

The Laws of Zambia

REPUBLIC OF ZAMBIA

THE CHEQUES ACT

CHAPTER 424 OF THE LAWS OF ZAMBIA

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ARRANGEMENT OF SECTIONS

Section

1. Short title
2. Protection of bankers paying unendorsed or irregularly endorsed cheques, etc.
3. Rights of bankers collecting cheques not endorsed by holders
4. Unendorsed cheques as evidence of payment
5. Protection of bankers collecting payment of cheques, etc.
6. Application of certain provisions of Bills of Exchange Act, 1882, to instruments not being bills of exchange
7. Government to be regarded as a customer of banker
8. Construction, saving and non-application of British Acts

SCHEDULE

CHAPTER 424

CHEQUES

Federal Act
5 of 1959
Government Notices
441 of 1963
497 of 1964
Statutory Instrument
159 of 1965

An Act to amend the law relating to cheques and certain other instruments.

[1st August, 1959]

1. This Act may be cited as the Cheques Act.

Short title

(As amended by G.N. No. 441 of 1963)

2. (1) Where a banker in good faith and in the ordinary course of business pays a cheque drawn on him which is not endorsed or is irregularly endorsed, he does not, in doing so, incur any liability by reason only of the absence of, or irregularity in, endorsement and he is deemed to have paid it in due course.

Protection of bankers paying unendorsed or irregularly endorsed cheques, etc.

(2) Where a banker in good faith and in the ordinary course of business pays any such instrument as the following, namely:

(a) a document issued by a customer of his which, though not a bill of exchange, is intended to enable a person to obtain payment from him of the sum mentioned in the document;

(b) a draft payable on demand drawn by him upon himself, whether payable at the head office or some other office of his bank;

he does not, in doing so, incur any liability by only of the absence of, or irregularity, in endorsement, and the payment discharges the instrument.

3. A banker who gives value for, or has a lien on, a cheque payable to order which the holder delivers to him for collection without endorsing it, has such (if any) rights as he would have had if, upon delivery, the holder had endorsed it in blank.

Rights of bankers collecting cheques not endorsed by holders

4. An unendorsed cheque or other instrument to which subsection (2) of section two applies which appears to have been paid by the banker on whom it is drawn is evidence of the receipt by the payee of the sum payable by the cheque or other instrument, as the case may be.

Unendorsed cheques as evidence of payment

5. (1) Where a banker, in good faith and without negligence-

Protection of bankers collecting payment of cheques, etc.

The Laws of Zambia

- (a) receives payment for a customer of an instrument to which this section applies; or
- (b) having credited a customer's account with the amount of such an instrument, receives payment thereof for himself; and the customer has no title, or a defective title, to the instrument, the banker does not incur any liability to the true owner of the instrument by reason only of having received payment thereof.

(2) This section applies to the following instruments, namely:

- (a) cheques;
- (b) any document issued by a customer of a banker which, though not a bill of exchange, is intended to enable a person to obtain payment from that banker of the sum mentioned in the document;
- (c) any draft payable on demand drawn by a banker upon himself, whether payable at the head office or some other office of his bank.

(3) A banker is not to be treated for the purposes of this section as having been negligent by reason only of his failure to concern himself with absence of, or irregularity in, endorsement of an instrument.

(As amended by G.N. No. 441 of 1963)

6. The provisions of the Bills of Exchange Act, 1882, of the United Kingdom, relating to crossed cheques shall, in so far as they are in force in the Republic, have effect in relation to instruments, other than cheques, to which section *five* of this Act applies as they have effect in relation to cheques.

Application of certain provisions of Bills of Exchange Act, 1882, to instruments not being bills of exchange

(As amended by G.N. No. 441 of 1963)

7. If the Government has an account with a banker, the Government shall, for the purposes of this Act and the Bills of Exchange Act, 1882, of the United Kingdom, in so far as it is in force in the Republic, be regarded as a customer of that banker.

Government to be regarded as a customer of banker

(S.I. No. 159 of 1965)

8. (1) The provisions of sections *two* to *seven* shall be construed as one with the Bills of Exchange Act, 1882, of the United Kingdom, in so far as it is in force in the Republic.

Construction, saving and non-application of British Acts

(2) The provisions of this Act do not make negotiable any instrument which, apart from them, is not negotiable in terms of the Bills of Exchange Act, 1882, of the United Kingdom, in so far as it is in force in the Republic.

The Laws of Zambia

(3) It is hereby declared that the provisions of the British Acts specified in the Schedule shall not on or after the commencement of this Act have effect in the Republic.

(As amended by G.I. No. 441 of 1963 and S.I. No. 159 of 1965)

The Laws of Zambia

SCHEDULE

(Section 8)

PROVISIONS OF BRITISH ACTS NOT APPLYING IN THE REPUBLIC

The Bills of Exchange Act, 1882	Section 82
The Revenue Act, 1883	Section 17
The Bills of Exchange (Crossed Cheques) Act, 1906	The whole Act
The Bills of Exchange Act (1882) Amendment Act, 1932	The whole Act
	<i>(As amended by G.N. No. 441 of 1963 and S.I. No. 159 of 1965)</i>