

LEGISLATIVE COUNCIL.

No. S. 138.—The following draft of a bill which it is intended to introduce shortly, is published for general information.

CLAUD SEVERN,  
Colonial Secretary.

20th May, 1921.

A BILL

INTITLED

An Ordinance to amend further the Bills of Exchange Ordinance, 1885.

BE it enacted by the Governor of Hongkong, with the advice and consent of the Legislative Council thereof, as follows:—

Short title  
and con-  
struction.

Ordinance  
Nos. 3 of 1885  
and 4 of 1918.

1. This Ordinance may be cited as the Bills of Exchange Ordinance, 1921, and shall be read and construed as one with the Bills of Exchange Ordinances, 1885 and 1918, and the said Ordinances and this Ordinance may be cited together as the Bills of Exchange Ordinances, 1885 to 1921.

Amendment  
of Ordinance  
No. 3 of 1885,  
s. 72.

2. Paragraph (4) of section 72 of the Bills of Exchange Ordinance, 1885, is amended by the repeal of the words "at the place of payment on the day the bill is payable" and by the substitution therefor of the words "in the Colony on the actual date of payment."

*Objects and Reasons.*

Paragraph (4) of section 72 of the Bills of Exchange Ordinance, 1885, provides that where a bill is drawn out of but payable in this Colony, and the sum payable is not expressed in the currency of this Colony, the amount shall, in the absence of some express stipulation, be calculated according to the rate of exchange for sight drafts at the place of payment on the day that the bill is payable. This paragraph was a copy of paragraph (4) of section 72 of the Bills of Exchange Act, 1882, 45 and 46 Viet. c. 61. It is not in accordance with the banking practice in this Colony. According to that practice the amount in Hongkong currency is calculated according to the rate of exchange on the actual date of payment. This seems reasonable, as exchange might vary considerably between the day when the bill was payable and the day when it was actually paid. It is not possible to meet this difficulty by fixing exchange on the day when the bill is payable, because the bill might be paid elsewhere, e.g., in the United Kingdom, when no question of exchange would arise, or it might not be paid at all. The bill is intended to amend the Ordinance so as to agree with the local banking practice.

J. H. KEMP,  
Attorney General.

29th April, 1921.