

**Kingdom of Cambodia
Nation Religion King**

ROYAL GOVERNMENT OF CAMBODIA

National Bank of Cambodia

DRAFT

**LAW ON NEGOTIABLE INSTRUMENTS AND
PAYMENT TRANSACTIONS**

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TEXT

LAW ON NEGOTIABLE INSTRUMENTS AND PAYMENT TRANSACTIONS

CHAPTER I - GENERAL PROVISIONS

Article 1:

1. This Law governs negotiable instruments- and payment transactions and covers bank accounts and the operation of the payment system.
2. Negotiable instruments are written orders or promises to pay a determinate sum of money, transferable by delivery, and where required, also with endorsement. Negotiable instruments governed by the Law are checks, bills of exchange, and promissory notes.
3. Payment transactions governed and defined by this Law are transfers of funds between or from bank accounts. A payment transaction may be either a credit or debit transfer. It is initiated by means of a payment order, which may be written, electronic, and under some conditions, oral.
4. Payment system consists of institutions and mechanisms facilitating payment in money and the transfer of monetary value by means of payment transactions.

Article 2: Definitions of technical words and terms used in this Law:

1. "Vies major" means an insurmountable obstacle, caused by a supervening event, beyond the control of the person who is to perform.
2. "To issue", other than for regulations and other official proclamations of either general or special application, is to write, sign and deliver a check, bill of exchange, or promissory note to the first holder.
3. "To draw" is to write and sign a check or bill of exchange.
4. "Settlement" means the payment in discharge of an obligation on an inter bank payment order;
5. "Presentment"- means the production of a check, bill of exchange of a promissory note to demand acceptance or payment from the drawee or maker.
6. "Execution" means the carrying out of instructions contained in a payment order by means of the issue of a corresponding payment order to a receiving bank;

7. "Clearing" means exchanging and processing inter bank payment orders for the purpose of calculating either bilateral or multilateral netted amounts owed by or to each bank for the settlement of payment orders included at each clearing cycle;
8. "In-house transfer" means a transfer of funds, from a payor to a payee at the same bank, having one payment order. Participants in an in-house transfer are the originator, a bank acting both as originating and destination bank, and receiver;
9. "Inter bank transfer" means a transfer of funds from a payee to a payee in two separate banks, having at least two payment orders. In an inter bank transfer each receiving bank other than the destination bank executes its sender's payment order by issuing a corresponding payment order to a receiving bank, and the last payment order is sent to the destination bank. Participants in an inter bank transfer are the originator, originating bank, destination bank and the receiver, and may include one or more intermediary banks. At least one intermediary bank is required in a payment transaction -whenever the originating bank does not settle directly with the destination bank. In an inter bank transfer, for each inter bank payment order, the sending bank settles with the receiving bank as provided in Article 202;
10. "Debit transfer" means a payment transaction originated by the payee, based on the payor's authority, instructing the payee's bank to collect money from the payor's account. The issue of a check constitutes an authority for collection by debit transfer;
11. "Credit transfer" means a payment transaction originated by the payor, who issues a payment order to the payor's bank instructing it to transfer funds out of the payor's account to the payee or to the payee's account;
12. "Agreement" in Section 7 of Chapter V means the contract between a bank and customer which governs the operation of account, including such matters as its duration, modification and the payment orders.
13. "Account" means any account opened under a contract between a customer and a bank, whether current, giro, or otherwise, and includes an account under an ad hoc relationship created solely for the purpose of generating a single payment transaction;
14. "Settlement account," means the account that a bank maintains on the books of the NBC for carrying out incoming and outgoing payment transactions;
15. "Passbook account" means in Section 7 of Chapter V an account under which debits and credits are posted by the bank recording them in a passbook originally given by the bank to the customer and presented to the bank for such recording by the customer.
16. "By procreation" means by limited authority to collect on behalf of the transferor.

17. "Electronically" means by means of either on-line telecommunication or the off-line physical delivery of tapes, diskettes, or similar devices.
18. "Value in collection" means value to be received by the transferor upon collection or recovery on the instrument by the transferee.
19. "Value in security", or "Value in pledge" indicates transfer by way of security, or a transfer intended to create a security interest, and not to convey title.
20. "Banking day" means the part of the day during which the bank is open for the receipt, processing, and transmittal of payment orders and other messages relating to payment transactions;
21. "Value date" means the banking day on which a payment order is to be acted on as instructed by the sender.
22. "Bank" includes the National Bank of Cambodia, any institution licensed to carry out banking operations under the Law on Banking and Financial Institutions, and any other institution or entity authorized by law to take deposits or participate in payment transactions on the account of customers. A branch or a separate office of a bank is considered a separate bank for the purpose of duties in the performance of a payment transaction. and computing the time within which, or determining the place at or to which, action may be taken or notice or order must be given.
23. "Destination bank" means the bank identified in a payment order in which payment to the payee in a credit transfer is to take place, or the payor's account in a debit transfer is held. It is the bank which is to receive the last payment order in a payment transaction. In a credit transfer the destination bank is the payee's bank. In a debit transfer the destination bank is the payor's bank.
24. "Originating bank" means the bank that receives the first payment order initiating a payment transaction. In a credit transfer the originating bank is the payor's bank. In a debit transfer the originating bank is the payee's bank.
25. "Receiving bank" means the bank to which the sender's payment -order is addressed;
26. "Intermediary bank" means a receiving bank other than the originating or destination bank.
27. "Security procedure" means a procedure established by agreement between a customer and a receiving bank for the purpose of (i) verifying that a payment or cancellation order is that of the customer, or (ii) detecting an error in the transmission or the content of the payment or cancellation order. A security procedure may require the use of algorithms or other codes, identifying words or numbers, encryption, callback procedures, or similar devices. Comparison of a signature on a payment order or communication with an authorized specimen signature of the customer is not by itself a security procedure;

28. "Drawer" means the person who gives the order to pay on a check or bill of exchange.
29. "Drawee" means the person to whom the order to pay on a check or bill of exchange is addressed.
30. "*Retour sans frais*" literally, means "return without charges", and signifies an undertaking to honor, that is, to allow recourse against a party liable, without requiring the holder to have a protest drawn up.
31. "Payment order" means an unconditional instruction given to a bank to pay or collect a specific sum of money out of a designated account, to or for a payee, or to or for a payee's account, and includes any amendment to a payment order. Parties to a payment order are the sender and the receiving bank. Where the sender is a bank the payment order is an interbank payment order.
32. "Payment transaction" means a transfer of funds from the payor's account to the payee or to the payee's account. The payor and payee in a payment transaction may be the same or two different individuals or legal entities. A payment transaction is carried out by the payor's bank debiting the payor's account and the payee's bank either crediting the payee's account or otherwise placing the funds at the payee's control and disposal, as instructed by the originator. A payment transaction may be either a credit or debit transfer of funds and is initiated by the originator's payment order given to the originating bank, instructing it to carry out the payment transaction. In a payment transaction, the payor's account may be held, and payment to the payee may take place in either the same or two different banks;
33. "Endorsement" means a signature on the back of a negotiable instrument, with or without qualifying words. An effective endorsement is completed by delivery.
34. "Person" includes an individual or legal entity.
35. "Adequate cover" means for a payment order, the availability of sufficient funds, namely, the existence of an account balance not smaller than the amount of the payment order, consisting of the closing balance of the previous banking day, plus credit already posted to the payor's account in the course of the current banking day for incoming payments, deposits and remittances, less outgoing payments and disbursements already occurring in the course of the current banking day, and anticipated bank charges. Funds reflecting mere provisional credit to the payor's account do not constitute part of the required cover;
36. "Funds" includes cash and deposits kept in bank accounts;
37. "Limit of time" means time limit for taking an action.
38. "Aval" indicates a guarantee liability on a check, bill of exchange or promissory note.

39. "Foreign currency" means any currency other than the domestic currency;
40. "Domestic currency" means the riel, or any successor or replacement as the official currency of the Kingdom of Cambodia;
41. "Protest" or "*Protet*"- is a solemn declaration as to circumstances, such as default, in or refusal of acceptance, payment, or given visa, which entitle the holder to recourse on a negotiable instrument. A protest must be made as and when required by specific provision of this law.
42. "Acceptance" means the engagement of the drawee of a bill of exchange to comply with the drawer's order. To be effective it must be completed by delivery or notification.
43. "For collection" in an endorsement, indicates that the endorsement is not designed to convey title but is for the purpose of facilitating collection or recovery on the instrument by the transferee on behalf of the transferor.
44. "Payee" means the person in whose favour a check, bill of exchange or promissory note is made payable. upon issuance.
45. "Customer" means an individual, whether carrying on a business or . not, or a legal entity, including a bank, having an account with a bank;
46. "Intervention for honor" means the procedure under which a person who is not liable on a negotiable instrument intervenes in order to accept or pay for the honor of any party liable.
47. "Maker of promissory note" is the person who makes the promise to pay on a promissory note.
48. "Sender" means the individual or legal entity giving a payment order to a receiving bank;
49. "Originator" means the sender of the first payment order initiating the payment transaction. In a credit transfer the originator is the payor. In a debit transfer the originator is the payee;
50. "Receiver" means the participant whose bank is to receive the last payment order in the, payment transaction.. In a credit transfer the receiver is the payee. In a debit transfer the receiver is the payor.
51. "Payee" means the participant who is to receive payment in a payment transaction and in debit transfer includes the payee's transferee under a valid transfer, if applicable. It is the receiver in a credit transfer and the originator in a debit transfer;

52. "Payor" means the participant who is to make payment in a payment transaction. It is the originator in a credit transfer and the receiver in a debit transfer;
53. "Maturity" means date on which a check, bill of exchange, promissory note becomes due.
54. "Recourse", means the right to recover from a party liable on a negotiable instrument.

CHAPTER II-- CHECKS

Section I: The drawing and form of a check

Article 3: A check is an unconditional order in writing, addressed to a banker and signed by the person giving the order, requiring the banker to pay a determinate sum of money, to, or to the order of, a specified person or to bearer. It must be payable at sight and conform to all requirements provided by this Chapter.

Article 4: A check is a payment instrument. It may be written in the Khmer or any other language and must contain:

- The term "check" inserted in the body of the instrument and expressed in the language employed in drawing up the instrument;
- An unconditional order to pay a determinate sum of money;
- The name of the banker who is to pay (drawee);
- A statement of the place where payment is to be made;
- A statement of the date when and the place where the check is drawn;
- The signature of the person who gives the order on the check (drawer).

Article 5: An instrument in which any of the requirements mentioned in the preceding article is wanting is invalid as a check, except in the cases specified in the following paragraphs:

1. In the absence of special mention, the place specified beside the name of the drawee is deemed to be the place of payment. If several places are named beside the name of the drawee, the check is payable at the first place named.
2. In the absence of these statements, and of any other indication, the check is payable at the place where the drawee has his principal establishment.
3. A check which does not specify the place at which it was drawn is deemed to have been drawn in the place specified beside the name of the drawer.

Article 6: A check must be drawn on a banker holding funds at the disposal of the drawer and in conformity with an agreement, express or implied, whereby the drawer is entitled to dispose of those funds by check. Nevertheless, if these provisions are not complied with, the instrument is still valid as a check.

Article 7:

1. A check cannot be accepted. A statement of acceptance on a check shall be disregarded.
2. A check does not operate as an assignment of funds in the hands of the drawee available for payment thereof and the drawee of a check is not liable to the holder.

Article 8:

1. A check may be made payable:
 - (a) To a specified person with or without the express clause "to order," or
 - (b) To a specified person, with the words "not to order" or equivalent words, or
 - (c) To bearer.
2. A check made payable to a specified person with the words "or to bearer," or any equivalent words, is deemed to be a check to bearer.
3. A check which does not specify the payee is deemed to be a check to bearer.

Article 9:

1. A check may be drawn to the drawer's own order.
2. A check may be drawn for account of a third person.
3. A check may not be drawn on the drawer himself unless it is drawn by one establishment on another establishment belonging to the same drawer.

Article 10: Any stipulation concerning interest which may be embodied in the check shall be disregarded.

Article 11: A check may be payable at the domicile of a third person either in the locality where the drawee has his domicile or in another locality provided always that such third person is a banker.

Article 12:

1. Where the sum payable by a check is expressed in words and also in figures and there is any discrepancy, the sum denoted by the words is the amount payable.
2. Where the sum payable by a check is expressed more than once in words or

more than once in figures, and there is any discrepancy, the smaller sum is the sum payable.

Article 13: If a check bears signatures of persons incapable of binding themselves by a check, or forged signatures, or signatures of fictitious persons, or signatures which for any other reason cannot bind the persons who signed the check or on whose behalf it was signed, the obligations of the other persons who have signed it are nonetheless valid.

Article 14: Whosoever puts his signature on a check as representing a person for whom he had no power to act is bound himself as a party to the check and, if he pays, has the same rights as the person for whom he purported to act. The same rule applies to a representative who has exceeded his powers.

Article 15: The drawer guarantees payment. Any stipulation by which the drawer releases himself from this guarantee shall be disregarded.

Article 16: If a check which was incomplete when issued has been completed otherwise than in accordance with the agreements entered into, the non-observance of such agreements may not be set up against the holder unless he has acquired the check in bad faith or, in acquiring it, has been guilty of gross negligence.

Section 2- Endorsement

Article 17 :

1. A check made payable to a specified person, with or without the express clause "to order," may be transferred by means of endorsement.
2. A check made payable to a specified person, in which the words "not to order" or any equivalent expression have been inserted, can only be transferred according to the form and with the effects of an ordinary assignment.
3. A check may be endorsed even to the drawer or to any other party to the check. These persons may re-endorse the check.

Article 18:

1. An endorsement must be unconditional. Any condition to which it is made subject shall be disregarded.
2. A partial endorsement is null and void.
3. An endorsement by the drawee is also null and void.
4. An endorsement "to bearer" is equivalent to an endorsement in blank.
5. An endorsement to the drawee has the effect only -of a receipt, except in the case where the drawee has several establishments and the endorsement is made in favor of -an establishment other than that on which the check has been drawn.

Article 19:

1. An endorsement must be written on the back of the check or on a slip affixed thereto (*allonge*). It must be signed by the endorser.
2. The endorsement may leave the beneficiary unspecified or may consist simply of the signature of the endorser (endorsement in blank).

Article 20:

1. An endorsement transfers all the rights arising out of a check.
2. If the endorsement is in blank, the holder may:
 - (a) Fill up the blank either with his own name or with the name of some other person;
 - (b) Re-endorse the check in blank or to some other person;
 - (c) Transfer the check to a third person without filling up the blank and without endorsing it.

Article 21:

1. In the absence of any contrary stipulation, the endorser guarantees payment.
2. He may prohibit any further endorsement; in this case he gives no guarantee to the persons to whom the check is subsequently endorsed.

Article 22: The possessor of an endorsable check is deemed to be the lawful holder if he establishes his title to the check through an uninterrupted series of endorsements, even if the last endorsement is in blank. In this connection cancelled endorsements shall be disregarded. When an endorsement in blank is followed by another endorsement, the person who signed this last endorsement is deemed to have acquired the check by the endorsement in blank.

Article 23: An endorsement on a check to bearer renders the endorser liable in accordance with the provisions governing the right of recourse; but it does not convert the instrument into a check to order.

Article 24: Where a person has, in any manner whatsoever, been dispossessed of a check, whether it is a check to bearer or an endorsable check to which the holder establishes his right in the manner mentioned in Article 22, the holder into whose possession the check has come is not bound to give up the check unless he has acquired it in bad faith or unless in acquiring it he has been guilty of gross negligence.

Article 25:

1. Persons sued on a check cannot set up against the holder defenses founded on their personal relations with the drawer or with previous holders, unless the holder in acquiring the check has knowingly acted to the detriment of the debtor.
2. Paragraph (1) does not apply to a check made payable to a specified person, in which the words "not to order" or any other equivalent expression have been inserted.

Article 26:

1. When an endorsement contains the statement "value in collection" ("*valeur en recouvrement*"), "for collection" ("*pour encaissement*"), "by procuration" ("*par procuration*"), or any other phrase implying a simple mandate, the holder may exercise all rights arising out of the check, but he can re-endorse it only in his capacity as agent.
2. In this case the parties liable can only set tip against the holder defenses which could be set up against the endorser.
3. The mandate contained in an endorsement by procuration does not terminate by reason of the death of the party giving the mandate or by reason of his becoming legally incapable.

Article 27:

1. An endorsement after protest or after an equivalent declaration or after the expiration of the limit of time for presentment
 - (i) operates only as an ordinary assignment; and
 - (ii) does not operate to give rights under Articles 22, 24, and 25.
2. Failing proof to the contrary, an undated endorsement is deemed to have been placed on the check prior to the protest or equivalent declaration or prior to the expiration of the limit of time referred to in the preceding paragraph.

Section 3- "Avals"

Article 28:

1. Payment of a check may be guaranteed by an "*aval*" as to the whole or part of its amount.
2. This guarantee may be given by a third person other than the drawee, or even by a person who has signed the check.

Article 29:

1. An "*aval*" may be given either on the check itself or on an "*allonge*."
2. It is expressed by the words "good as *aval*," or by any other equivalent formula. It is signed by the giver of the "*aval*."
3. It is deemed to be constituted by the mere signature of the giver of the "*aval*," placed on the face of the check, except in-the case of the signature of the drawer.
4. An "*aval*" must specify for whose account it is given. In default of this, it is deemed to be given for the drawer.

Article 30:

1. The giver of an "*aval*" is bound -in the same manner as the person for whom he has become guarantor.

2. His undertaking is valid even when the liability which he has guaranteed is inoperative for any reason other than defect of form.
3. He has, when he pays the check, the rights arising out of the check against the person guaranteed and against those who are liable to the latter on the check.

Section 4-Presentation and Payment

Article 31:

1. A check is payable at sight. Any contrary stipulation shall be disregarded.
2. A check presented for payment before the date stated as the date of issue is payable on the day of presentment.

Article 32: A check must be presented for payment within six months of its date.

Article 33: Where a check is drawn in one place and is payable in another having a different calendar, the day of issue shall be construed as being the corresponding day of the calendar of the place of payment.

Article 34: The presentment of a check either at or through a clearing-house, or electronically, as provided by agreement or regulations issued by, the National Bank of Cambodia, is an effective presentment for payment.

Article 35:

1. Payment on a check may be countermanded without prejudice to the rights of the holder.
2. If payment on a check has not been countermanded, the drawee may pay it even after the expiration of the time limit for presentment.

Article 36: Neither the death of the drawer nor his incapacity taking place after the issue of the check shall have any effect as regards the check.

Article 37:

1. The drawee who pays a check may require that it shall be given up to him receipted by the holder.
2. When there is insufficient cover in the drawer's account the holder may not refuse partial payment.
3. In case of partial payment the drawee may require that the partial payment shall be mentioned on the check and that a receipt shall be given to him.

Article 38: The drawee who pays an endorsable check is bound to verify the regularity of the series of endorsements, but not the signature of the endorsers.

Article 39:

1. A check is deemed to be an authorization given to the drawee to pay in the currency of the account on which it is drawn.
2. When a check is drawn payable in a currency which is not that of the account, the sum payable may be paid by the drawee in the currency of the account according to its value on the date of payment.
3. If a check drawn payable in a currency which is not that of the place of payment has not been paid on presentment, the holder may at his option demand from a party liable that payment of the amount of the check be made in the currency of the place of payment according to the rate on the day of presentment or on the day of payment.
4. The usages of the place of payment shall be applied in determining the value of foreign currency. Nevertheless, the drawer may stipulate that the sum payable shall be calculated according to a rate expressed in the check.
5. Notwithstanding paragraph 3, a check either drawn payable in a currency which is widely accepted in Cambodia, or in which the drawer has stipulated that payment must be made in a certain specified foreign currency, may be enforced by the holder against any party liable in the stated currency.
6. If the amount of the check is specified in a currency having the same denomination, but a different value in the country of payment and the country of issue or any other country, unless specifically indicated otherwise, where the currency is not that of the account, reference in the check is deemed to be made to the currency of the country of payment. Where the currency of the country of payment does not have the same denomination, to a currency which is widely accepted in the place of payment.

Section 5-Crossed Checks and Checks Payable in Account

Article 40:

1. The drawer or holder of a check may cross it with the effects stated in the next article hereof.
2. A crossing takes the form of two parallel lines drawn on the face of the check. The crossing may be general or special.
3. The crossing is general if it consists of the two lines only or if between the lines the term "banker" or some equivalent is inserted; it is special if the name of a banker is written between the lines.
4. A general crossing may be converted into a special crossing, but a special crossing may not be converted into a general crossing.
5. The alteration -either of a crossing or of the name of the banker shall- be regarded as not having taken place.

Article 41:

1. A check which is crossed generally can be paid by the drawee only to a banker or to a customer of the drawee.
2. A check which is crossed specially can be paid by the drawee only to the named banker, or if the latter is the drawee, to his customer. Nevertheless the named banker may procure the check to be collected by another banker.
3. A banker may not acquire a crossed check except from one of his customers or from another banker. He may not collect it for the account of other persons than the foregoing.
4. A check bearing several special crossings may not be paid by the drawee except in a case where there are two crossings. one of which is for collection through a clearing-house.
5. The drawee. or banker who fails to observe the above provisions is liable for' resulting damage up to the amount of the check.

Article 42:

1. The drawer or the holder of a check may forbid its payment in cash by writing transversally across the face of the check the words "payable in account" ("*a porter en compte*") or a similar expression.
2. In such a case the check can only be settled by the drawee by means of book-entry such as credit in account, transfer from one account to another, set off or clearing- house settlement. Settlement by book- entry is equivalent to payment.
3. Any obliteration of the words "payable in account" shall be deemed not to have taken place.
4. The drawee who does not observe the foregoing provisions is liable for resulting damage up to the amount of the check.

Section 6-Recourse for Non-Payment**Article 43:**

The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable if the check on presentment in due time is not paid, and if the refusal to pay is evidenced:

- (a) By a protest or any other formal instrument. or
- (b) By a declaration dated and written by the drawee specifying the day of presentment, or
- (c) By a dated declaration made by a clearing-house, stating that the check has been delivered in due time and has not been paid.

Article 44:

1. A protest - shall be signed by an officer legally authorized to authenticate documents. As long as no such person has been designated by law he shall be designated by the National Bank of Cambodia. A protest must contain a copy of the check, or the original check may be annexed thereto, and specify the person at whose request the check is protested, the place and date of the protest the cause or reason for protesting the check, the demand made and the answer given, if any, or the fact that the drawee cannot be found. It shall be made at the place of the refusal to pay or accept or at some other place in Cambodia situated within 10 kilometers of the place of presentment and refusal to pay or accept.
2. The protest or equivalent declaration must be made before the expiration of the limit of time for presentment.
3. If the check is presented on the last day of the limit of time, the protest may be drawn up or the equivalent declaration made on the first business day following.
4. After the expiration of the limits of time fixed for drawing up the protest for non-payment, the holder loses his right of recourse against parties liable on the check but may sue the drawer under the law of contract and ordinary assignment, in an action governed by the law of contract and assignment. Any recovery under this paragraph is reduced by damages for any injury caused to the drawer by the holder's failure to meet required limits of time.

Article 45:

1. The holder must give notice of non-payment to his endorser and to the drawer within the four business days which follow the day on which the protest is drawn up or the equivalent declaration is made or, in case of a stipulation "à retour sans frais," the day of presentment. Every endorser must, within the two business days following the day on which he receives notice, inform his endorser of the notice which he has received, mentioning the names and addresses of those who have given the previous notices and so on through the series until the drawer is reached. The periods mentioned above run from the receipt of the preceding notice.
2. When, in conformity with the preceding paragraph, notice is given to a person who has signed a check, the same notice must be given within the same limit of time to his avaliseur.
3. When an endorser either has not specified his address or has specified it in an illegible manner, it is sufficient if notice is given to the endorser preceding him.
4. The person who must give notice may give it in any form whatever, even by simply returning the check.
5. He must prove that he has given notice within the limit of limit prescribed. This time-limit shall be regarded as having been observed if a letter giving the notice has been posted within the said time.

6. A person who does not give notice within the limit of time prescribed above does not forfeit his rights. He is liable for the damage, if any, caused by his negligence, but the amount of his liability shall not exceed the amount of the check.

Article 46:

1. The drawer an endorser, or an avaliseur may, by the stipulation "*retour sans frais*", "*retour sans protet*, " or any other equivalent expression written on the instrument and signed, release the holder from having a protest drawn up or an equivalent declaration made in order to exercise his right of recourse.
2. This stipulation does not release the holder from presenting the check within the-prescribed limit of time, or from giving the requisite notices. The burden of proving the non-observance of the limit of time lies on the person who seeks set it up against the holder.
3. If the stipulation is written by the drawer, it is operative in respect of all persons who have signed the check; if it is written by an endorser or an avaliseur, it is operative only in respect of such endorser or avaliseur. If, in spite of the stipulation written by the drawer, the holder has the protest drawn up or the equivalent declaration made, he must bear the expenses thereof. When the stipulation emanates from an endorser or avaliseur, the costs of the protest or equivalent declaration, if drawn up or made, may be recovered from all the persons who have signed the check.

Article 47:

1. All the persons liable on a check are jointly and severally bound to the holder.
2. The holder has the right to proceed against all these persons individually or collectively without being compelled to observe the order in which they have become bound.
3. The same right is possessed by any person signing the check who has taken it up and paid it.
4. Proceedings against one of the parties liable do not prevent proceedings against the others, even though such other parties may be subsequent to the party first proceeded against.

Article 48: The holder may claim from the party against whom he exercises his right of recourse:

- (a) The unpaid amount of the check;
- (b) Interest at a rate determined by the National Bank of Cambodia as from the date of presentment;
- (c) The expenses of the protest or equivalent declaration, and of the notices given as well as other expenses.

Article 49: A party who takes up and pays a check can recover from the parties liable to him:

- (a) The entire sum which he has paid;
- (b) Interest on the said sum calculated at a rate determine by the National Bank of Cambodia, as from the day on which he made payment;
- (c) Any expenses which he has incurred.

Article 50:

1. Every party liable against whom a right of recourse is, or may be, exercised, can require against payment, that the check shall be given up to him with the protest or equivalent declaration and a receipted account.
2. Every endorser who has taken up and paid a check may cancel his own endorsement and those of subsequent endorsers.

Article 51:

1. Should the presentment of the check or the drawing up of the protest or the making of the equivalent declaration within the prescribed limits of time be prevented by an insurmountable obstacle (vis major), these limits of time shall be extended.
2. The holder is bound to give notice without delay of the case of vis major to his endorser and to make a dated and signed declaration of this notice, on the check or on an allonge; in other respects, the provisions of Article 45 shall apply.
3. When vis major has terminated, the holder must without delay present⁴the check for payment and, if need be, procure a protest to be drawn up or an equivalent declaration made.
4. If vis major continues to operate beyond fifteen days after the date on which the holder, even before the expiration of the time-limit for presentment, has given notice of vis major to his endorser, recourse may be exercised and neither presentment nor *a protest nor an equivalent declaration shall be necessary.
5. Facts which are purely personal to the holder or to the person whom he has entrusted with the presentment of the check or the drawing up of the protest or the making of the equivalent declaration are not deemed to constitute cases of vis major.
6. Liability on a check that has been lost or destroyed may be enforced only against security provided by the party enforcing the check, which to the satisfaction of the court, indemnifies the party liable on it against any claim of any other person on the check if it reaches a holder who acquires it otherwise than in bad faith or gross negligence.

Section 7- Check Collection

Article 52:

1. Where a check is delivered to a banker for deposit to the credit of the customer and the banker credits him with the amount of the check, the banker acquires all the rights and powers of a holder of the check.

2. Unless otherwise agreed, credit so posted to the account is provisional, and the banker may debit the account or shall otherwise have recourse from the customer if the check is not paid. Unless otherwise agreed, any withdrawal of such provisional credit is at the banker's sole discretion and subject to charge-back or recourse from the customer if the check is not paid.
3. Regardless of the lack of, any defect, restriction or limitation in, or form or type of, customer's endorsement the banker's rights under paragraph 1 are:
 - (a) as if he is the possessor of an endorsable check under Article 22, and
 - (b) notwithstanding anything to the contrary in Article 26 where it otherwise applies.

Article 53: The delivery of a check to a banker for collection is a payment order governed by Chapter V of this Law. In case of an inconsistency with respect to check between a provision of Chapter V of this Law and a provision of this Chapter, this Chapter prevails.

Section 8-Alterations

Article 54: In case of alteration of the text of a check, parties who have signed subsequent to the alteration are bound according to the terms of the altered text; parties who have signed before the alteration are bound according to the terms of the original text.

Section 9-Limitation of Actions of Recourse

Article 55:

1. Actions of recourse by the holder against the endorsers, the drawer and the other parties liable are barred after six months as from the expiration date of the limit of time fixed for presentment.
2. Actions of recourse by the different parties liable for the payment of a check against other such parties are barred after six months as from the day on which the party liable has paid the check or the day on which he was sued thereon.

Article 56: Interruption of the period of limitation is only effective against the person in respect of whom the period has been interrupted.

Section 10-Time Calculations

Article 57:

1. The presentment or protest of a check may only take place on a business day.
2. When the last day of the limit of time prescribed by the law for performing any act relating to a check, and particularly for the presentment or for the drawing up of a protest or the making of an equivalent declaration, is a legal holiday, the limit of time is extended until the first business day which follows the expiration of that time. Immediate holidays are included in computing limits of time.

Article 58: The limits of time stipulated in the present Chapter shall not include the day on which the period commences.

Article 59: No days of grace, whether legal or judicial, are permitted.

CHAPTER III-BILLS OF EXCHANGE

Section 1-Issue and form of a bill of exchange

Article 60: A bill of exchange is an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay, a determinate sum of money, to, or to the order of, a specified person, or to bearer. It must be payable at a maturity and conform to all requirements as provided by this Chapter.

Article 61: A bill of exchange is a credit instrument. It may be written in the Khmer or any other language and must contain: - The term "bill of exchange" or "draft" inserted in the body of the instrument and expressed in the language employed in drawing up the instrument;

- An unconditional order to pay a determinate sum of money; - The name of the person who is to pay (drawee);
- A statement of the time of payment;
- A statement of the place where payment is to be made;
- The name of the person to whom or to whose order payment is to be made; - A statement of the date and of the place where the bill is issued;
- The signature of the person. who gives the order on the bill (drawer).

Article 62: An instrument in which any of the requirements mentioned in the preceding article is wanting is invalid as a bill of exchange, except in the cases specified in the following paragraphs:

- 1 . A bill of exchange in which the time of payment is not specified is deemed to be payable at sight.
2. In default of special mention, the place specified beside the name of the drawee is deemed to be the place of payment, and at the same time the place of the domicile of the drawee.
3. A bill of exchange, which does not mention the place of its issue, is deemed to have been drawn in the place mentioned beside the name of the drawer.
4. A bill of exchange may be drawn payable to bearer. A bill of exchange which does not contain the name of the person to whom or to whose order payment is to be made is deemed to be made payable to bearer;

Article 63: A bill of exchange may be drawn payable to drawer's order. It may be drawn on the drawer himself or for account of a third person.

Article 64: A bill of exchange may be payable at the domicile of a third person either in the locality where the drawee has his domicile or in another locality.

Article 65:

1. When a bill of exchange is payable at sight, or at a fixed period after sight, the drawer may stipulate that the sum payable shall bear interest. In the case of any other bill of exchange, this stipulation is- deemed not to be written (non écrite).
2. The rate of interest must be specified in the, bill; in default of such specification, the stipulation shall be deemed not to be written (non écrite).
3. Interest runs from the date of the bill of exchange. unless some other, date is specified.

Article 66:

1. When the sum payable by a bill of exchange is expressed in words. and also in figures, and there is a discrepancy between the two, the sum denoted by the words is the amount payable.
2. Where the sum payable by a bill of exchange is expressed more than once in words or more than once in figures, and there is a discrepancy, the smaller sum is the sum payable.

Article 67:

If a bill of exchange bears signatures of persons incapable of binding themselves by a bill of exchange, or forged signatures, or signatures of fictitious persons, or signatures which for any other reason cannot bind the persons who signed the bill of exchange or on whose behalf it was signed, the obligations of the other persons who signed it are nonetheless valid.

Article 68:

Whosoever puts his signature on a bill of exchange as representing a person for whom he had no power to act is bound himself as a party to the bill and, if he pays, has the same rights as the person for whom he purported to act. The same rule applies to a representative who has exceeded his powers.

Article 69:

1. The drawer guarantees both acceptance- and payment.
2. He may release himself from guaranteeing acceptance but may not release himself from guaranteeing payment.

Article 70: If a bill of exchange, which was incomplete when issued, has been completed otherwise than ' in accordance with the agreements entered into, the non-observance of such agreements may not be set up against-the holder unless he has acquired the bill of exchange in bad faith or, in acquiring it, has been guilty of gross negligence.

Section 2-Endorsement

Article 71:

1. A bill of exchange payable to a specified person, with or without the express clause "to order", may be transferred by means of endorsement.
2. When the drawer has inserted in a bill of exchange payable to a specified person the words "not to order" or an equivalent expression, the instrument can only be transferred according to the form, and with the effects of an ordinary assignment.
3. A bill of exchange may be endorsed even in favor of the drawee, whether he has accepted or not, or of the drawer, or of any other party to the bill. These persons may re-endorse the bill.

Article 72:

1. An endorsement must be unconditional. Any condition to which it is made subject is deemed not to be written (*non écrite*).
2. A partial endorsement is null and void.
3. An endorsement "to bearer" is equivalent to an endorsement in blank.

Article 73:

1. An endorsement must be written on the back of the bill of exchange or on a slip affixed thereto (*allonge*). It must be signed by the endorser.
2. The endorsement may leave the beneficiary unspecified or may consist simply of the signature of the endorser (endorsement in blank).

Article 74:

1. An endorsement transfers all the rights arising out of a bill of exchange.
2. If the endorsement is in blank, the holder may:
 - (a) Fill up the blank either with his own name or with the name of some other person;
 - (b) Re-endorse the bill in blank, or to some other person;
 - (c) Transfer the bill to a third person without filling up the blank, and without endorsing it.

Article 75:

1. In the absence of any contrary stipulation, the endorser guarantees acceptance and payment.
2. He may prohibit any further endorsement; in this case, he gives no guarantee to the persons to whom the bill is subsequently endorsed.

3. An endorsement on a bill of exchange to bearer renders the endorser liable in accordance with the provisions governing the right of recourse; but it does not convert the instrument into a bill of exchange to order.

Article 76:

1. The possessor of a bill of exchange is deemed to be the lawful holder if he establishes his title to the bill through an uninterrupted series of endorsements, even if the last endorsement is in blank. In this connection, cancelled endorsements are deemed not to be written (*non écrite*). When an endorsement in blank is followed by another endorsement, the person who signed this last endorsement is deemed to have acquired the bill by the endorsement in blank.
2. Where a person has been dispossessed of a bill of exchange, in any manner whatsoever, the holder who establishes his right thereto in the manner mentioned in the preceding paragraph or of a bill of exchange payable to bearer is not bound to give up the bill unless he has acquired it in bad faith, or unless in acquiring it he has been guilty of gross negligence.

Article 77:

1. Persons sued on a bill of exchange cannot set up against the holder defenses founded on their personal relations with the drawer or with previous holders, unless the holder, in acquiring the bill, has knowingly acted to the detriment of the debtor.
2. Paragraph (1) does not apply to a bill of exchange made payable to a specified person, in which the words "not to order" or any other equivalent expression have been inserted.

Article 78:

1. When an endorsement contains the statements "value in collection" ("*valeur en recouvrement*"), "for collection" ("*pour encaissement*"), "by procuration" ("*par procuration*") or any other phrase implying a simple mandate, the holder may exercise all rights arising out of the bill of exchange, but he can only endorse it in his capacity as agent.
2. In this case, the parties liable can only set up against the holder defenses which could be set up against the endorser.
3. The mandate contained in an endorsement by procuration does not terminate by reason of the death of the party giving the mandate or by reason of his becoming legally incapable.
4. The delivery of a bill of exchange to a banker for collection is a payment order governed by Chapter V of this Law. In case of an inconsistency with respect to bill of exchange between a provision of Chapter V of this Law and a provision of this Chapter, -this Chapter prevails.

Article 79:

1. When an endorsement contains the statements "value in security" ("*valeur en garantie*"), "value in pledge" ("*valeur en gage*"), or any other statement implying a pledge, the holder may exercise the rights arising out of the bill of exchange, but an endorsement by him has the effects only of an endorsement by an agent.
2. The parties liable cannot set up against the holder defenses founded on their personal relations with the endorser, unless the holder, in receiving the bill, has knowingly acted to the detriment of the debtor.

Article 80:

1. An endorsement after protest or after equivalent declaration or after the expiration of the limit of time for presentment
 - (i) operates only as an ordinary assignment; and
 - (ii) does not operate to give rights under Articles 76, and 77.
2. Failing proof to the contrary, an undated endorsement is deemed to have been placed on the bill of exchange prior to the protest or equivalent declaration or prior to the expiration of the limit of time referred to in the preceding paragraph.

Section 3 -- Acceptance

Article 81: Until maturity, a bill of exchange may be presented to the drawee for acceptance at his domicile, either by the holder or by a person who is merely in possession of the bill.

Article 82:

1. In any bill of exchange, the drawer may stipulate that it shall be presented for acceptance with or without fixing a limit of time for presentment.
2. Except in the case of a bill payable at the address of a third party or in a locality other than that of the domicile of the drawee, or except in the case of a bill drawn payable at a fixed period after sight, the drawer may prohibit presentment for acceptance.
3. He may also stipulate that presentment for acceptance shall not take place before a named date.
4. Unless the drawer has prohibited acceptance, every endorser may stipulate that the bill shall be presented for acceptance, with or without fixing a limit of time for presentment.

Article 83:

1. Bills of exchange payable at a fixed period after sight must be presented for acceptance within one year of their date.
2. The drawer may abridge or extend this period.
3. These periods may be abridged by the endorsers.

Article 84:

1. The drawee may demand that a bill shall be presented to him a second time on the day after the- first presentment. Parties interested are not allowed to set up that this demand has not been complied with unless this request is mentioned in the protest.
2. The holder is not obliged to surrender to the drawee a' bill presented for acceptance.

Article 85:

1. An acceptance is written on the bill of exchange. It is expressed by the word "accepted" or any other equivalent term. It is signed by the drawee. The simple signature of the drawee on the face of the bill constitutes an acceptance.
2. When the bill is payable at a certain time after sight, or when it must be presented for acceptance within a certain limit of time in accordance with a special stipulation, the acceptance must be dated as of the day when the acceptance is given, unless the holder requires that it shall be dated as of the day of presentment. If it is undated, the holder. in order to preserve his right of "recourse against the endorsers and the drawer, must authenticate the omission by a protest drawn up within the proper time.

Article 86:

1. An acceptance is unconditional, but the drawee may restrict it to part of the sum payable.
2. Every other modification introduced by an acceptance into the tenor of the bill of exchange operates as a refusal to accept. Nevertheless, the acceptor is bound according to the terms of his acceptance as modifying the tenor of the bill of exchange.

Article 87:

1. When the drawer of a bill has indicated a place of payment other than the domicile of the drawee without specifying a third party at whose address payment must be made, the drawee may name such third party at the time of acceptance. In default of this indication, the acceptor is deemed to have undertaken to pay the bill himself at the place of payment.
2. If a bill is payable at the domicile of the drawee, the latter may in his acceptance indicate an address in the same place where payment is to be made.

Article 88:

1. A bill of exchange does not operate as an assignment of funds in the hands of the drawee available for payment thereof, and the drawee of a bill of exchange who does not accept is not liable on the bill of exchange.
2. By accepting, the drawee undertakes to pay the bill of exchange at its maturity.
3. In default of payment, the holder, even if he is the drawer, has a direct action on the bill of exchange against the acceptor for all that can be demanded in accordance with Articles 106 - 107.

Article 89:

1. Where the drawee who has put his acceptance on a bill has cancelled it before restoring the bill, acceptance is deemed to be refused. Failing proof to the contrary, the cancellation is deemed to have taken place before the bill was restored.
2. Nevertheless, if the drawee has notified his acceptance in writing to the holder or to any party who has signed the bill, he is liable to such parties according to the terms of his acceptance.

Section 4- "Avals"**Article 90:**

1. Payment of a bill of exchange may be guaranteed by an "*aval*" as to the whole or part of its amount.
2. This guarantee may be given by a third person or even by a person who has signed as a party to the bill.

Article 91:

1. An "*aval*" may be given either on the bill itself or on an "*allonge*."
2. It is expressed by the words "good as *aval*" ("*bon pour aval*") or by any other equivalent formula. It is signed by the giver of the "*aval*."
3. It is deemed to be constituted by the mere signature of the giver of the "*aval*" placed on the face of the bill, except in the case of the signature of the drawee or of the drawer.
4. An "*aval*" must specify for whose account it is given. In default of this, it is deemed to be given for the drawer.

Article 92:

1. The giver of an "*aval*" is bound in the same manner as the person for whom he has become guarantor.
2. His undertaking is valid even when the liability which he has guaranteed is inoperative for any reason other than defect of form.
3. He has, when he pays a bill of exchange, the rights arising out of the bill of exchange against the person guaranteed and against those who are liable to the latter on the bill of exchange.

Section 5-Maturity**Article 93:**

1. A bill of exchange may be drawn payable:
 - (a) At sight;

- (b) At a fixed period after sight;
 - (c) At a fixed period after date; or
 - (d) At a fixed date.
2. A bill of exchange may be drawn payable by stated installments, each at a fixed date with a provision that in default in payment of any installment the entire unpaid balance shall become due;
 3. Bills of exchange at other maturities are null and void.

Article 94:

1. A bill of exchange at sight is payable on presentment. It must be presented for payment within a year of its date of issue. The drawer may abridge or extend this period. These periods may be abridged by the endorsers.
2. The drawer may prescribe that a bill of exchange payable at sight must not be presented for payment before a named date. In this case, the period for presentment begins from the said date.

Article 95:

1. The maturity of a bill of exchange payable at a fixed period after sight is determined either by the date of the acceptance or by the date of the protest.
2. In the absence of the protest, an undated acceptance is deemed, so far as regards the acceptor, to have been given on the last day of the limit of time for presentment for acceptance.

Article 96:

1. Where a bill of exchange is drawn payable at one or more months after date or after sight, the bill matures 'on the corresponding date of the month when payment must be made. If there be no corresponding date, the bill matures on the last day of this month.
2. When a bill of exchange is drawn payable at one or more months and a-half after date or sight, entire months must first be calculated.
3. If the maturity is fixed at the commencement, in the middle, such as mid-January or mid-February, or at the end of the month, the first, fifteenth or last day of the month is to be understood.
4. The expression "eight days" or "fifteen days" indicate not one or two weeks, but a period of eight or fifteen actual days.
5. The expression "half month" means a period of fifteen days.

Article 97:

1. When a bill of exchange is payable on a fixed day in a place where the calendar is different from the calendar in the place of issue, the day of maturity is deemed to be fixed according to the calendar of the place of payment.
2. When a bill of exchange drawn between two places having different calendars is payable at -a fixed period after date, the day of issue is referred to the corresponding day of the calendar in the place of payment, and the maturity is fixed accordingly.
3. The time for presenting bills of exchange is calculated in accordance with the rules of the preceding paragraph.
4. These rules do not apply if a stipulation in the bill or even the simple terms of the instrument indicate an intention to adopt some different rule.

Section 6-Payment

Article 98:

1. The holder of a bill of ' exchange payable on a fixed day or at a fixed period after date or after sight must present the bill for payment either on the day on which it is payable or on one of the two business days which follow.
2. The presentment of a bill of exchange either at or through a clearing-house, or electronically, as provided by agreement or regulations issued by the National Bank of Cambodia, is an effective presentment for payment.

Article 99:

1. The drawee who pays a bill of exchange may require that it shall be given, up to him receipted by the holder.
2. The holder may not refuse partial payment.
3. In case of partial payment the drawee may require that the. partial payment shall be mentioned on the bill and that a receipt shall be given to him.

Article 100:

When a bill of exchange is not presented for payment within the limit of time fixed by Article 98, every debtor is authorized to deposit the amount with the competent authority, as designated by the National Bank of Cambodia, at the charge, risk and peril of the holder.

Article 101:

1. The holder of a bill of exchange cannot be compelled to receive payment thereof before maturity.
2. The drawee who pays before maturity does so at his own risk and peril.
3. He who pays at maturity is validly discharged, unless he has been guilty of fraud or gross negligence.- He is bound to verify the regularity of the series of endorsements, but not the signature of the endorsers.

Article 102:

1. When a bill of exchange is drawn payable in a currency which is not that of the place of payment, the sum payable may be paid in the currency of the country, according to its value on the date of maturity. If the debtor is in default, the holder may at his option demand that the amount of the bill be paid in the currency of the country according to the rate on the day of maturity or the day of payment.
2. The usages of the place of payment determine the value of foreign currency. Nevertheless, the drawer may stipulate that the sum payable shall be calculated according to a rate expressed in the bill.
3. The foregoing rules shall not apply to a bill of exchange (i) drawn payable in a currency which is accepted in Cambodia, or (ii) in which the drawer has stipulated that payment must be made in a certain specified foreign currency. In each such case the bill of exchange shall be paid in the stated currency.
4. If the amount of the bill of exchange is specified in a currency having the same denomination, but a different value in the country of payment and the country of issue or any other country, unless indicated otherwise, reference in the bill of exchange is deemed to be made to the currency of the country of payment. Where the currency of the country of payment does not have the same denomination, to a currency which is widely accepted in the place of payment.
5. Where a bill of exchange is payable at the domicile of a banker the designation of an account to be debited with the amount payable is deemed to be an authorization to pay in the currency of the account.

Section 7-Recourse for non-acceptance or non-payment

Article 103:

The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable:

- (a) at maturity, if payment has not been made, or,
- (b) even before maturity:
 - (i) If there has been total or partial refusal to accept;
 - (ii) In the event of the bankruptcy (*faillite*) of the drawee, whether he has accepted or not, or in the event of a stoppage of payment on his part, even when not declared by a judgment, or where execution has been levied against his assets without result;
 - (iii) In the event of the bankruptcy (*faillite*) of the drawer of a non-acceptable bill.

Article 104

1. Default of acceptance or of payment must be evidenced by an authentic act (protest for non-acceptance or non-payment).

2. Protest for non-acceptance must be made within the limit of time fixed for presentment for acceptance. If, in the case contemplated by Article 84, paragraph 1, the first presentment takes place on the last day of that time, the protest may nevertheless be drawn up on the next day.
3. Protest for non-payment of a bill of exchange payable on a fixed day or at a fixed period after date or sight must be made on one of the two business days following the day on which the bill is payable. In the case of a bill payable at sight, the protest must be drawn up under the conditions specified in the foregoing paragraph for the drawing up of a protest for non-acceptance.,
4. Protest for non-acceptance dispenses with presentment for payment and protest for non-payment.
5. If there is a stoppage of payment on the part of the drawee, whether he has accepted or not, or if execution has been levied against his assets without result, the holder cannot exercise his right of recourse until after presentment of the bill to the drawee for payment and after the protest has been drawn up.
6. If the drawee, whether he has accepted or not, is declared bankrupt (filleted declare), or in the event of the declared bankruptcy of the drawer of a non-acceptable bill, the production of the judgment declaring the bankruptcy suffices to enable the holder to exercise his right of recourse.
7. A protest shall be signed by an officer legally authorized to authenticate documents. As long as no such person has been designated by law he shall be designated by the National Bank of Cambodia. A protest must contain a copy of the bill of exchange, or the original bill of exchange may be annexed thereto, and specify the person at whose request the bill of exchange is protested, the place and date of the protest, the cause or reason for protesting the bill of exchange, the demand made and the answer given, if any, or the fact that the drawee or acceptor cannot be found. It shall be made at the place of the refusal to pay or accept or at some other place in Cambodia situated within 10 kilometers of the place of presentment and refusal to pay or accept.
8. A protest may be constituted by the signed written drawee's declaration specifying the information set out in the previous paragraph.

Article 105:

1. The holder must give notice of non-acceptance or non-payment to his endorser, to the drawer and to any avaliseur of the acceptor within the four business days which follow the day for protest or, in case of a stipulation "*retour sans frais*," the day for presentment. Every endorser must, within the two business days following the day on which he receives notice, notify his endorser of the notice he has received, mentioning the names and addresses of those who have given the previous notices, and so on through the series until the drawer is reached. The periods mentioned above run from the receipt of the preceding notice.

2. When, in conformity with the preceding paragraph, notice is given to a person who has signed a bill of exchange, the same notice must be given within the same limit of time to his avaliseur.
3. Where an endorser either has not specified his address or has specified it in an illegible manner, it is sufficient that notice should be given to the preceding endorser.
4. A person who must give notice may give it in any form whatever, even by simply returning the bill of exchange.
5. He must prove that he has given notice within the time allowed. This time limit shall be regarded as having been observed if a letter giving the notice has been posted within the prescribed time.
6. A person who does not give notice within the limit of time mentioned above does not forfeit his rights, He is responsible for the injury, if any, caused by his negligence, but the damages shall not exceed the amount of the bill of exchange.

Article 106:

- 1 The drawer, an endorser, or a person guaranteeing payment by *aval (avaliseur)* may, by the stipulation "*retour sans frais,*" "*sans protet,*" or any other equivalent expression written on the instrument and signed, release the holder from having a protest of non-acceptance or non-payment drawn up in order to exercise his right of recourse.
2. This stipulation does not release the holder from presenting the bill within the prescribed time, or from the notices he has to give. The burden of proving the non-observance of the limits of time lies on the person who seeks to set it up against the holder.
3. If the stipulation is written by the drawer, it is operative in respect of all persons who have signed the bill; if it is written by an endorser or an avaliseur, it is operative only in respect of such endorser or avaliseur. If, in spite of the stipulation written by the drawer, the holder has the protest drawn up, he must bear the expenses thereof. When the stipulation emanates from an endorser or avaliseur, the costs of the protest, if one is drawn up, may be recovered from all the persons who have signed the bill.

Article 107:

- 1 All drawers, acceptors, endorsers or guarantors by *aval* of a bill of exchange, are jointly and severally liable to the holder.
2. The holder has the right of proceeding against all these persons individually or collectively without being required to observe the order in which they have become bound.
3. The same right is possessed by any person signing the bill who has taken it up and paid it.

4. Proceedings against one of the parties liable do not prevent proceedings against the others, even though they may be subsequent to the party first proceeded against.

Article 108:

1. The holder may recover from the person against whom he exercises his right of recourse:
 - (a) The amount of the unaccepted or unpaid bill of exchange with interest, if interest has been stipulated for;
 - (b) Interest at a rate determined by the National Bank of Cambodia from the date of maturity;
 - (c) The expenses of protest and of the notices given as well as other expenses.
2. If the right of recourse is exercised before maturity, the amount of the bill shall be subject to a discount. This discount shall be calculated according to the official rate of discount (bank-rate) ruling on the date when recourse is exercised at the place of domicile of the holder.

Article 109:

A party who takes up and pays a bill of exchange can recover from the parties liable to him:

- (a) The entire sum which he has paid;
- (b) Interest on the said sum calculated at a rate determined by the National Bank of Cambodia, starting from the day when he made payment;
- (c) Any expenses which he has incurred.

Article 110:

1. Every party liable against whom a right of recourse is or may be exercised, can require against payment, that the bill shall be given up to him with the protest and a receipted account.
2. Every endorser who has taken up and paid a bill of exchange may cancel his own endorsement and those of subsequent endorsers.

Article 111:

In the case of the exercise of the right of recourse after a partial acceptance, the party who pays the sum in respect of which the bill has not been accepted can require that this payment shall be specified on the bill and that he shall be given a receipt therefore. The holder must also give him a certified copy of the bill, together with the protest, in order to enable subsequent recourse to be exercised.

Article 112:

1. Every person having the right of recourse may, in the absence of agreement to the contrary, reimburse himself by means of a fresh bill (redraft) to be drawn at sight on one of the parties liable to him and payable at the domicile of that party.

2. The redraft includes, in addition to the sums mentioned in Articles 108 and 109, brokerage and the cost of stamping the redraft.
3. If the redraft is drawn by the holder, the sum payable is fixed according to the rate for a sight bill drawn at the place where the original bill was payable upon the part, liable at the place of his domicile. If the redraft is drawn by an endorser, the sum payable is fixed according to the rate- for a sight bill drawn at the place where the drawer of the redraft is domiciled up on the place of domicile of the party liable.

Article 113:

1. After the expiration of the limits of time fixed:
 - (a) for the presentment of a bill of exchange drawn at sight or at a fixed period after sight;
 - (b) For drawing up the protest for non-acceptance or non-payment;
 - (c) For presentment for Payment in the case of a stipulation retour sans frais, the holder loses his rights of recourse against the endorsers, against the drawer and against the other parties liable, with the exception of the acceptor.
2. In default of presentment for acceptance within the limit of time stipulated by the drawer, the holder loses his right of recourse for non-payment, as well as for non-acceptance, unless it appears from the terms of the stipulation that the drawer only meant to release himself from the guarantee of acceptance.
3. If the stipulation for a limit of time for presentment is contained in an endorsement, the endorser alone can avail himself of it.
4. A holder who lost his right of recourse under this Article may sue the drawer under the law of contract and ordinary assignment, in an action governed by the law of contract and assignment. Any recovery under this paragraph is reduced by damages for any injury caused to the drawer by the holder's failure to meet required limits of time.

Article 114:

1. Should the presentment of the bill of exchange or the drawing up of the protest within the prescribed limits of time be prevented by an insurmountable obstacle (vis major), these limits of time shall be extended.
2. The holder is bound to give notice without delay of the case of vis major to his endorser and to specify this notice, which he must date and sign, on the bill or on an allonge; in other respects the provisions of Article 105 shall apply.
3. When vis major has terminated, the holder must without delay present the bill of exchange for acceptance or payment and, if need be, draw up the protest.
4. If vis major continues to operate beyond thirty days after maturity, recourse may be exercised, and neither presentment nor the drawing up of a protest shall be necessary.

5. In the case of bills of exchange drawn at sight or at a fixed period after sight, the time-limit of thirty days shall run from the date on which the holder, even before the expiration of the time for presentment, has given notice of vis major to his endorser. In the case of bills of exchange drawn at a certain time after sight, the above time-limit of thirty days shall be added to the period after sight specified in the bill of exchange.-
6. Facts which are purely personal to the holder or to the person whom he has entrusted with the presentment of the bill or drawing up of the protest are not deemed to constitute cases of vis major.
7. Liability on a bill of exchange that has been lost or destroyed may be enforced only against security provided by the party enforcing the bill of exchange, which to the satisfaction of the court, indemnifies the party liable on it against any claim of any other person on the bill of exchange if it reaches a holder who acquires it otherwise than in bad faith or gross negligence.

Section 8 - Intervention for Honor

Article 115:

1. The drawer, an endorser, or a person giving an aval may specify a person who is to accept or pay in case of need.
2. A bill of exchange may, subject as hereinafter mentioned, be accepted or paid by a person who intervenes for the honor of any debtor against whom a right of recourse exists.
3. The person 'intervening may be a third party, even the drawee, or, save the acceptor, a party already liable on the bill of exchange..
4. The person intervening is bound to give, within two business days, notice of his intervention to the party for whose -honor he has intervened. In default, he is responsible for the injury, if any, due to his negligence, but the damages shall not exceed the amount of the bill of exchange.

Article 116:

1. There may be acceptance by intervention in all cases where the holder has a right of recourse before maturity on a bill which has not yet been accepted. ,
2. When the bill of exchange indicates a person who is designated to accept or pay it as a referee in case of need at the place of payment, the holder may" not exercise his rights of recourse before maturity against the person n1ming such referee and against subsequent signatories, unless he has presented the bill of exchange to the referee and until, if acceptance is refused by the latter, this refusal has been authenticated by a protest.
3. In other cases of intervention the holder may refuse an acceptance by intervention. Nevertheless, if he allows it, he loses his right of recourse before maturity against the person on whose behalf such acceptance was given and against subsequent signatories.

Article 117:

Acceptance by intervention is specified. on the bill of exchange. It is signed by the person intervening. It mentions the person for whose honor it has been given and, in default of such mention, the acceptance is deemed to have been given for the honor of the drawer.

Article 118:

1. The acceptor by intervention is liable to the holder and to the endorsers, subsequent to the party for whose honor he intervened, in the same manner as such party.
2. Notwithstanding an acceptance by intervention, the party for whose honor it has been given and the. parties liable to him may require the holder, in exchange for payment of the sum mentioned in Article 108, to deliver the bill, the protest, and a receipted account, if any.

Article 119:

1. Payment by intervention may take place in all cases where, either at maturity or before maturity, the holder has a right of recourse on the bill.
2. Payment must include the whole amount payable by the party for whose honor it is made.
3. It must be made at the latest on the day following the last day allowed for drawing up the protest for non-payment.

Article 120:

1. If a bill of exchange has been accepted by persons intervening who are domiciled in the place of payment, or if persons domiciled there have been named as referees in case of need, the holder must present the bill to all these persons and, if necessary, have a protest for non-payment drawn up at the latest on the day following the last day allowed for drawing up the protest.
2. In default of protest within this limit of time. the party who has named the referee in case of need, or for whose account the bill has been accepted, and the subsequent endorsers, are discharged.

Article 121: The holder who refuses payment by intervention loses his right of recourse against any persons who would have been discharged thereby.

Article 122:

- 1 Payment by intervention must be authenticated by a receipt given on the bill of exchange mentioning the person for whose honor payment has been made. In default of such mention, payment is deemed to have been made for the honor of the drawer.
2. The bill of exchange and the protest, if any, must be given up to the person paying by intervention.

Article 123:

1. The person paying by intervention acquires the rights arising out of the bill of exchange against the party for whose honor he has paid and against persons who are liable to the latter on the bill of exchange. Nevertheless, he cannot re-endorse the bill of exchange.
2. Endorsers subsequent to the party for whose honor payment has been made are discharged.
3. In case of competition for payment by intervention, the payment which effects the greater number of releases has the preference. Any person who, with a knowledge of the facts, intervenes in a manner contrary to this rule, loses his right of recourse against those who would have been discharged.

Section 9 - Parts of a Set and Copies**Article 124:**

1. Where a bill is drawn in a set of two or more identical parts, each part of the set being numbered, and containing a reference to the other parts, the whole of the parts constitute one bill.
2. The acceptance and each endorsement of a bill drawn in a set may be written on any part, but to be liable on the whole bill and not on any-separate part, each such acceptance or endorsement must be written on one part only.
3. The drawer who signed each part is nevertheless liable on the whole bill and not on each part.
4. A party who has sent one part for acceptance must indicate on the other parts the name of the person in whose hands this part is to be found. That person is bound to give it up to the lawful holder of another part. If he refuses, the holder cannot exercise his right of recourse until he has had a protest drawn up specifying.-
 - (a) That the part sent for acceptance has not been given up to him on his demand;
 - (b) That acceptance or payment could not be obtained on another of the parts.

Article 125:

1. Where the holder of a set endorses two or more parts to different persons:
 - (a) he is liable on every such part, and every endorser subsequent to him is liable on the part he has himself endorsed as if the parts were separate bills.
 - (b) The lawful holder of a part whose title first accrues is entitled, to recover payment received by any person paid by the drawer or the drawee who has not accepted the bill.

2. Where the drawee accepts more than one part and such accepted parts get into the hands of different lawful holders, he is liable on every such part as if it were a separate bill.

Article 126:

1. When the acceptor of a bill drawn in a set pays it without requiring the part bearing his acceptance to be delivered up to him, and that part at maturity is outstanding in the hands of a lawful holder, he is liable to the holder thereof.
2. The drawer of a bill drawn in a set is discharged when he pays any part duly presented to him.
3. Subject to this Article and the preceding Article, where any one part of a bill drawn in a set is discharged by payment or otherwise, the whole bill is discharged.

Article 127:

1. Every holder of a bill of exchange has the right to make copies of it.
2. A copy must reproduce the original exactly, with the endorsements and all other statements to be found therein. It must specify where the copy ends.
3. It may be endorsed and guaranteed by aval in the same manner and with the same effects as the original.

Article 128:

1. A copy must specify the person in possession of the original instrument. The latter is bound to hand over the said instrument to the lawful holder of the copy.
2. If he refuses, the holder may not exercise his right of recourse against the persons who have endorsed the copy or guaranteed it by aval until he has had a protest drawn up specifying that the original has not been given up to him on his demand.
3. Where the original instrument, after the last endorsement before the making of the copy - contains a clause "commencing from here an endorsement is only valid if made on the copy" or some equivalent formula, a subsequent endorsement on the original is null and void.

Section 10-Alterations

Article 129:

In case of alteration of the text of a bill of exchange, parties who have signed subsequent to the alteration are bound according to the terms of the altered text; parties who have signed before the alteration are bound according to the terms of the original text.

Section 11-Limitation of Actions of Recourse

Article 130:

1. All actions of recourse arising out of a bill of exchange against the acceptor are barred after three years, reckoned from the date of maturity.
2. Actions of recourse by the holder against the endorsers and against the drawer are barred after one year from the date of a protest drawn up within proper time, or from the date of maturity where there is a stipulation *retour sans frais*.
3. Actions of recourse by endorsers against each other and against the drawer are barred after six months, reckoned from the day when the endorser took up and paid the bill or from the day when he himself was sued.

Article 131: Interruption of the period of limitation is only effective against the person in respect of whom the period has been interrupted.

Section 12-Time Calculations

Article 132:

1. Payment of a bill of exchange which falls due on a legal holiday (*jour ferie legal*) cannot be demanded until the next business day. So, too, all other proceedings relating to a bill of exchange, in particular presentment for acceptance and protest can only be taken on a business day.
2. Where any of these proceedings must be taken within a certain limit of time the last day of which is a legal holiday (*jour ferie legal*) the limit of time is extended until the first business day which follows the expiration of that time. Intermediate holidays (*jours feries*) are included in computing limits of time.

Article 133: Legal or contractual limits of time do not include the day on which the period commences.

Article 134: No days of grace, whether legal or judicial, are permitted.

CHAPTER IV-PROMISSORY NOTES.

Section 1- Issue and Form of a Promissory Note.

Article 135: A promissory note is an unconditional promise in writing made by one person to another signed by the maker, undertaking to pay, a determinate sum of money, to, or to the order of, a specified person or to bearer. It must be payable at a maturity, and conform to all requirements as provided by this Chapter.

Article 136: A promissory note is a credit instrument. It may be written in the Khmer or any other language and must contain:

- The term "promissory note" inserted in the body of the instrument go expressed in the language employed in drawing up the instrument-,

- An unconditional promise to pay a determinate sum of money;
- A statement of the time of payment;
- A statement of the place where payment is to be made;
- The name of the person to whom or to whose order payment is to be made;
- A statement of the date and of the place where the promissory note is issued;
- The signature of the person who makes the promise on the instrument (maker).

Article 137: An instrument in which any of the requirements mentioned in the preceding article are wanting is invalid as a promissory note except in the case specified in the following paragraphs:

1. A promissory note in which the time of payment is not specified is deemed to be payable at sight.
2. In default of special mention, the place where the instrument is made is deemed to be the place of payment and at the same time the place of the domicile of the maker.
3. A promissory note which does not mention the place of its issue is deemed to have been made in the place mentioned beside the name of the maker.
4. A promissory note may be payable to bearer. A promissory note which does not contain the name of the person to whom or to whose order payment is to be made is deemed to be made payable to bearer;

Article 138: A promissory note may be payable at a place other than the maker's domicile including at the domicile of a third person either in the locality where the maker has his domicile or in another locality.

Article 139:

1. When a promissory note is payable at sight, or at a fixed period after sight, the maker may stipulate that the sum payable shall bear interest. In the case of any other promissory note, this stipulation is deemed not to be written (*non écrite*).
2. The rate of interest must be specified in the promissory note; in default of such specification, the stipulation shall be deemed not to be written (*non écrite*).
3. Interest runs from the date of the promissory note, unless some other date is specified.

Article 140:

1. When the sum payable by a promissory note is expressed in words and also in figures, and there is a discrepancy between the two, the sum denoted by the words is the amount payable.
2. Where the sum payable by a promissory note is expressed more than once in words or more than once in figures, and there is a discrepancy, the smaller sum is the sum payable.

Article 141: If a promissory note bears signatures of persons incapable of binding themselves by a promissory note, or forged signatures, or signatures of fictitious persons, or signatures which for any other reason cannot bind the persons who signed the promissory note or on whose behalf it was signed, the obligations of the other persons who signed it are nonetheless valid.

Article 142: Whosoever puts his signature on a promissory note as representing a person for whom he had no power to act is bound himself as a party to the promissory note and, if he pays, has the same rights as the person for whom he purported to act. The same rule applies to a representative who has exceeded his powers.

Article 143: If a promissory note, which was incomplete when issued, has been completed otherwise than in accordance with the agreements entered into, the non-observance of such agreements may not be set up against the holder unless he has acquired the promissory note in bad faith or, in acquiring it, has been guilty of gross negligence.

Section 2- Endorsement

Article 144:

1. A promissory note made payable to a specified person, with or without the express clause "to order", may be transferred by means of endorsement.
2. Where the maker has inserted in a promissory note payable to a specified person the words "not to order" or an equivalent expression, the instrument can only be transferred according to the form, and with the effects of an ordinary assignment.
3. A promissory note may be endorsed even in favor of the maker, or of any other party to the promissory note. These persons may re-endorse it.
4. An instrument in the form of a promissory note payable to the maker's order is not a promissory note under this Chapter, unless it is endorsed by the maker.

Article 145:

1. An endorsement must be unconditional. Any condition to which it is made subject is deemed not to be written (*non écrite*).
2. A partial endorsement is null and void.
3. An endorsement "to bearer" is equivalent to an endorsement in blank.

Article 146:

1. An endorsement must be written on the back of the promissory note or on a slip affixed thereto (*allonge*). It must be signed by the endorser.
2. The endorsement may leave the beneficiary unspecified or may consist simply of the signature of the endorser (endorsement in blank).

Article 147:

1. An endorsement transfers all the rights arising out of a promissory note.
2. If the endorsement is in blank, the holder may:
 - (a) Fill up the blank either with his own name or with the name of some other person;
 - (b) Re-endorse the promissory note in blank, or to some other person;
 - (c) Transfer the promissory note to a third person without filling up the blank, and without endorsing it.

Article 148:

1. In the absence of any contrary stipulation, the endorser guarantees payment.
2. He may prohibit any further endorsement; in this case, he gives no guarantee to the persons to whom the promissory note is subsequently endorsed.
3. An endorsement on a promissory note to bearer renders the endorser liable in accordance with the provisions governing the right of recourse; but it does not convert the instrument into a promissory note to order.

Article 149:

1. The possessor of a promissory note is deemed to be the lawful holder if he establishes his title to the promissory note through an uninterrupted series, of endorsements, even if the last endorsement is in blank. In this connection, cancelled endorsements are deemed not to be written (non écrite). When an endorsement in blank is followed by another endorsement, the person who signed this last endorsement is deemed to have acquired the promissory note by the endorsement in blank.
2. Where a person has been dispossessed of a promissory note, in any manner whatsoever, the holder who establishes his right thereto in the manner mentioned in the preceding paragraph or of a promissory note payable to bearer is not bound to give up the promissory note unless he has acquired it in bad faith, or unless in acquiring it he has been guilty of gross negligence.

Article 150:

1. Persons sued on a promissory note cannot set up against the holder defenses founded on their personal relations with the maker or with previous holders, unless the holder, in acquiring the promissory note, has knowingly acted to the detriment of the debtor.
2. Paragraph (1) does not apply to a promissory note made payable to a specified person, in which the words "not to order, or any other equivalent expression have been inserted.

Article 151:

1. When an endorsement contains the statements "value in collection" ("*valeur en recouvrement*"), "for collection" ("*pour encaissement*"), "by procuration" ("*par procuration*") or any other phrase implying a simple-mandate, the holder may exercise all rights arising out of the promissory note, but he can only endorse it in his capacity as agent.
2. In this case, the parties liable can only set up against the holder defenses which could be set up against the endorser.
3. The mandate contained in an endorsement by procuration does not terminate by reason of the death of the party giving the mandate or by reason of his becoming legally incapable.
4. The delivery of a promissory note to a banker for collection is a payment order governed by Chapter V of this Law. In case of an inconsistency with respect to promissory notes between a provision of Chapter V of this Law and a provision of this Chapter, this Chapter prevails.

Article 152:

1. When an endorsement contains the statements "value in security" ("*valeur en garantie*"), "value in pledge" ("*valeur en gage*"), or any other statement implying a pledge, the holder may exercise the rights arising out of the promissory note, but an endorsement by him has the effects only of an endorsement by an agent.
2. The parties liable cannot set up against the holder defenses founded on their personal relations with the endorser, unless the holder, in receiving the promissory note, has knowingly-acted to the detriment of the debtor.

Article 153:

1. An endorsement after protest or after an equivalent declaration or after the expiration of the limit of time for presentment.
 - (i) operates only as an ordinary assignment; and
 - (ii) does not operate to give rights under Articles 149, and 150.
2. Failing proof to the contrary, an undated endorsement is deemed to have been placed on the promissory note prior to the protest or equivalent declaration or prior to the expiration of the limit of time referred to in the preceding paragraph.

Section 3- Liability of Maker of Promissory Note

Article 154:

1. By making it, the maker undertakes to pay the promissory note at its maturity.
2. In default of payment, the holder has a direct action on the promissory note against the maker for all that can be demanded in accordance with Articles 175 and 176.

Article 155:

1. Promissory note payable at a fixed period after sight must be presented for visa within one year of their date.
2. The maker may abridge or extend this period.
3. These periods may be abridged by the endorsers.

Article 156:

1. A visa is written on the promissory note. It is expressed by the word "visa" or any other equivalent term. It is signed by the maker.
2. The visa must be dated as of the day when the visa is given, unless the holder requires that it shall be dated as of the day of presentment. If it is undated, the holder, in order to preserve his right of recourse against the endorsers and the maker, must authenticate the omission by a protest drawn up within the proper time.
3. The fixed period after sight at which the promissory note is payable runs from the date of the visa signed by the maker on the note. The refusal of the maker to give his visa with the date thereon must be authenticated by a protest, the date of which marks the commencement of the period of time after sight.

Section 4- "Avals"**Article 157:**

1. Payment of a promissory note may be guaranteed by an "*aval*" as to the whole or part of its amount.
2. This guarantee may be given by a third person or even by a person who has signed as a party to the promissory note.

Article 158:

1. An "*aval*" may be given either on the promissory note itself or on an "*allonge*".
2. It is expressed by the words "good as *aval*" ("*bon pour aval*") or by any other equivalent formula. It is signed by the giver of the "*aval*".
3. It is deemed to be constituted by the mere signature of the giver of the "*aval*" placed on the face of the promissory note, except in the case of the signature of the maker.
4. An "*aval*" must specify for whose account it is given. In default of this, it is deemed to be given for the maker.

Article 159:

1. The giver of an "*aval*" is bound in the same manner as the person for whom he has become guarantor.

2. His undertaking is valid even when the liability which he has guaranteed is inoperative for any reason other than defect of form.
3. He has, when he pays a promissory note, the rights arising out of the promissory note against the person guaranteed and against those who are liable to the latter on the promissory note.

Section 5- Maturity

Article 160:

1. A promissory note may be made payable:
 - (a) At sight;
 - (b) At a fixed period after sight;
 - (c) At a fixed period after date; or
 - (d) At a fixed date.
2. A promissory note may be made payable by stated installments, each at a fixed date, with a provision that in default in payment of any installment the entire unpaid balance shall become due.
3. Promissory notes at other maturities are null and void.

Article 161:

1. A promissory note at sight is payable on presentment. It must be presented for payment within a year of its date of issue. The maker may abridge or extend this period. These periods may be abridged by the endorsers.
2. The maker may prescribe that a promissory note payable at sight must not be presented for payment before- a named date. In this case, the period for presentment begins from the said date.

Article 162:

1. The maturity - of a promissory note payable at a fixed period after sight is determined either by the date of the visa or by the date of the protest.
2. In the absence of the protest, an undated visa is deemed, so far as regards the maker, to have been given on the last day of the limit of time for presentment for visa.

Article 163:

1. Where a promissory note is made payable at one or more months after date or after sight the promissory note matures on the corresponding- date of the month when payment must be made. If there be no corresponding date, the promissory note matures on the last day of this month:

2. When a promissory note is made payable at one or more months and a-half after date or sight, entire months must first be calculated.
3. If the maturity is fixed at the commencement, in the middle, such as mid- January or mid-February, or at the end of the month, the first, fifteenth or last day of the month is to be understood.
4. The expression "eight days" or "fifteen days" indicate not one or 4vo weeks, but a period of eight or fifteen actual days.
5. The expression "half month" means a period of fifteen days.

Article 164: When a promissory note is payable on a fixed day or at a fixed period after date in a place where the calendar is different from the calendar in the place of issue, unless a stipulation in the promissory note or even the simple terms of the instrument indicate an intention to adopt some different rule, the day of maturity is deemed to be fixed according to the calendar of the place of payment.

Section 6- Payment

Article 165:

1. The holder of a promissory note payable on a fixed day or at a fixed period after date or after sight must present the promissory note for payment either on the day on which it is payable or on one of the two business days which follow.
2. The presentment of a promissory note either at or through a clearing-house, or electronically, as provided by agreement or regulations issued by the National Bank of Cambodia, is an effective presentment for payment.

Article 166:

1. The maker who pay a promissory note may require that it shall be given up to him received by the holder.
2. The holder may not refuse partial payment.
3. In case of partial payment the maker may require that the partial payment shall be mentioned on the promissory note and that a receipt shall be given to him.

Article 167: When a promissory note is not presented for payment within the limit of time fixed by Article 165, every debtor is authorized to deposit the amount with the competent authority, as designated by the National Bank of Cambodia, at the charge, risk and peril of the holder.

Article 168:

1. The holder of a promissory note cannot be compelled to receive payment thereof before maturity.

2. The maker who pays before maturity does so at his own risk and peril.
3. He who pays at maturity is validly discharged, unless he has been guilty of fraud or gross negligence. He is bound to verify the regularity of the series of endorsements, but not the signature of the endorsers.

Article 169:

1. When a promissory note is made payable in a currency which is 'not that of the place of payment, the sum payable may be paid in the currency of the country, according to its value on the date of maturity. If the debtor is in default, the holder may at his option demand that the amount of the promissory note be paid in the currency of the country according to the rate on the day of maturity or the day of payment.
2. The usages of the place of payment determine the value of foreign currency. Nevertheless, the maker may stipulate that the sum payable shall be calculated according to a rate expressed in the promissory note.
3. The foregoing rules shall not apply to a promissory note (i) made payable in a currency which is widely accepted in Cambodia, or (ii) in which the maker has stipulated that payment must be made in a certain specified foreign currency. In each such case the promissory note shall be paid in the stated currency.
4. If the amount of the promissory note is specified in a currency having the same denomination, but a different value in the country of payment and the country of issue or any other country, unless indicated otherwise, reference in the promissory note is deemed to be made to the currency of the country of payment. Where the currency of the country of payment does not have the same denomination, to a currency which is widely accepted in the place of payment.
5. Where a promissory note is payable at the domicile of a banker the designation of an account to be debited with the amount payable is deemed to be an authorization to pay in the currency of the account.

Section 7- Recourse for non-payment

Article 170: The holder may exercise his right of recourse against the endorsers, the maker and the other parties liable:

- (a) at maturity, if payment has not been made, or
- (b) even before maturity, in the event of the bankruptcy (faillite) of the maker or in the event of a stoppage of payment on his part, even when not declared by a judgment, or where execution has been levied against his assets without result;

Article 171:

1. Default of payment must be evidenced by an authentic act (protest for. non-payment).
2. Protest for non-payment of a promissory note payable on a fixed day or at a fixed period after date or sight must be made on one of the two business days following the day on which the promissory note is payable. In the case of a promissory note payable at sight, the protest must be drawn up within the limit of the time fixed for presentment for payment. Protest for the refusal to give visa dispenses with presentment for payment and. must be made within the limit of time fixed for presentment for payment.
3. If there is a stoppage of payment on the part of the maker or if execution has been levied against his assets without result, the holder cannot exercise his right of recourse until after presentment of the promissory note to the maker for payment and after the protest has been drawn up.
4. If the maker is declared bankrupt (*faillite declaree*), the production of the judgment declaring the bankruptcy suffices to enable the holder to exercise his right of recourse.
5. A protest shall be signed by, an officer legally authorized to authenticate documents. As long as no such person has been designated by law he shall be designated by the National Bank of Cambodia. A protest must contain a copy of the promissory note, or the original promissory note may be annexed thereto, and specify the person at whose request the promissory note is protested, the place and date of the protest, the cause or reason for protesting the promissory note, the demand made and the answer given, if any, or the fact that the maker cannot be found. It shall be made at the place of refusal to pay or at some other place in Cambodia situated within 10 kilometers of the place of presentment and refusal to pay.
6. A protest may be constituted by the signed written maker's declaration specifying the information set out in previous paragraph.

Article 172:

1. The holder must give notice of non-payment to his endorser and to any avaliseur of the maker within the four business days which follow the day for protest or, in case of a stipulation "*retour sans frais*," the day for presentment. Every endorser must, within the two business days following the day on which he receives notice, notify his endorser of the notice he has received, mentioning the names and addresses of those who have given the previous notices, and so on through the series until the maker is reached. The periods mentioned above run from the receipt of the preceding notice.
2. When, in conformity with the preceding paragraph, notice is given to a person who has signed a promissory note, the same notice must be given within the same limit of time to his avaliseur.
3. Where an endorser either has not specified his address or has specified it in an illegible manner, it is sufficient that notice should be given to the preceding endorser.

4. A person who must give notice may give it in' any form whatever, even by simply returning the promissory note.
5. He must prove that he has given notice within the time allowed. This time- limit shall be regarded as having been observed if a letter giving the notice has been posted within the prescribed time.
6. A person who does not give notice within the limit of time mentioned above does not forfeit his rights. He is responsible for the injury, if any, caused by his negligence, but the damages shall not exceed the amount of the promissory note.

Article 173:

1. An endorser, or a person guaranteeing payment by aval (*avaliseur*) may, by the stipulation "*retour sans frais*," "sans profit," or any other equivalent expression written on the instrument and signed, release the holder from having a protest of non-payment drawn up in order to exercise his right of recourse.
2. This stipulation does not release the holder from presenting the promissory note within the prescribed time, or from the notices he has to give. The burden of proving the non-observance of the limits of time lies on the person who seeks to set it up against the holder.
3. A stipulation written by an endorser or an *avaliseur*, is operative only in respect of such endorser-or *avaliseur*. If, in spite of the stipulation the holder has the protest drawn up, the costs of the protest may be recovered from all the persons who have signed the promissory note.

Article 174:

1. All makers, endorsers or guarantors by aval of a promissory note are jointly and severally liable to the holder.
2. The holder has the right of proceeding against all these persons individually or collectively without being required to observe the order which they have become bound.
3. The same right is possessed by any person signing the promissory note who has taken it up and paid it.
4. Proceedings against one of the parties liable do not prevent proceedings against the others, even though they may be subsequent to the party first proceeded against.

Article 175:

1. The holder may recover from the person against whom he exercises his right of recourse:
 - (a) The amount of the unpaid promissory note with interest, if interest has been stipulated for;

- (b) Interest at a rate determined by the National Bank of Cambodia from the date of maturity.
 - (c) The expenses of protest and of the notices given as well as other expenses.
2. If the right of recourse is exercised before maturity, the amount- of the promissory note shall be subject to a discount. This discount shall be calculated according to the official rate of discount (bank-rate), ruling on the date when recourse is exercised at the placed of domicile of the holder.

Article 176: A party who takes up and pays a promissory note can recover from the parties liable to him:

- (a) The entire sum which he has paid;
- (b) Interest on the said sum calculated at a rate determined by the National Bank of Cambodia, starting from the day when he made payment;
- (c) Any expenses which he has incurred.

Article 177:

1. Every party liable against whom a right of recourse is or may be exercised, can require against payment, that the promissory note shall be given up to him with the protest and a receipted account.
2. Every endorser who has taken up and paid a promissory note may cancel his own endorsement and those of subsequent endorsers.

Article 178:

1. Every person having the right of recourse may, in the absence of agreement to the contrary, reimburse himself by means of a bill of exchange to be drawn at sight on one of the parties liable to him and payable at the domicile of that party.
2. The bill of exchange includes, in addition to the sums mentioned in Articles 175 and 176, brokerage and the cost of stamping the bill of exchange.
3. If the bill of exchange is -drawn by the holder, the sum payable is fixed according to the rate for a sight bill at the place where the original promissory note was payable at the place of his domicile. If the bill of exchange is drawn by an endorser, the sum payable is fixed according to the rate-for a sight bill drawn -at the place where the drawer of the bill of exchange is domiciled upon the place of domicile of the party liable.

Article 179:

1. After the expiration of the limits of time fixed:

- (a) For the presentment of a promissory note payable at sight or at a fixed period after sight.
- (b) For drawing up the protest for non-payment.
- (c) For presentment for payment in the case of a stipulation retour sans frais,

the holder loses his rights of recourse against the endorsers and against the other parties liable with the exception of the maker.

- 2. If the stipulation for a limit of time for presentment is contained in an endorsement, the endorser alone can avail himself of it.

Article 180:

- 1. Should the presentment of the promissory note or the drawing up of the protest within the prescribed limits of time -be prevented by an insurmountable obstacle (vis major), these limits of time shall be extended.
- 2. The holder is bound to give notice without delay of the case of vis major to his endorser and to specify this notice, which he must date and sign, on the promissory note or on an allonge; in other respects the provisions of Article 172 shall apply.
- 3. When vis major has terminated, the holder must without delay present the promissory note for payment and, if need be, draw up the protest.
- 4. If vis major continues to operate beyond thirty days after maturity, recourse may be exercised, and neither presentment nor the drawing up of a protest shall be necessary.
- 5. In the case of promissory notes payable at sight or at a fixed period after sight, the time-limit of thirty days shall run from the date on which the holder, even before the expiration of the time for presentment, has given notice of vis major to his endorser. In the case of promissory notes payable at a certain time after sight, the above time-limit of thirty days shall be added to the period after sight specified in the promissory note.
- 6. Facts which are purely personal to the holder or to the person whom he has entrusted with the presentment of the promissory note or drawing up of the protest are not deemed to constitute cases of vis major.
- 7. Liability on a promissory note that has been lost or destroyed may be enforced only against security provided by the party enforcing the promissory note, which to the satisfaction of the court, indemnifies the party liable on it against any claim of any other person on the promissory note if it reaches a holder who acquires it otherwise than in bad faith -or gross negligence.

Section 8- Intervention for honor

Article 181:

1. The maker, an endorser, or a person giving an aval may specify a person who is to pay in case of need.
2. A promissory note may, subject as hereinafter mentioned, be paid by a person who intervenes for the honor of any debtor against whom a right of recourse exists.
3. The person intervening may be third party already liable on the promissory note.
4. The person intervening is bound to give, within two business days, notice of his intervention to the party for whose honor he has intervened. In default, he is responsible for the injury, if any, due to his negligence, but the damages shall not exceed the amount of the promissory note.

Article 182:

1. Payment by intervention may take place in all cases where, either at maturity or before maturity, the holder has a right of recourse on the promissory note.
2. Payment must include the whole amount payable by the party for whose honor it is made.
3. It must be made at the latest on the day following the last day allowed for drawing up the protest for non-payment.

Article 183:

1. If persons domiciled in the place of payment have been named as referees in case of need, the holder must present the promissory note to all these persons and, if necessary, have a protest for non-payment drawn up at the latest on the day following the last day allowed for drawing up the protest.
2. In default of protest within this limit of time, the party who has named the referee in case of need, and the subsequent endorsers, are discharged.

Article 184: The holder who refuses payment by intervention loses his right of recourse against any persons who would have been discharged thereby.

Article 185:

1. Payment by intervention must be authenticated by a receipt given on the promissory note mentioning the person for whose honor payment has been made. In default of such mention, payment is deemed to have been made for the honor of the maker.
2. The promissory note and the protest, if any, must be given up to the person paying by intervention.

Article 186:

1. The person paying by intervention acquires the rights arising out of the promissory note against the party for whose honor he has paid and against persons who are liable to the latter on the promissory note. Nevertheless, he cannot re-endorse the promissory note.
2. Endorsers subsequent to the party for whose honor payment has been made are discharged.
3. In case of competition for payment by intervention, the payment which effects the greater number of ' releases' has the preference. Any person who, with a knowledge of the facts, intervenes in a manner contrary to this rule, loses his right of recourse against those who would have been discharged.

Section 9- Copies

Article 187:

1. Every holder of a promissory note has the right to make copies of it.
2. A copy must reproduce the original exactly, with the endorsements and all other statements to be found therein. It must specify where the copy ends.
3. It may be endorsed and guaranteed by aval in the same manner and with the same effects as the original.

Article 188:

1. A copy must specify the person in possession of the original instrument. The latter is bound to hand over the- said instrument to the lawful holder of the copy.
2. If he refuses, the holder may not exercise his right of recourse against the persons who have endorsed the copy or guaranteed it by aval until h9. has had a protest drawn up specifying that the original has not been given up to him on his demand.
3. Where the original instrument, after the last endorsement before the making of the copy contains a clause "commencing from here an endorsement is only valid if made on the copy" or some equivalent formula, a subsequent endorsement on the original is null and void.

Section 10- Alterations

Article 189: In case of alteration of the text of a promissory note, parties who have signed subsequent to the alteration are bound according to the terms of the altered text: parties who have signed before the alteration are bound according to the terms of term original text.

Section 11- Limitation of Actions of Recourse

Article 190:

1. All actions of recourse arising out of a promissory note against the maker are barred after three years, reckoned from the date of maturity.
2. Actions of recourse by the holder against the endorsers are barred after one year from the date of a protest drawn up within proper time, or from the date of maturity where there is a stipulation retour sans frais.
3. Actions of recourse by endorsers against each other are barred after six months, reckoned from the day when the endorser took up and paid the promissory note or from the day when himself was sued.

Article 191: Interruption of the period of limitation is only effective against the person in respect of whom the period has been interrupted.

Section 12- Time Calculations

Article 192:

1. Payment of a promissory note which falls due on a legal holiday (*jour ferie legal*), cannot be demand until the next business day. So, too, all other proceedings relating to a promissory note, in particular presentment for payment and protest, can only be taken on a business day.
2. Where any of these proceedings must be taken within a certain limit of time the last day of which is a legal holiday (*jour ferie*), the limit of time is extended until the first business day which follows the expiration of that time. Intermediate holidays (*jours feries*) are included in computing limits

Article 193: Legal or contractual limits of time do not include the day on which the period commences.

Article 194: No days of grace, whether legal or judicial, are permitted.

CHAPTERV PAYMENT TRANSACTIONS

Section 1- General Provisions

Article 195: This Chapter governs payment transactions in any currency. It applies to participants' rights and obligations and to the organization, operation, supervision and oversight of payment systems in the Kingdom of Cambodia;

Article 196:

1. Individuals and legal entities may open accounts in domestic and any foreign currency and may conduct payment transactions through these accounts under conditions as agreed subject to the provisions of Section 7 of this Chapter. An individual or legal entity may have more than one account and in more than one bank.

2. Paragraph 1 of this Article does not supersede, and is subject to, any legal requirement relating to the use of the domestic currency, as well as to any restriction or limitation, imposed by law, relating to a specific type or class of accounts, or to foreign exchange.

Article 197:

1. A payment order may be sent by a customer from either within or outside Cambodia and received by a bank located either within or outside Cambodia.
2. A payment order received by a branch or separate office of a bank located in Cambodia is governed by this Chapter and in matters not provided by it, by other law applicable in Cambodia. This paragraph applies whether sent from within or outside Cambodia, and subject to an agreement to the contrary between the sender and the receiving bank.
3. Subject to an agreement to the contrary between the sender and the receiving bank, payment order received by a branch or separate office of a bank located outside Cambodia is governed by the law applicable in the place where that branch or separate office is located.
4. Subject to their agreement to the contrary, rights and obligations between a bank and its customer in relation to the account and any incoming or outgoing payment order are governed by the law applicable in the place in which the branch or separate office of the bank where the account is maintained is located.
5. The issue of when payment is made pursuant to a payment transaction by the payer to the payee is governed by the law applicable in the place in which the branch or separate office of the destination bank is located.
6. A payment order may be addressed to the NBC and instruct payment out or into an account held at the NBC in which case this Chapter applies to the NBC as a bank.
7. Where a receiving bank agrees to carry out an instruction which is not a payment order only because it is stated to be subject to a condition, the instruction is deemed to be a payment order. This Chapter applies to the payment transaction, but not to the duties (i) of a receiving bank to pass on the condition to the destination bank, and (ii) of the destination bank to perform the condition.

Article 198:

1. In a debit transfer a receiver may revoke the receiver's authority to the originator by advising the destination bank of the revocation of authority in writing, electronically, or, if so previously agreed in writing, orally. Advice shall be given before the completion of the payment transaction, and at a time and in a manner sufficient to afford the destination bank a reasonable opportunity to act on it. The destination bank shall reject each sender's payment order to which the advice applies.

2. In a debit transfer, the advice of the receiver's death or adjudication of legal incapacity received by the destination bank has the same effect as the receiver's advice of revocation of authority under paragraph (1) of this Article.
3. A customer:
 - (i) whose account was debited with the amount of a payment order carrying out a debit transfer,
 - (ii) who contests the originator's authority; and
 - (iii) who objects to the debit in writing within four days of learning of the debit to the customer's account, shall be entitled to the reversal of the debit unless the destination bank has been provided with evidence of the authority given by the customer to the originator.
4. By authorizing a debit transfer the receiver guarantees payment to the originator.
5. This Article does not apply to the receiver's authority given to the originator by the issue of a check.

Section 2-Payment Orders

Article 199:

1. A payment order is an instruction by the sender to the receiving bank and does not operate as an assignment of funds in favor of any participant in the payment transaction.
2. A payment order may be given in writing, electronically, or if so previously agreed in writing between the parties to a payment order, orally. If so previously agreed, and subject to the terms of the agreement, subsequent communications including cancellation orders may also be given orally.
3. A payment order shall accurately identify the receiver and destination bank. Where a payment order processed in an automated system identifies any participant in the payment transaction by name and number, a receiving bank needs not confirm the consistency between the name and number and may carry out payment on the basis of the number alone. If any of its employees who handles the payment order notices any inconsistency between the name and the number, the receiving bank shall reject the payment order.
4. The NBC may issue regulations providing for the conditions under which a payment order and any other communication, including a cancellation order, may be given orally.

Article 200:

1. In a credit transfer, unless agreed otherwise, a receiving bank is obliged to carry out the sender's payment order, only where there is adequate cover in the sender's account.

2. In a debit transfer, the originating bank shall carry out the originator's payment order upon being presented to its satisfaction with proof as to the authority given by the receiver, and obtaining the originator's indemnity. Unless otherwise agreed, the originating bank shall not be obliged to provide the originator with funds or even provisional credit prior to the completion of the debit -transfer. If the originator's account is credited by the originating bank before the completion of the debit transfer, the credit is provisional, and the originator's account may be debited in the amount of the credit if the debit transfer is not completed as provided in Article 210 of this Law.
3. A receiving bank shall carry out only a payment order which:
 - (i) is properly filled in and authorized or authenticated;
 - (ii) properly identifies the destination bank; and
 - (iii) describes the receiver with reasonable certainty.
4. A receiving bank that declines to carry out its sender's payment order shall promptly advise the sender of its refusal or rejection.
5. Unless otherwise agreed, and without prejudice to levying charges as agreed or customary, a receiving bank shall carry out a payment order in the amount instructed by the sender.
6. A receiving bank shall carry out instructions contained in a payment order either on the banking day it received it or on its value date, if any, whichever later. A receiving bank may establish a cutoff hour after which any payment order received is deemed to be received on the following banking day.
7. An originating bank in a credit transfer and a destination bank in a debit transfer that has received in the course of a banking day more than one payment order or other lawful instructions for the withdrawal of funds from an account, may process them in any sequence unless otherwise provided in any law.
8. A receiving bank, shall exercise ordinary care in handling payment orders. It shall exercise ordinary care in the interpretation of ambiguous payment orders, and provided it acts in good faith and without knowledge that its interpretation is contrary to the sender's intent, it may carry out a payment order according to its reasonable meaning.
9. In receiving a payment order and acting in a ' payment transaction, and notwithstanding any agreement to the contrary. a receiving bank shall comply with this Law and any applicable Regulation or directive. It shall act diligently and in good faith, comply with common banking standards, and assist participants to complete satisfactorily the payment transaction. Within limits prescribed by this or any other Law, it must maintain confidentiality; and act to the best interest of its sender.

10. Subject to any obligation of confidentiality under any applicable law, a receiving bank instructed to route a payment transaction through; an intermediary bank or to a destination bank that it judges to be unreliable in the circumstances, shall promptly advise the sender of its concerns. Where the receiving bank is nevertheless instructed to route the transaction over its advice to the contrary, it may reject the payment order, or notwithstanding any other provision of this Law, execute it at a sender's risk.

Article 201:

1. Unless otherwise agreed between a sender and a receiving bank ' a payment order is revocable and may be canceled. It is canceled by the sender where a properly authorized or verified cancellation order sent by the sender or on the sender's behalf is received by the receiving bank at a time and in a manner which enables it to initiate cancellation before carrying out the sender's original instructions contained in the payment order.
2. After the execution of a sender's payment order, at the request of the sender, the executing receiving bank may nevertheless issue to its own receiving bank its own cancellation order, which is governed by paragraph (1) of this Article. A cancellation order issued to the destination bank by its sender in the payment transaction is effective only it reaches the destination bank before the payment transaction is completed.
3. A cancellation order must accurately identify the payment order it seeks to cancel and may be given to the receiving bank in writing, electronically, or if so previously agreed in -writing between the parties to a payment order, orally.
4. A payment order that has not been carried out by the receiving bank is withdrawn in the following cases:
 - (i) at the close of the fifth banking day or any agreed upon shorter period after the receipt of the payment order by the receiving bank, or value date, whichever is later,
 - (ii) where the receiving bank learns of the death or adjudication of the legal incapacity of the sender, or
 - (iii) where the receiving bank has been closed by the supervisory authorities.
5. No cancellation or withdrawal of a payment order is effective after the completion of the payment transaction.

Article 202:

1. Settlement for inter bank payment orders may take place:
 - (i) On banks' settlement accounts with the NBC, in which case it is governed by Regulation on the Operation of Settlement Accounts;
 - (ii) By posting a debit or credit to an account, other than a settlement account, one bank has with the other or with a third bank. Such debit or credit may be either for each payment order individually or for hatches of payment orders in which case it may be at the end of a clearing cycle; or
 - (iii) By any other means in which an obligation is satisfied.

2. The time for settlement under paragraph (1) of this Article occurs as follows:
 - (i) Under paragraph (1)(i), when settlement is completed under Regulation on the Operation of Settlement Accounts issued by the NBC;
 - (ii) Under paragraph (1)(ii), by means of a debit to an account, when the debit is posted to the account.
 - (iii) Under paragraph (1)(ii), by means of a credit to an account, when the credit posted to the account is used, or if not used, at the opening of the next banking day following the day on which the credit is available for use and the bank whose account has been credited, learns of that fact.
 - (iv) Under paragraph (1)(iii), as determined by the principles of law that determine when the obligation is satisfied.
3. This paragraph applies where settlement under paragraph (i)(ii) of this Article takes place pursuant to an agreement or rules governing the completion of inter bank settlement other than in the NBC and is for bilaterally or multilaterally netted amounts of payment orders. Notwithstanding paragraph (2)(ii) of this Article, such settlement occurs when it is completed according to the agreement or rules.
4. Regulations issued by the NBC may restrict or otherwise govern circumstances under which settlement under paragraph 1 (ii) or (iii) of this Article may take place as well as modify the time of its occurrence.
5. Insolvency proceedings opened against a bank, shall neither
 - (i) have retroactive effects on the rights and obligations arising from, or in connection with the clearing and settlement of payment orders, other than as of the moment such proceedings are opened, as this moment is determined by general law; nor
 - (ii) affect the binding effect and enforceability of payment orders received by any receiving bank before the moment of opening of such insolvency proceeding, their bilateral or multilateral netting, and any security provided to secure them.
6. For the purposes of paragraph 5 of this Article, "Insolvency proceedings" shall mean any collective measure provided for in the law either to wind up a participant or to re-organize it.

Section 3-- Third-Party Processors

Article 203: In carrying out any part of a payment transaction, a bank may employ a third-party processor. As authorized by the bank, a third-party processor may act on behalf of the authorizing bank as:

- (i) a communication facility;
- (ii) an interbank clearing facility, which may further transmit inter bank settlement information to -banks, including the bank in which settlement is completed;
- (iii) a managing or operating agent for the bank of bank customers' accounts; and/or
- (iv) a sending and, receiving point for payment orders sent or received by the bank, which may be accessed directly by bank customers for sending and receiving payment orders.

Article 204:

1. A third-party processor shall comply with all requirements, conditions and restrictions set by regulations prescribed by NBC. Such regulations may provide for the licensing, regulation, and supervision of third-party processors, and may apply to all third-party processors or any category thereof. Different categories of third-party processors, as specified by NBC, may be subject to different requirements.
2. A bank may act as a third-party processor on behalf of another bank.

Article 205: Other than between itself and the third-party processor, a bank is fully responsible for any action or omission of a third-party processor acting with its authority on the bank's behalf.

Article 206:

1. A third-party processor shall reject a payment order sent to it directly by a bank customer unless:
 - (i) it was so sent pursuant to the bank's authority; and
 - (ii) in the case of a credit transfer,
 - (a) the third-party processor acts for the bank as a managing or operating agent of the customer's account and there is adequate cover in the customer's account; or
 - (b) the third-party processor has obtained authorization from the bank.
2. The customer's payment order acted on by the third-party processor is deemed to be an instruction from the customer to the customer's bank, executed by the bank's corresponding payment order sent to the third-party processor for onward transmittal to the receiving bank.
3. Where a bank authorized a third-party processor to act as a receiving point for payment orders sent to the bank, a payment order received by the third party processor is deemed to have been received by that bank acting as the receiving bank.

Section 4- Completion of Credit Transfer and Discharge

Article 207:

1. A credit transfer is completed when the destination bank is paid. In an in-house transfer the bank is paid when it debits the originator's account with the amount of the payment order. In an inter bank credit transfer, the destination bank is paid when the inter bank settlement that includes the sending bank's payment order is completed.
2. A credit transfer is completed at the opening of the next banking day following the banking day the payment order was received by the destination bank, or its value date, whichever is later, if at that time there is adequate cover to the credit of the sender with the destination bank, and unless the destination bank rejected the payment order not later than one hour thereafter.

3. Where the receiver has no pre-existing account with the destination bank, or where such account has been closed or blocked for incoming payments, the credit transfer is completed upon payment of the destination bank to the receiver.

Article 208:

1. Upon the completion of a credit transfer, the destination bank becomes indebted to the receiver in the amount of the payment order it received, and subject to reasonable charges it may deduct, shall pay the receiver promptly.
2. Payment to the receiver by the destination bank shall be made by crediting the receiver's account not later than on the banking day following the completion of the credit transfer. Where such account does not exist or cannot be identified with reasonable certainty, or where so instructed, the destination bank is to advise the receiver promptly of the availability of funds in the destination bank's hands and pay the receiver as instructed.
3. Where the receiver or the receiver's account is not identified in the payment order received by the destination bank with adequate certainty so as to raise reasonable doubts as to the receiver's identification, the destination bank shall reject the payment order and advise its sender of its rejection.
4. Where the destination bank paid the receiver or undertook to pay the receiver prior to being paid, such payment or undertaking shall be final and irrevocable and the credit transfer is deemed to have been completed, except that each receiving bank may be owed by its sender. The destination bank's undertaking to pay may be given directly to the receiver or be under an inter bank agreement.

Article 209:

1. Where the credit transfer has been made in payment of a debt owed by the originator to the receiver, unless otherwise agreed between them, the debt is discharged when the payment transaction is completed. Discharge is to the extent of the payment that completed the payment transaction.
2. Discharge shall take place prior to completion of the payment transaction if and as soon as a guarantee of payment is either accepted by the receiver or, other than in circumstances governed by Article 208(2), confirmed to the receiver by the destination bank.

Section 5-Completion of Debit Transfer and Discharge

Article 210:

1. A debit transfer is completed when the destination bank debits the receiver's account as instructed in the payment order it received and has not reversed the debit and rejected the payment order until the end of the banking day following the receipt. Where a payment order instructs the destination bank to debit an identifiable account maintained with it, the debit transfer is completed on the conclusion of the banking day that follows receipt of

the payment order even before a debit is posted to the receiver's account, provided the payment order is not properly rejected until that time.-

2. Until the close of the banking day following its receipt, the destination bank may reject the payment order. It shall become entitled from its sender to a settlement for the amount paid to that sender, by advising its sender and the originating bank, if these are two separate banks, of its rejection. Rejection and entitlement from its sender are automatic by operation of law when the receiving bank has been closed by the supervisory authorities before the close of the banking day following receipt of the payment order.
3. Upon receiving advise of the rejection, each bank sender, other than the originating bank, shall advise its own sender, and has a corresponding right, to obtain settlement from that sender. Each bank sender, other than the originating bank, shall advise its sender of the rejection not later than on the banking day following the day it received notice of the rejection. '
4. Upon receiving advise of the rejection, the originating bank shall promptly, and no later than on the following banking day, advise the originator of the rejection, and may reverse any provisional credit previously posted to the originator's account, or otherwise, recover from the originator any payment previously made for the payment order.
5. Notwithstanding paragraph (2) of this Article, the destination bank shall be liable to the receiver for wrongfully dishonoring a payment order where unlawfully or without legal justification it rejects the payment order:
 - (i) with the knowledge of the receiver's authority for the debit transfer;
 - (ii) notwithstanding the proper identification in the payment order received by the bank of an existing receiver's account held at it; and
 - (iii) there is adequate cover in that account.
6. Time periods under Articles 210 and 211 may shortened by agreement or regulation.

Article 211:

1. Upon the completion of a debit transfer, the destination bank and each receiving bank that obtained payment from its own receiving bank shall be liable to its sender in the amount of the payment it received. Payment by the destination bank to its sender shall be in the amount of the debit to the receiver's account and shall be made not later than on the banking day following the completion of the debit transfer. Payment by any other receiving bank shall be made not later than the banking day following the receipt of its own payment.
2. Upon receiving payment and subject to reversal under Article 198(3) of this Law, the originating bank shall be indebted to the originator in the amount it received. To that extent, any provisional credit given to the originator, shall be final. Before such credit becomes final, the originating, bank shall not be required to release funds to the originator, and unless agreed otherwise, any release of funds prior to the completion of the debit transfer is provisional until the completion.

Article 212:

1. Where an authorized debit transfer has been made in payment of a debt owed by the receiver to the originator, unless otherwise agreed between them, the debt is discharged when the payment transaction is completed. Discharge is the amount of its completion.
2. Discharge shall take place prior to completion of the payment transaction if and as soon as a guarantee of payment is either accepted by the originator or confirmed to the originator by the originating bank.

Section 6-- Liability, Damages, and Restitution**Article 213:**

1. A person identified as sender shall be liable on a payment or cancellation order accepted by the receiving bank, where the payment or cancellation order was:
 - (i) issued to the receiving bank by that person;
 - (ii) issued to the receiving bank under that person's authority;
 - (iii) accepted by the receiving bank in compliance with a commercially reasonable security procedure agreed upon between the bank and that person for the verification of the authenticity of payment orders issued by that person to the bank; or
 - (iv) ratified by that person.
2. Paragraph 1(iii) of this Article does not apply, and the person identified as sender on the payment order is not liable- ' when the person proves receipt of no benefit from the payment or cancellation order, and that the issue of the unauthorized payment or cancellation order was not caused by:
 - (i) the person identified as sender, or someone entrusted at any time with duties to act for that person with respect to payment transactions or the security procedure, or
 - (ii) someone who obtained from the person denitrified as sender, or a source controlled - by that person, access to that person's transmitting facilities, or information, including any access device, computer software, or the like, facilitating breach of the security procedure.
3. For the purpose of paragraph 1(iii), a security procedure is deemed to be commercially reasonable if it was chosen by the customer contrary to the advise of the bank, after the bank offered, and the customer refused, a security procedure that was reasonable for the customer.

Article 214:

1. Where a credit transfer is completed, a sender shall hold *the receiving bank harmless and reimburse it for any loss up to the amount of the payment order, commercially reasonable expenses, fees and interest charges.

2. In a credit transfer, notwithstanding the execution by the receiving bank and the completion of the payment transaction, a sender is not liable to the receiving bank on a payment order transmitted to the receiving bank pursuant to a security procedure for the detection of error, and to the extent allowed by civil law the receiving bank shall be entitled to recover from the receiver any amount unintended to be paid by the sender where:
 - (i) the sender did not intend to send the payment order, the sender intended to instruct payment to a receiver other than that of the payment order, or the payment order was in an amount greater than the amount intended by the sender; and
 - (ii) the sender proves sender's own compliance with the security procedure and that the error would have been detected if the receiving bank had also complied.
3. In a debit transfer, each sender warrants to its receiving bank that the sender's payment order is duly authorized, and is in accordance with an effective and valid authorization of the originator and receiver.
4. A sender of a payment order, and a receiver who authorizes an originator to initiate a debit transfer, including by means of the issue of a check, shall exercise ordinary care in order to prevent forgery and unauthorized issue or alteration of payment orders or the authority to issue them, and in order to ensure that they are clear and unambiguous.

Article 215:

Where a credit transfer is not completed, irrespective of fault on the part of any participant in the payment transaction:

1. the originator shall not be liable to the originating bank and shall be entitled to have the originator's account re-credited for the amount debited in cover for his or her payment order. The originator shall further be entitled to recover from the originating bank the originator's commercially reasonable expenses, fees and interest charges for the re-credited amount.
2. the originating and any intermediary bank that carried out its own sender's instructions, is similarly excused from any liability to its receiving bank, and has a corresponding entitlement from it, other than for expenses and fees.

Article 216:

1. A receiving bank that either:
 - (i) failed to promptly advise its sender of its rejection of the payment order or
 - (ii) was grossly negligent in carrying out or failing to carry out a payment order shall be liable to the originator, whether the originator was or was not its own sender, but provided the originator was not negligent, for commercially reasonable expenses, fees and interest charges and additional actual damages, not to exceed the principal amount of the originator's payment order. Where applicable, the sender shall also be entitled to the refund of the amount of the payment order under Article 215 of this Law.

2. The originator shall be entitled to recover under paragraph 1 of this Article the entire amount from either the originating bank or the grossly negligent bank. Subject to an inter bank agreement, a bank liable under this Article shall be entitled to contribution from the other according to the other's degree of fault in causing the loss.
3. A receiving bank is liable for interest losses incurred by its delay in carrying out a payment order. The originator may recover such losses either from the originating bank or from the receiving bank that caused the delay. The receiver may recover such losses either from the destination bank or from the receiving bank that caused the delay. The receiving bank that caused the delay is accountable to the originating or destination bank that paid such losses for the amount so paid.

Article 217: Where a credit transfer is completed, but due to an error made by a receiving bank (the erring bank"), payment to the receiver is not as instructed in the originator's payment order, in addition to recovery under Article 216, if applicable, the following rules apply:

1. Where the amount paid to the receiver either exceeds or is less than the amount of the originator's payment order, the credit transfer is deemed to have been completed in the amount paid to the receiver. On each payment order, each sender is liable to the receiving bank in the amount of the sender's own payment order, so that:
 - (i) Where the amount paid to the receiver exceeds the amount of the originator's payment order, the erring bank shall be entitled to recover from the receiver the amount of the overpayment in an action governed by the law of the place where the destination bank is located; and
 - (ii) Where the amount paid to the receiver is less than the amount of the originator's payment order, the erring bank shall pay the difference to the receiver, and be entitled to retain or receive payment from its sender in the amount of the originator's payment order.
2. Where payment was made to a receiver other than that of the originator's payment order, the originator and any sender prior to the erring bank may treat the credit transfer as not completed. The erring bank shall be entitled to recover from the receiver who has been paid the amount of payment in an action governed by the law of the place where the destination bank is located.
3. The erring bank is liable to any participant for any principal, interest and reasonable expense losses such as bank charges and communication costs resulting from the error.
4. For this Article to apply, error may be incurred or induced innocently, negligently, or fraudulently.

Article 218: When due to an error by a receiving bank (the "erring bank") a debit transfer is completed other than instructed in the originator's payment order, in addition to recovery under Articles 216 and 210(5), if applicable, the following rules apply:

1. When the debit to the account of the receiver of the originator's payment order is in an amount smaller than of the originator's payment order, the erring bank shall collect the difference from the receiver and pay it to the originator;
2. When the debit to the account of the receiver of the originator's payment order is in an amount larger than of the originator's payment order, the destination bank shall promptly credit the receiver's account in the amount of the excess. The erring bank shall pay the excess to the destination bank and collect it from the originator or any other participant that actually retains the excess and to the extent it retains it;
3. When the debit is posted to an account of a receiver other than that of the originator's payment order, the destination- bank shall credit that receiver's account in the amount of the debit and shall debit the account of the receiver of the originator's payment order in the amount of the originator's payment order;
4. When the debit is posted to an account of a receiver in a destination bank other than that of the originator's payment order, that destination bank shall credit that receiver's account in that amount and collect, it from, the erring bank. The erring bank shall collect the amount of the originator's payment order from the receiver of the originator's payment order.
5. Under this Article, collection shall be by debit transfer and payment shall be by credit transfer.
6. The erring bank is liable to any participant for any principal, interest and reasonable expense losses such as bank charges and communication costs resulting from the error.
7. For this Article to apply, error may be incurred or induced innocently, negligently, or fraudulently.

Section 7-- Bank Accounts

Article 219:

1. Subject to the terms of the agreement, and other than in circumstances set out in paragraph (2) of this Article, a credit balance which constitutes adequate cover in an account may be withdrawn by the customer or paid by the bank according to a payment order. The bank shall not be required to honor drawings on deposit accounts exceeding the available account balance in favor of the customer.
2. Paragraph (1) of this Article shall not apply where
 - (i) the credit balance in an account has been subject to a garnishment, seizure or a similar creditor process;
 - (ii) the account has been closed, suspended, blocked or frozen; and
 - (iii) in carrying out the payment orders or instructions for withdrawals the bank will be violating any law.

3. A customer and bank may agree that funds remitted and received for deposit with the bank for the customer shall be distributed as instructed by the customer to one of several accounts held by the customer. Each account shall be subject to individual accounting in connection with the movement of funds received and paid by the bank for the customer.

Article 220:

1. Disclosures under this Article shall be made in writing, or where agreed, electronically.
2. Banks shall disclose to actual and prospective customers in a readily comprehensible form their terms and conditions for carrying out payment transactions, including their charges, and any estimate, if available, as to the time needed for the completion of the payment transaction.
3. For any payment transaction or other debit or credit posted to the account, the bank will provide the customer with clear information enabling the customer to identify the withdrawal, deposit, or payment transaction, including a reference number, date, amount, and where applicable, charges and exchange rates.
4. Other than for passbook accounts, a bank shall provide its customer, at periodical intervals not exceeding a calendar month, a statement of account identifying each credit and debit posted to the account since the last statement and providing for the final balance.
5. For a passbook account, a bank must facilitate the ongoing update of the passbook by the customer. In each such an update, each credit or debit posted to the account since the previous update, and the final account balance, must be recorded. A customer is required to update the passbook regularly.
6. A customer shall exercise ordinary care and reasonable promptness in reviewing such periodical statements and passbook updates and advise the bank of any discrepancy or contested debit or credit. The bank shall assist the customer in pursuing the investigation on such discrepancy or contested credit or debit, provide all relevant information in its disposal, and, if applicable, make all necessary adjustments and corrections to the account.

Article 221:

1. A bank is bound by secrecy and shall not disclose any information on the account to anyone except for the account holder, other than:
 - (i) where disclosure is under compulsion by law;
 - (ii) where the interests of the bank require disclosure;
 - (iii) where disclosure is made by the express consent of the customer;
 - (iv) where disclosure is under an opinion on the customer given in the ordinary course of business to another bank in response to the specific enquiry of the other bank;
or
 - (v) where customer defaulted on his or her obligation to the bank.

2. Disclosure under paragraph 1 (ii) shall be made only:
 - (i) in the event of a legal action to which the bank is a party;
 - (ii) between banks related to each other through a common ownership structure, but only to the extent of what is reasonably necessary for the protection of the bank and its related banking companies against loss, in relation to the provision of banking services; or
 - (iii) in connection with, and insofar as necessary for, the proposed sale of the bank itself , or a substantial part of its undertaking.
3. No disclosure shall be made under paragraph 1 (iv) where the customer has withheld consent to such disclosure, and unless the bank explained to the customer the customer's right to withhold consent. Such an explanation may be given to the customer in connection with the opening of any account with the bank.
4. Disclosure under paragraph 1 (v) shall be limited to the release of information to a bank or a credit reference agency approved 'by the NBC about the default, and upon the customer's failure to pay, provide adequate security, or otherwise satisfy the bank within 30 days of a written demand for payment of the outstanding obligation.
5. Damages awarded to a customer for the breach of an obligation -under this Article are not limited to monetary losses and may include compensation for proven distress, embarrassment or inconvenience.

Article 222: A bank will not unilaterally modify the terms of the agreement unless it advises the customer at least 30 days before the change comes into effect. A modification in breach of this provision is ineffective.

Article 223:

1. To be binding on the customer, an agreement must be fair and set out rights and responsibilities clearly and in plain language, with legal and technical language used only where necessary.
2. A bank shall exercise ordinary care in handling payment orders and all other customer's instructions.
3. A customer shall exercise ordinary care in order to prevent forgery and unauthorized issue or alteration of payment orders and all other instructions to the bank, and in order to ensure that they are clear and unambiguous.
4. The bank and customer will exercise duties under this Law, including any Regulation issued under its authority, and their agreement, in good faith.
5. Subject to any specific limitation or restriction provided by this or any other Law, the bank is liable to the customer and the customer is liable to the bank for any loss or damage caused by the breach of a duty under this Law.

Article 224:

1. A bank may apply funds or securities on deposit to collect its fees accrued for services rendered to the customer, such as for the safekeeping, handling, and remittance of funds in a bank deposit.
2. A bank may combine accounts of the same customer and apply a credit balance in one account:
 - (i) to honor a customer's payment order for which there is no adequate cover in the account on which it is drawn, or
 - (ii) in satisfaction of any accrued debt owed and payable by the customer to the bank, provided in each case, the bank does not know that funds in a credit balance so applied are in trust for another person.
3. Unless otherwise agreed, the bank may apply funds, securities or credit balance under this Article only where such funds, securities, or credit balance are available for immediate withdrawal by the customer.

Section 8-Operation of the Payment System

Article 225: The NBC shall be authorized to maintain on its books accounts, including settlement accounts, for, and to accept deposits from, banks, in domestic and foreign currencies, on such terms and conditions as it may prescribe by regulation, and otherwise, as agreed.

Article 226: The NBC shall determine, formulate, adopt, publicly disclose and oversee the execution of a payment system policy directed to the greatest advantage of the people of Cambodia. The policy shall be consistent with best international standards. It shall promote payment system safety and efficiency, control risk, and promote competition in the market for payment services, consistent with the overall stability of the financial system.

Article 227:

1. The NBC may:
 - (i) establish and maintain an information network for the financial system of Cambodia,
 - (ii) operate, supervise, oversee and regulate the national payment system, for payment transactions and cash withdrawals, including clearing and settlement systems for domestic and foreign currency payments in Cambodia,
 - (iii) maintain a register for issued securities, establish a central depository of securities, maintains accounts for deposited securities, and operate, supervise and regulate clearing and settlement systems for securities,
 - (iv) promote, organize, and participate in payment, clearing and settlement systems in domestic and foreign currencies,
 - (v) assist banks in organizing and operating facilities for sending, processing and receiving payment orders for their customers, as well as for the clearing and settlement of inter bank payments, including payments by check and other payment instruments, in domestic and foreign currencies, and

- (vi) establish procedures and issue regulations relating to such matters and implementing its payment system policy under the preceding Article.
2. Regulations issued pursuant to this Article may provide for the validity of bilateral and multilateral inter bank netting agreements and inter bank settlement rules, and may specify that such agreements or rules supersede any inconsistent Law. Regulations may also provide for the prevention or reduction of risks associated with the failure to complete the settlement -of obligations resulting from an inter bank multilateral clearing.

Article 228: A bank shall be able to send, receive and process payment orders, and related customer's instructions, including for cash withdrawals, and otherwise participate in a payment transaction. It may do so through one or more authorized third-party processors, as may be agreed between the bank and the third-party processor, and subject to requirements, conditions and restrictions that may be set out in regulations issued by the NBC.

Section 9-Miscellaneous

Article 229: Other than specifically provided in any Article, the provisions of this Chapter may not be varied or negated by either bilateral or multilateral agreement, except that an agreement may:

- (i) increase customer's rights as long as it does not adversely affect the rights of any other person, and
- (ii) provide for reasonable standards specifying ordinary care by each party, as well as for a reasonable method for giving any advise under this Law and any Regulation issued under its authority, and the agreement;
- (iii) vary rights and obligations between and among banks, as long as it does not adversely affect rights of any person not party to the agreement including a non-bank customer.

CHAPTER VI - SANCTIONS

Section I Administrative Sanctions

Article 230:

1. The National Bank of Cambodia may promulgate regulations setting out sanctions it may impose on and apply to persons who do not honor their liability in connection with negotiable instruments and payment orders.
2. Sanctions for the breach of regulations under paragraph 1 above shall be:
- (a) a warning;
 - (b) a reprimand;
 - (c) a prohibition or restriction to issue any or all types of negotiable instruments or authorize a debit transfer for a period of time not to exceed 12 months,

- (d) a penalty payment of 5 percent to 100 percent of the face value of any dishonored instrument or payment order or instrument or authority issued, in violation of a prohibition or restriction;
- 3. Where there is no adequate cover for a valid check, the drawee bank that dishonored the check shall record the incident and report it within two days of the dishonor to the National Bank of Cambodia. The drawer of the check shall not be permitted to issue a check or authorize a debit transfer for 12 months. "Adequate cover" may either consist of actual funds forming a positive balance in the account or be given pursuant to an overdraft facility a drawer has with the drawee bank;
- 4. The National Bank of Cambodia shall operate a Registrar recording all bank accounts out of which checks may be drawn and debit transfers may be carried out, as well as of all reported incidents, and issued warnings, reprimands, prohibitions and restrictions, under this Article. Upon the issue of each warning, reprimand, prohibition or restriction the National Bank of Cambodia will advise each bank in which the person against whom it was issued maintains such an account and shall make such information available for banks upon request.
- 5. A bank with knowledge of a prohibition or restriction issued under paragraph 3 shall require the person subject to the prohibition or restriction to immediately return all blank unused forms of checks and authorizations to collect by debit transfer delivered to him by the -bank. A bank with knowledge of a prohibition or restriction shall be liable to the holder of a check and originator of a debit transfer issued or authorized by a person subject to a prohibition or restriction for the full amount of the check or debit transfer where the blank form of the check or authorization to collect by debit transfer was delivered to the person subject to the prohibition or restriction while the prohibition or restriction was effective to the knowledge of the bank that delivered the blank form to the person.
- 6. A prohibition or restriction under paragraph 3 is withdrawn where the National Bank of Cambodia is advised that payment was made to the satisfaction of the holder. Such payment shall include bank charges paid to the drawee bank, interest and damages at a minimum of 5% percent of the principal amount paid to the holder, and penalty of one millions Riels paid to the National Bank of Cambodia. The National Bank of Cambodia shall prescribe by regulations the manner of satisfying these requirements

Section 2--Criminal Sanctions

Article 231:

- 1. Any person:
 - (i) who breaks of a prohibition or restriction issued under Article 230,
 - (ii) who gives authority to originate a debit transfer out of his account with the intention that the payment order will not be honored, or

- (iii) who alters, forges, counterfeits or falsifies a negotiable instrument authority for collection by debit transfer, or payment order, and knowingly holds or uses such an altered, forged, counterfeit or falsified instrument, authority or payment order, shall be liable to a fine of 5 to 50 million riels or to a term of imprisonment of 2 to 5 years, or both;
2. Any person:
- (i) who intentionally with the intent to harm another countermand or withdraw cover for the payment of a check,
 - (ii) who incurs liability on a negotiable instrument with the intention that it will not be honored upon maturity,
 - (iii) who upon maturity willfully and with the intent to harm another dishonors an obligation incurred on a negotiable instrument

shall be liable to a fine of 2 to 6 million riels and to a term of imprisonment of 1 to 3 years, without prejudice to payment of the amount of the negotiable instrument in question to the holder.

Section 3 --Miscellaneous

Article 232:

1. In this Chapter, negotiable instruments, checks, bills, of exchange, and promissory notes include instruments that are used or treated as functional equivalent to them. Subject to this, definitions set out Chapter I apply to the provisions of this Chapter.
2. For a violation by a legal entity, any sanction under this Chapter may be applied to any of its directors, organs, and officers.
3. Where a violation is committed through an agent, sanctions under this Chapter may be imposed on or applied to the principal, agent, or both.
4. Sanctions under this Chapter are cumulative and without prejudice to any other sanction under any other Law.

CHAPTER V11- REGULATION AND FINAL PROVISIONS

Section 1 --Regulations

Article 233:

1. The NBC shall issue regulations, rules, instructions, and guidelines, as well as operating procedures, for the implementation of this Law, particularly regarding:
 - (i) uniform structure for account identification and classification,
 - (ii) the format of payment orders,
 - (iii) the standards for the communication of payment orders,
 - (iv) forms of checks, bills of exchange, and promissory notes, as well as of all other documents to be issued under this Law, whether by parties or officials such as for notice or protest, and pertinent procedures,

- (v) bank duties, procedures and practices in receiving payment orders and carrying out payment transactions,
 - (vi) the bank account agreement, and information to be provided by banks to customers,
 - (vii) statistical information to be provided by banks to the NBC required for the proper and effective conduct of monetary policy, and
 - (vii) any other matter set out in a specific provision of this Law.
2. Regulations may be prescribed for the protection of customers and the integrity and development of payment systems and the use of negotiable instruments in Cambodia. To such ends, regulations may restrict, limit or preclude the use of checks or other payment orders from designated categories of accounts and persons or set out conditions for such use. Regulations issued under this Law may also restrict liability of individuals, or specify restrictions and preconditions for such liability, in connection with, negotiable instruments and payment transactions from or to accounts, used primarily for personal or household and non-business purposes.
 3. Regulations issued by the NBC under this Law may modify any time period or deadline for an action or inaction set by this Law, for all or specified categories of parties, participants, negotiable instruments or payment transactions.
 4. Regulations issued by the NBC under this Law are binding on all parties interested in the handling of a payment order and shall supersede any inconsistent agreement, including inter bank clearing rule, to the extent of the inconsistency.
 5. In case of inconsistency between a provision of this law and a provision of any other law, this law prevails.

Section 2 -- Final Provisions

Article 234: All provisions contrary to this Law are hereby repealed. In case of conflict between the provisions of this Law and any other Law the provisions of this Law are prevail.

Article 235: This Law enters into effect as

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