instrument is protested;

(b) The place of protest; and

(c) The demand made and the answer given, if any, or the fact that the drawee or the acceptor or the maker could not be found.

(2) A protest may be made:

(a) On the instrument itself or on a slip affixed thereto (*allonge*); or

(b) As a separate document, in which case it must clearly identify the instrument that has been dishonoured.

(3) Unless the instrument stipulates that protest must be made, a protest may be replaced by a declaration written on the instrument and signed and dated by the drawee or the acceptor or the maker, or, in the case of an instrument domiciled with a named person for payment, by that named person; the declaration must be to the effect that acceptance or payment is refused.

(3 *bis*) Where an instrument is presented for payment to a clearing-house, protest may be replaced by a dated declaration by the clearing-house to the effect that the instrument has been presented to it and has not been paid.

(4) A declaration made in accordance with paragraph (3) or (3 *bis*) is deemed to be a protest for the purposes of this Convention.

Article 59

(1) Protest for dishonour of a bill by non-acceptance must be made on the day on which the bill is dishonoured or on one of the two business days which follow.

(2) Protest for dishonour of an instrument by non-payment must be made on the day on which the instrument is dishonoured or on one of the two business days which follow.

Article 60

(1) If a bill which must be protested for non-acceptance or for non-payment is not duly protested, the drawer, the endorsers and their guarantors are not liable thereon.

(2) If a note which must be protested for non-payment is not duly protested, the endorsers and their guarantors are not liable thereon.

(3) Failure to protest an instrument does not discharge the acceptor or the maker or their guarantors or the guarantor of the drawee of liability thereon.

Article 61

(1) Delay in protesting an instrument for dishonour is excused when the delay is caused by circumstances which are beyond the control of the holder and which he could neither avoid nor overcome. When the cause of delay ceases to operate, protest must be made with reasonable diligence.

(2) Protest for dishonour by non-acceptance or by non-payment is dispensed with:

(a) If the drawer, an endorser or guarantor has waived protest expressly or by implication; such waiver:

- (i) If made on the instrument by the drawer, binds any subsequent party and benefits any holder;
- (ii) If made on the instrument by a party other than the drawer, binds only that party but benefits any holder;
- (iii) If made outside the instrument, binds only the party making it and benefits only a holder in whose favour it was made;

(b) If the cause of delay in making protest continues to operate beyond 30 days after the date of dishonour;

(c) As regards the drawer of a bill, if the drawer and the drawee or the acceptor are the same person;

(e) If presentment for acceptance or for payment is dispensed with in accordance with article 49 or 54 (2).

Article 62

(1) The holder, upon dishonour of a bill by non-acceptance or by non-payment, must give notice of such dishonour to the drawer, the endorsers and their guarantors.

(2) The holder, upon dishonour of a note by non-payment, must give notice of such dishonour to the endorsers and their guarantors.

(3) An endorser or a guarantor who receives notice must give notice of dishonour to the party immediately preceding him and liable on the instrument.

(4) Notice of dishonour operates for the benefit of any party who has a right of recourse on the instrument against the party notified.

Article 63

(1) Notice of dishonour may be given in any form whatever and in any terms which identify the instrument and state that it has been dishonoured. The return of the dishonoured instrument is sufficient notice, provided it is accompanied by a statement indicating that it has been dishonoured.

(2) Notice of dishonour is duly given if it is communicated or sent to the party to be notified by means appropriate in the circumstances, whether or not it is received by that party.

(3) The burden of proving that notice has been duly given rests upon the person who is required to give such notice.

Article 64

Notice of dishonour must be given within the two business days which follow:

(a) The day of protest or, if protest is dispensed with, the day of dishonour; or

(b) The receipt of notice given by another party.

Article 65

(1) Delay in giving notice of dishonour is excused when the delay is caused by circumstances which are beyond the control of the holder and which he could neither avoid nor overcome. When the cause of delay ceases to operate, notice must be given with reasonable diligence.

(2) Notice of dishonour is dispensed with:

(a) If the drawer, an endorser or guarantor has waived notice of dishonour expressly or by implication; such waiver:

- (i) If made on the instrument by the drawer, binds any subsequent party and benefits any holder;
- (ii) If made on the instrument by a party other than the drawer, binds only that party but benefits any holder;
- (iii) If made outside the instrument, binds only the party making it and benefits only a holder in whose favour it was made;

(b) If after the exercise of reasonable diligence notice cannot be given;

(c) As regards the drawer of a bill, if the drawer and the drawee or the acceptor are the same person.

Article 66

Failure to give notice of dishonour renders a person who is required to give such notice under article 62 to a party who is entitled to receive such notice liable for any damages which that party may suffer directly from such failure, provided that such damages do not exceed the amount referred to in article 67 or 68.

Article 66 bis

The holder may exercise his rights on the instrument against any one party, or several or all parties, liable thereon and is not obliged to observe the order in which the parties have become bound.

Article 67

(1) The holder may recover from any party liable:

(a) At maturity: the amount of the instrument with interest, if interest has been stipulated for;

(b) After maturity:

- (i) The amount of the instrument with interest, if interest has been stipulated for, from the date of presentment;

- (ii) If interest has been stipulated to be paid after maturity, interest at the rate stipulated, or in the absence of such stipulation interest at the rate specified in paragraph (2), calculated from the date of maturity on the sum specified in paragraph 1 (b) (i);
- (iii) Any expenses of protest and of the notices given by him;
- (c) Before maturity:
 - (i) The amount of the bill with interest, if interest has been stipulated for, to the date of payment, subject to a discount from the date of payment to the date of maturity, calculated in accordance with paragraph (3);
 - (ii) Any expenses of protest and of the notices given by him.
- (2) The rate of interest shall be [2] per cent per annum above the official rate (bank rate) or other similar appropriate rate effective in the main centre of the country where the instrument is payable, or if there is no such rate, then at the rate of [] per cent per annum, to be calculated on the basis of the number of days in accordance with the custom of that centre.
- (3) The discount shall be at the official rate (discount rate) or other similar appropriate rate effective on the date when recourse is exercised at the place where the holder has his principal place of business, or if he does not have a place of business his habitual residence, or if there is no such rate then at the rate of [] per cent per annum, to be calculated on the basis of the number of days and in accordance with the custom of that place.

Article 68

- (1) A party who pays an instrument in accordance with article 67 may recover from the parties liable to him:
 - (a) The entire sum which he was obliged to pay in accordance with article 67 and has paid;
 - (b) Interest on that sum at the rate specified in article 67, paragraph 2, from the date on which he made payment;
 - (c) Any expenses of the notices given by him.

Article 70

- (1) A party is discharged of his liability on the instrument when he pays the holder or a party subsequent to himself who has paid the instrument and is in possession thereof the amount due pursuant to articles 67 and 68:
 - (a) At or after maturity; or
 - (b) Before maturity, upon dishonour by non-acceptance.

(2) Payment before maturity other than under paragraph (1) (b) of this article does not discharge the party making the payment of his liability on the instrument except in respect of the person to whom payment was made.

(3) A party is not discharged of his liability if he pays a holder who is not a protected holder and knows at the time of payment that a third person has asserted a valid claim to the instrument or that the holder acquired the instrument by theft or forged the signature of the payee or an endorsee, or participated in such theft or forgery.

(4) (a) (Not considered by the Drafting Group)

(b) The person from whom payment is demanded may withhold payment if the person demanding payment does not deliver the instrument to him. Withholding payment in these circumstances does not constitute dishonour by non-payment under article 56.

(c) (Not considered by the Drafting Group)

Article 71

- (1) The holder is not obliged to take partial payment.
- (2) If the holder who is offered partial payment does not take it, the instrument is dishonoured by non-payment.
- (3) If the holder takes partial payment from the drawee or the acceptor or the maker:
 - (a) The acceptor or the maker is discharged of his liability on the instrument to the extent of the amount paid; and
 - (b) The instrument is to be considered as dishonoured by non-payment as to the amount unpaid.
- (4) If the holder takes partial payment from a party to the instrument other than the drawee, the acceptor or the maker:
 - (a) The party making payment is discharged of his liability on the instrument to the extent of the amount paid; and
 - (b) The holder must give such party a certified copy of the bill and of any authenticated protest.
- (5) The drawee or a party making partial payment may require that mention of such payment be made on the instrument and that a receipt therefore be given to him.

(6) If the balance is paid, the person who receives it and who is in possession of the instrument must deliver to the payor the receipted instrument and any authenticated protest.

Article 72

- (1) The holder may refuse to take payment in a place other than the place where the instrument was duly presented for payment in accordance with article 53.

(2) If in such case payment is not made in the place where the instrument was duly presented for payment in accordance with article 53, the instrument is considered as dishonoured by non-payment.

Article 74

(1) An instrument must be paid in the currency in which the amount of the instrument is expressed.

(2) The drawer or the maker may indicate on the instrument that it must be paid in a specified currency other than the currency in which the amount of the instrument is expressed. In that case:

(a) The instrument must be paid in the currency so specified;

(b) The amount payable is to be calculated according to the rate of exchange indicated on the instrument. Failing such an indication, the amount payable is to be calculated according to the rate of exchange for sight drafts on the date of maturity:

(i) Ruling at the place where the instrument must be presented for payment in accordance with article 53 (g), if the specified currency is that of that place (local currency); or

(ii) If the specified currency is not that of that place, according to the usages of the place where the instrument must be presented for payment in accordance with article 53 (g);

(c) If such an instrument is dishonoured by non-acceptance, the amount payable is to be calculated:

(i) If the rate of exchange is indicated on the instrument, according to that rate;

(ii) If no rate of exchange is indicated on the instrument, at the option of the holder, according to the rate of exchange ruling at the date of dishonour or on the date of actual payment;

(d) If such an instrument is dishonoured by non-payment, the amount payable is to be calculated:

(i) If the rate of exchange is indicated on the instrument, according to that rate;

(ii) If no rate of exchange is indicated on the instrument, at the option of the holder, according to the rate of exchange ruling on the date of maturity or on the date of actual payment.

(3) Nothing in this article prevents a court from awarding damages for loss caused to the holder by reason of fluctuations in rates of exchange if such loss is caused by dishonour for non-acceptance or non-payment.

(4) The rate of exchange ruling at a certain date is the rate of exchange ruling, at the option of the holder, at the place where the instrument must be presented for payment

in accordance with article 53 (g) or at the place of actual payment.

Article 74 bis

(1) Nothing in this Convention prevents a Contracting State from enforcing exchange control regulations applicable in its territory, including regulations which it is bound to apply by virtue of international agreements to which it is a party.

Article 78

(1) When a party is discharged wholly or partly of his liability on the instrument, any party who has a right of recourse against him is discharged to the same extent.

(2) Payment by the drawee of the whole or a part of the amount of a bill to the holder, or to any party who has paid the bill in accordance with article 67, discharges all parties of their liability to the same extent.

Article 79

(1) (Not considered by the Drafting Group)

(2) If a party has paid the instrument in accordance with articles 67 or 68 within one year before the expiration of the period referred to in paragraph (1) of this article, such party may exercise his right of action against a party liable to him within one year after the date on which he paid the instrument.

Article 80

(1) When an instrument is lost, whether by destruction, theft or otherwise, the person who lost the instrument has, subject to the provisions of paragraphs (2) and (3) of this article, the same right to payment which he would have had if he had been in possession of the instrument. The party from whom payment is claimed cannot set up as a defence against liability on the instrument the fact that the person claiming payment is not in possession thereof.

(2) (a) The person claiming payment of a lost instrument must state in writing to the party from whom he claims payment:

(i) The elements of the lost instrument pertaining to the requirements set forth in article 1 (2) or 1 (3); for this purpose the person claiming payment of the lost instrument may present to that party a copy of that instrument;

(ii) The facts showing that, if he had been in possession of the instrument, he would have had a right to payment from the party from whom payment is claimed;

(iii) The facts which prevent production of the instrument.

(b) The party from whom payment of a lost instrument is claimed may require the person claiming payment to give security in order to indemnify him for any loss which he may suffer by reason of the subsequent payment of the lost instrument.

(c) The nature of the security and its terms are to be determined by agreement between the person claiming payment and the party from whom payment is claimed. Failing such an agreement, the court may determine whether security is called for and, if so, the nature of the security and its terms.

(d) If the security cannot be given, the court may order the party from whom payment is claimed to deposit the amount of the lost instrument, and any interest and expenses which may be claimed under article 67 or 68, with the court or any other competent authority or institution, and may determine the duration of such deposit. Such deposit is to be considered as payment to the person claiming payment.

Article 81

(1) A party who has paid a lost instrument and to whom the instrument is subsequently presented for payment by another person must notify the person to whom he paid of such presentment.

(2) Such notification must be given on the day the instrument is presented or on one of the two business days which follow and must state the name of the person presenting the instrument and the date and place of presentment.

(3) Failure to notify renders the party who has paid the lost instrument liable for any damages which the person whom he paid may suffer from such failure, provided that the damages do not exceed the amount referred to in article 67 or 68.

(4) Delay in giving notice is excused when the delay is caused by circumstances which are beyond the control of the person who has paid the lost instrument and which he could neither avoid nor overcome. When the cause of delay ceases to operate, notice must be given with reasonable diligence.

(5) Notice is dispensed with when the cause of delay in giving notice continues to operate beyond 30 days after the last date on which it should have been given.

Article 82

(1) A party who has paid a lost instrument in accordance with the provisions of article 80 and who is subsequently required to, and does, pay the instrument, or who, by reason of the loss of the instrument, then loses his right to recover from any party liable to him, has the right:

(a) If security was given, to realize the security; or

(b) If the amount was deposited with the court or other competent authority, to reclaim the amount so deposited.

(2) The person who has given security in accordance with the provisions of paragraph (2) (b) of article 80 entitled to obtain release of the security when the party for whose benefit the security was given is no longer at risk to suffer loss because of the fact that the instrument is lost.

Article 83

A person claiming payment of a lost instrument duly effects protest for dishonour by non-payment by the use of a written statement that satisfies the requirements of article 80, paragraph (2) (a).

Article 84

A person receiving payment of a lost instrument in accordance with article 80 must deliver to the party paying the written statement required under article 80, paragraph (2) (a), receipted by him and any protest and a receipted account.

Article 85

(a) A party who paid a lost instrument in accordance with article 80 has the same rights which he would have had if he had been in possession of the instrument.

(b) Such party may exercise his rights only if he is in possession of the receipted written statement referred to in article 84.

LIST OF HEADINGS AND SUBHEADINGS AS SUGGESTED BY THE DRAFTING GROUP

CHAPTER ONE	Sphere of application and form (articles 1, 3)
CHAPTER TWO	Interpretation <ul style="list-style-type: none"> Section 1: General provisions (articles 4, 5, 6) Section 2: Interpretation of formal requirements (articles 7-10 <i>bis</i>) Section 3: Completion of an incomplete instrument (article 11)
CHAPTER THREE	Transfer (articles 12-22)
CHAPTER FOUR	Rights and liabilities <ul style="list-style-type: none"> Section 1: The rights of a holder and a protected holder (articles 23-26) Section 2: The liability of the parties <ul style="list-style-type: none"> A. General provisions (articles 27-30 <i>bis</i>) B. The drawer (article 34) C. The maker (article 34 <i>bis</i>) D. The drawee and the acceptor (articles 36-39) E. The endorser (articles 41-42) F. The guarantor (articles 43-45)

CHAPTER FIVE	Presentment, dishonour for non-acceptance or non-payment, and recourse
	Section 1: Presentment for acceptance and dishonour by non-acceptance (articles 46-51)
	Section 2: Presentment for payment and dishonour by non-payment (articles 53-56)
	Section 3: Recourse (articles 57-66)
	A. Protest (articles 57-61)
	B. Notice of dishonour (articles 62-66)

Section 4: Amount payable (articles 66 bis-68)
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CHAPTER SIX	Discharge
	Section 1: Discharge by payment (articles 70-74 bis)
	Section 2: Discharge of a prior party (article 78)

CHAPTER SEVEN	Limitation (Prescription) (article 79)
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CHAPTER EIGHT	Lost instruments (articles 80-85)
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- (f) *Note by the Secretariat: draft Convention on International Bills of Exchange and International Promissory Notes: text of draft articles (set out in A/CN.9/WG.IV/WP.24 and Add. 1) as revised by the Drafting Group (A/CN.9/WG.IV/WP.24/Add.2)**

MODIFICATIONS TO THE TEXT OF THE DRAFT CONVENTION ON BILLS OF EXCHANGE AND INTERNATIONAL PROMISSORY NOTES AS SET OUT IN A/CN.9/WG.IV/WP.24 AND ADD. 1

Article 1, paragraphs 2 (a) and 3 (a)

Replace square brackets by parentheses, and delete footnote appended to paragraph 2 (a).

Article 5, paragraph (7) (a)

Delete the words "circumstances giving rise to".

Article 5, paragraph (8)

Delete the square brackets.

Article 5, new paragraph (11)

Add new paragraph (11), as follows:

[(11) "Money" or "currency" includes a monetary unit of account which is established by an intergovernmental institution even if intended by it to be transferable only in its records and between it and persons designated by it or between such persons.]

Article (X) appended to article 5 (10)

Place article between square brackets.

Article 9, paragraph (6 bis)

Place paragraph (6 bis) after paragraph (5) and renumber paragraph (6 bis) as (5 bis).

"New article" appearing after article 13

Replace the opening words of paragraph (2) "An endorsement may be made", by the words:

"(2) An endorsement may be:"

Article 17, paragraphs (1) and (3)

Add paragraph (1) to read as follows:

"(1) An endorsement must be unconditional".

Delete paragraph (3)

Article 22, paragraph (1)

Add following paragraph as paragraph (1):

"(1) If an endorsement is forged, any party has against the forger, and against the person to whom the instrument was directly transferred by the forger, the right to recover compensation for any damages that he may have suffered because of the forgery."

Article 22, new paragraph (1 bis)

Add following paragraph as paragraph (1 bis):

"The liability of an acceptor, drawee, or maker who pays, or of an endorsee for collection who collects, an instrument on which there is a forged endorsement is not regulated by this Convention."

Article 22, paragraph (2)

After the words "without authority", insert the words "or exceeding his authority".

Article 25, paragraph (1) (a)

Delete the reference to articles "57, 60".

Article 27, paragraph (2)

After the words "A person who signs" insert the words "an instrument".

Article 30, paragraph (2)

The Working Group modified the text as follows:

"(2) The signature of an agent placed by him on an instrument with the authority of his principal and show-

* 13 August 1981.