Law No. 23 for 2010 concerning commercial activity
Book Six

Commercial securities
Section One
Bill of exchange

Article (827)
Identification
Bill of exchange: is a written order according specific status specified by law. The drawer directs the drawee claiming payment of specific amount of money on a specific date or subject to its specification to the beneficiary.

Article (828)
Fundamental data in the bill of exchange
The bill of exchange includes the following data:

1. bill of lading is written in the language in which the order is written
2. unconditional order for settlement of specific amount
3. name of drawee
4. maturity or due date
5. place of fulfillment
6. name of beneficiary or order
7. date and place of bill of exchange
8. drawer's signature

Article (829)
Missing one of the fundamental data in the bill of exchange
The bond without one of the data mentioned in the previous article is not considered a bill of exchange except in the following cases:

1. Bill of exchange without maturity or due date will be mature on viewing it.
2. If place of settlement is not mentioned, the place mentioned on the side of drawee's Name is considered place of payment and drawee's home.
3. Bill of exchange without place of issue is considered originated in the place stated on the side if drawer's name.

Article (830)
Issuing a bill of exchange
Drawer may draw the bill of exchange to order; it may be withdrawn by him and it may also be withdrawn for account of another person.

Article (831)
Provision of home
Settlement of bill of exchange may be at the home of another person whether he was at the home of the drawee or at any other home.

Article (832)
Provision of interests
Drawer of bill of exchange which is due at sight or after period at sight should condition interest on the mentioned amount.
This condition is considered invalid in other bills of exchange and rate of interest should be mentioned in the bill of exchange itself; if is not mention the condition will be as if it was not. The interest is from date of bill of exchange unless another date is specified.

Article (833)
Bill of exchange value
If the value of the bill of exchange is in letters and numbers together, the outcome is in letters and if written many times in letters and numbers, the outcome is in the lowest amount.

Article (834)
Validity of signature and commitment
If the bill of exchange is signed by persons who are incompetent or with fraudulent signature or with signatures of imaginary persons or signatures that will not oblige for any reason the persons who signed the bill of exchange or which was signed in their names, that will not preclude without validity of the commitment of the other signatories of the bill of exchange.
This is in the recourse of determining the eligibility of the committed person under the bill of exchange to the law of his country.
If the committed person under the bill of exchange is eligible according the law of his country in which the commitment is issued, his commitment will be valid even if he is not eligible according his country's law.

Article (835)
Signature
Each signature on the bill of exchange should include the name and surname of the committed person or name and address of the commercial place or the committed company. The signature may be brief or in the first letters only. "Signature" in this law is the signature, finger print and any other mean which is given by the law.

Article (836)
Commitment of the minor and the incompetent
Each commitment in respect of the bill of exchange from the minor or the incompetent is void for him only.

Article (837)
Guardians who are not allowed to exercise trade
If the guardian is not allowed to exercise trade for account for the minor or the interdicted, he should not be committed in accordance with the bill of exchange for account of the minor or the interdicted except in accordance with permission from the court and the permission may be issued generally.

Article (838)
Signature without deputation and its effect
Signature of bill of exchange on behalf of another without authority will become personally liable with his signature; and if he fulfills the commitments, the rights which were accrued to the person who assumed to be on his behalf will be accrued to him. This provision will be applied on the person who exceeded the limits of his deputation. The principal or client will also be liable within the limit of the amount.

Article (839)
Power of commitment under bill of exchange is not assumed
The general authorization issued to a person to commit himself in the name and for account of other is not assumed as power of commitment under the bills of exchange unless it is proved otherwise; and if the general authorization is issued from trader, the power of commitment is assumed unless the deputation document explicitly stipulates otherwise.

Article (840)
Extent of drawer's guarantee
The drawer is grantor for acceptance of the bill of exchange and its payment and he should condition exemption from acceptance guarantee. Each condition for exemption from guaranteeing payment is considered as if it was not.

Article (841)
Incomplete bill of exchange
If the bill of exchange is incomplete at time of its issue and contradicting conditions arise, no complaint on bearer for not considering the mentioned conditions except if that occurred in bad faith or error.
Bearer has no right to fill the signed bill of exchange on blank if 3 years expired from its date of issue.
No complaint for ruling out this right on the bearer of the bill of exchange that is devolved to him fully written if he obtained it in good faith.

Chapter Two: Circulation of bill of exchange

Article (842)
Circulation of bill of exchange
The bill of exchange is subject to circulation through rotation (circulation) even if the word "order" is not mentioned explicitly.
The bill of exchange in which its holder records the expression "not for order" or any other similar expression, its circulation will be subject to the provisions of the civil transfer according the stipulations of the civil law.
The circulation is correct even to the drawee whether he was accepting the bill of exchange or not. It will also be circulated to the drawer and any other person and all of them will have the right to circulate it.

Article (843)
Circulation conditions
Without prejudice to the provision of article (844) circulation should be free from each condition and circulation pending any condition will be as if it was not.
Partial circulation is void.
Circulation of bill of exchange to bearer is considered circulation on blank.

Article (844)
Validity of circulation
Circulation is written on the back of the bill of exchange or on other paper connected with it and to be signed by the circulator.
The person to whom it is circulated will not be nominated and the circulator will sign on blank.
In the last case, circulation will not be correct except if written on the back of the bill of exchange or on paper connected with it.

Article (845)
Rights arising from circulation of bill of exchange
Circulation transfers all right arising from the bill of exchange and if circulation is on blank, bearer may perform the following:

1. to fill the blank by writing his name or name of another person
2. to re circulate the bill of exchange on blank or to another person
3. to deliver it as it is to any other person without filling the blank and without circulation.

Article (846)
Circulator's guarantee
The circulator is grantor for acceptance and payment of the bill of exchange unless conditioned otherwise.
He may prevent its circulation and in this case, he will not be committed with the guarantee towards the person to whom the bill of exchange is devolved by circulation later on.

Article (847)
Legal bearer of bill of exchange
The person who has in hand the bill of exchange is considered the legal bearer when he proves that the person who has the right in it with circulations which are connected to each other even if the last circulation was on blank.
The cancelled circulations are considered in this respect as if it was not. If circulation on blank followed another circulation, the person who signed the last circulation is considered the person to whom the right is devolved with that circulation on blank.
If a person lost the bill of exchange in whatever accident, bearer will not be obliged to return it when he proves that he possesses the right according the previous paragraph except if he obtained it in bad faith or deliberate error.

Article (848)
Disregarding defenses based on personal relations
Those against whom a claim of bill of exchange is in action must not complain on bearer with defenses based on personal relations with drawer of bill of exchange or previous bearers unless bearer of the bill of exchange has obtained it for the intention to harm the debtor.

Article (849)
Circulation by proxy
If the circulation included the expression “value for collection” or “value for receiving” or “proxy” or any other statement useful for the proxy, the bearer will have directly all rights arising from the bill of exchange with the exception of its circulation unless it was by means of the proxy. The committed party under the bill of exchange in this case will not complain on bearer except with the defenses with which they may complain against the circulator.
The provision of proxy that is included in the circulation will not terminate with the death of the client or loss of eligibility.

Article (850)
Circulation by means of guarantee
If circulation included the expression “guarantee value” or “mortgage value” or any other statement useful for the guarantee, bearer of bill of exchange may exercise all rights arising from it whereas its recirculation will be considered as possessing means of the proxy.
The committed parties under the bill of exchange must not complain against bearer with defenses based on their personal relations with the circulator unless the bearer has obtained the bill of exchange for the intention to harm the debtor. The bearer will be protected in this respect within the limits of his debt which is guaranteed by mortgage.

Article (851)
Circulation in respect of time
The provisions of post term circulation are for the precedent circulation whereas the post term circulation for raising the complaint due to non fulfillment after expiry of the specified period of this complaint will produce only the effects of provisions concerning transfer of rights decided in the civil law.
Circulation without date is considered concluded before expiry of the specified period to raise the complaint except if proved otherwise.
Postdates in circulation are not permitted; it will be considered fraudulent act if it happened.

Article (852)
Submission of bill of exchange for acceptance
Bearer or any holder of a bill of exchange until its due date may submit it to the drawee at home for acceptance.

Article (853)
Restrictions of submission of bill of exchange for acceptance
Drawer of bill of exchange should submit it for acceptance on a specified time and he should stipulate its submission for acceptance unless it is mature with other than the drawee or in other entity other than drawee's home or mature after expiry of a specific period atg sight.
He should also condition that it is not allowed to submit the bill of exchange for acceptance before a specific term and the circulation will condition that the bill of exchange should be accepted in specific time or without time unless the drawer conditions that it should not be submitted for acceptance.

Article (854)
Submission of mature bill of exchange after specific period at sight
Mature bills of exchange after expiry of specific period at sight should be submitted for acceptance during one year from its date.
The drawer should condition shortening or extending this period and the circulators should shorten these periods.

Article (855)
Re submission for acceptance
The drawee may request submission of the bill of exchange for acceptance another time on the following day of the first submission.
The claim of the concerned that this application is rejected is not accepted except if it is proved in the letter of protest.
Bearer of the bill of exchanged that is submitted for acceptance is not obliged to deliver it to the drawee.

Article (856)
Method of acceptance and proof of its date
Acceptance is written on the bill of exchange itself and it is expressed by the word "accepted" or by any other similar expression with the drawee's signature.
It is considered acceptable once the drawee signs the front page of the bill of exchange.
If the bill of exchange is mature after expiry of a period at sight or it must be submitted for acceptance within a known period according special condition, the date of acceptance should be put on the day in which it was signed except if bearer requires his date on the day of submission the bill of exchange.
If the bill of exchange is without date, for prevention of bearer's rights to recourse on the circulators or drawer, he should prove this omission by a protest to be raised at any time.

Article (857)
Acceptance should not be pending a condition
Acceptance should not be pending a condition but the drawee may restrict acceptance on part of the bill of exchange.
If the clause of acceptance included another amendment in one of the data of the bill of exchange, this amendment is considered as refusal.
The acceptor will remain committed with the clause of the acceptance.

Article (858)
Specifying the entity of acceptance
If the drawer specified in the bill of exchange a place for fulfillment different from the home of drawee without nominating the name of other person to whom it will be fulfilled, the drawee may specify this person during acceptance. If he did not nominate him, he will be committed for payment at the place of fulfillment.
If the bill of exchange is mature at the home of the drawee, he should specify in the clause of acceptance an address at the entity in which fulfillment should be made.

Article (859)
Commitments arising from acceptance and bearer's right of direct claim
By acceptance of the bill of exchange, the drawee will become committed with fulfillment on due date. If he did not fulfill, the bearer if he is the drawer himself will claim the acceptor with direct proceedings for whatever arises under the bill of exchange according articles (881 and 882) of this law.

Article (860)
Cancellation of acceptance
If the drawee canceled his acceptance which is included in the bill of exchange before returning it, the refusal of acceptance will be considered a fact before returning the bill of exchange unless the proof is otherwise.
If the drawee informed the bearer or other signatory with his written acceptance, he becomes committed with what is included in the acceptance clause.

Chapter Three
Provisional guarantee

Article (861)
Extent of provisional guarantee and to whom it will be submitted
Guaranteeing all or part of the fulfillment amount of the bill of exchange may be from the provisional guarantee and this guarantee is accepted from any person even if he is one of the signatories of the bill of exchange.

Article (862)
Methods for proving the provisional guarantee
The provisional guarantee is written on the bill of exchange itself or on a paper attached with it.
This guarantee will be by putting the expression "accepted as provisional guarantee" or by any other similar expression to be signed by the guarantor and to mention in the clause of the guarantee the name of the person to whom it was in his favor; otherwise it will be considered in favor of drawer. The guarantee is considered valid if signed by guarantor only on the front page of the bill of exchange unless he was not drawer or drawee.

Article (863)
Provisional guarantor's commitments and rights
The provisional guarantor is committed with whatever commitments of the content person; grantor's commitment will be valid even if the commitment which was guaranteed was void for any reason unless it is due to a defect in the form.
If the guarantor fulfilled the amount of the bill of exchange, the rights arising from it will be devolved to him before the person's content and the committed party under the bill of exchange.

Chapter Four: due term

Article (864)
Specifying the term
The bill of exchange will be mature according the following:

1. at sight
2. after expiry of a specifying period from sight
3. after expiry of a specific period from its issuance
4. till a specific day

The bill of exchange which includes time of due term or successive dates will be void.

Article (865)
Due date of bill of exchange at sight
Bill of exchange which is mature at sight should be paid on presentation and it should be presented for fulfillment during one year from its date and the drawer should shorten or extend this period.
The circulators should condition shortening this period and the drawer should condition that the bill of exchange which is mature at sight will not be submitted before expiry of a specific period; and in this case, the period for presentation will be calculated starting from this term.

Article (866)
Validity of the period of due term
The due period of payment in the bill of exchange will be after expiry of a period at sight from acceptance date or from date of protest letter for not accepting it.
If the protest is not raised, the current acceptance will be calculated from the obtained date in respect of the acceptor on the last day of the specified period of presenting acceptance in consideration of the provision of article (854) of this law.

Article (867)
Bill of exchange specified in months, half month and days
The bill of exchange which is drawn for one month or more from its date or from date at sight, its due term will be on the date which is corresponding the month in which payment should be effected. If there is no corresponding date in the month in which payment should be effected, the due term will be on the last day of this month.
If the bill of exchange is drawn for a month and half of a month or months and half of a month from its date or date at sight, the commencement of account will be with complete months.

If the due term is on the first of the month or in the middle of the month or at the end of the month, it meant the first day of the month or the fifteenth or the last day of the month. The expression “half month” means 15 days.

Article (868)
Disputing dates
If the bill of exchange is mature on a specific date and in a country in which the calendar differs from the calendar of the issuing country, the due term date is considered specified according the calendar of paying country.
If the bill of exchange is drawn between countries of different calendar and it was mature at sight or after period from issuance, its date of issue will be on the day corresponding the calendar of the paying country and the period of the due term will be specified according that.
The period of presenting the bill of exchange will be according the established provisions of the previous article and these provisions will not be applied if the bill of exchange stipulated that other provisions will be followed.

Article (869)
Due time for payment
Bearer of bill of exchange which is mature on a specific day or after a specific period from its date or date at sight should present it for payment on its due date or on the following two working days.
Presenting the bill of exchange to a clearing house is considered presentation for payment.

Article (870)
Place of payment
Bill of exchange should be presented for payment in the place specified in it and the place may be as follows:

1. the home chosen for payment

2. the home of the withdrawn or the home of the named person in the bill of exchange for payment on his behalf

1. the home of acceptor of bill of exchange by intervening or home of the person who is named for payment on his behalf
2. home of the person whose name is mentioned for presentation when necessary

Article (871)
Claiming delivery of bill of exchange and partial fulfillment
When the drawee pays the amount of bill of exchange, he should request bearer to deliver it to him duly signed confirming payment and the bearer should not refuse partial payment.
If it is partially paid, the drawee may request the proof of fulfillment in the bill of exchange and requests discharge.
All paid out of the actual amount of the bill of exchange will absolve the committed; and bearer will raise the protest against what is left of it.

Article (872)
Validity of fulfillment
Bearer of bill of exchange will not be forced to receive its value before due date. If the drawee paid before the term will bear the risk; and whoever pays on the term will be absolved unless there is fraud or deliberate error and he should check the sequence of circulations but he is not committed to ascertain the accuracy of signatures of the circulators.

Article (873)
Fulfillment of bill of exchange with currency violating the Libyan currency
If fulfillment of bill of exchange is conditioned with money which is not circulated in the country for fulfillment, the amount may be fulfilled with the country's money according its value on the due date; and if the debtor delayed fulfillment, the bearer will have the option to claim the equivalent amount of bill of exchange on due date or on fulfillment date. The custom of fulfillment country for evaluation of the foreign currency will be followed. The drawer may condition that the amount to be paid should be according a specific rate in the bill of exchange.
If in the bill of exchange it is specified that the amount to be in a currency that bear a common name and its value is different from the country of its issuance and the country of its fulfillment, it means the money of the country for fulfillment.

Article (874)
Non presentation of bill of exchange for payment
If the bill of exchange is not presented for payment on due date, each debtor should deposit its amount with the competent court.
The expense and risk will be for bearer's account and the clerk of the competent court should issue document including date of bill of exchange, date of its term, name of the person for whom it was originally written for his favor and any other data to be proved in the minutes of deposition and this testimony will be delivered to the bailoror.
If the bearer claimed payment from the debtor, the debtor will deliver the deposition testimony instead of the bill of exchange.
The bearer will collect the amount deposited in accordance with the deposition testimony. If the debtor (bailor) did not deliver deposit testimony to bearer of bill of exchange, he should pay its value.

Chapter Five: claim and recourse for non acceptance or non payment

Article (875)
Methods of recourse
When bill of exchange is not paid on due date, bearer will recourse to owner, circulator and other committed parties and he has the right of recourse to those before due term in the following cases:

- in case of prevention from total or partial acceptance
- in case of drawee's bankruptcy whether he accepted the bill of exchange or not; and in case of suspending payment even if suspension is not proved by verdict; and in case of detention of his funds ineffective detention

- in case of bankruptcy of drawer of bill of exchange which should not be presented for acceptance; but on recourse to guarantors in the mentioned cases may apply to the judge of urgent issues at their home and during 3 days from date of recourse to them to grant them period for fulfillment; if the judge finds justification, he will specify in his decision the time for payment of the bills of exchange on condition that the granted period will not exceed the specified date of the due term.

Article (876)
Conditions of protest and the cases in which there is no need to raise it
Refusal of acceptance or payment should be proved by official document “protest for non acceptance” or “non payment”.
The protest should be raised for non acceptance on the specific period to offer the bill of exchange for acceptance; if its first offer for acceptance in the case stated in the first paragraph of article (855) of this law on the last day of the specified period of this offer, the protest may be raised on the following day.
The protest for non payment of the bill of exchange which is mature may be raised on specific day or after expiry of specific period from its date or on date at sight on one of the working days following its due date; if the bill of exchange is mature at sight, the protest for non payment should be raised according the conditions state in the previous paragraphs concerning protest for non acceptance.
The protest for non acceptance will not refrain presentation of the bill of exchange for fulfillment and protest for non payment; in case drawee suspends payment whether he accepted the bill of exchange or did not accept it and in case of detention of his funds ineffective detention, bearer of bill of exchange should not recourse to guarantors except after presenting the bill of exchange to the drawee for payment and after raising the protest for non payment.
In case of drawee’s bankruptcy whether he accepted the bill of exchange or he did not accept it and in case of bankruptcy of the drawer of the bill of exchange which should not be presented for acceptance, submission of the verdict for adjudication of bankruptcy will be sufficient to enable the bearer to use his rights for recourse.

Article (877)
Notification methods for non acceptance or non payment
Bearer of bill of exchange should send to the circulator and to the holder of notification for non acceptance or non payment during four working days following the day of protest or until day of presentation for acceptance or payment even if it included the condition for recourse without expenses.
Each circulator during the following two working days of the day in which he received the notification should inform the party to whom it is circulated about the notification which he received and to state to him names and addresses of the parties who submitted the notifications and also from circulator to another until it reaches the bearer of bill of exchange; the precedent periods will commence from date of receiving the previous notification and the period for each circulator will commence from the date in which he received the notification from his previous circulator.

When one of the signatories of the bill of exchange is notified according the provisions of the previous paragraphs, he should also notify his provisional guarantor at the same time.
If one of the circulators did not state his address or he stated it in unreadable form, it is sufficient to notify the precedent circulator.
The person who should notify must be obliged to perform it by any mean and even to return the bill of exchange itself and he should prove dispatch of notification in time.
The time is considered appropriate if the notification is dispatched by letter through the mail.
Any right of the rights of the person who should notify the parties will not be invalid if he did not deliver the notification in time; but he will be responsible for compensation of harm that is consequent to his negligence provided that the compensation will not exceed the value of the bill of exchange.

Article (878)
Requirement for not raising the protest
The drawer and any circulator or provisional guarantor may exempt bearer of bill of exchange when claiming recourse from raising the protest for non acceptance or non payment when he writes on the bill of exchange “claim without expenses” or “without protest” or any similar expression with the signature of whoever required that.
This condition will not exempt the bearer from presenting the bill of exchange on the established periods and from dispatch of the necessary notifications; whoever insists on the assumption that bearer did not consider these dates should prove it and if drawer wrote this condition, it will be applied on all signatories; but if one of the circulators wrote it or one of the provisional guarantors, it will be applied on himself.
If the bearer of bill of exchange raised a protest despite the condition, he will bear its expenses if the drawer set the condition; but if the condition is issued by circulator or provisional guarantor, recourse will be on all signatories with expenses.

Article (879)
Responsibilities of the committed parties under bill of exchange
Drawer of bill of exchange, its acceptor, circulator, provisional guarantor are all responsible towards bearer by solidarity.
Bearer will claim them individually or jointly without being obliged to take into consideration the order of commitment to each of them and this right will be proved to each person who signed on the bill of exchange and paid its value and the proceedings against one of the committed parties will not prevent claiming the rest even if their commitment was subsequent to those on whom the case was firstly pursued.

Article (880)
Bearer of bill of exchange will claim whoever has right of recourse to him with the following:

1. value of unaccepted or unpaid bill of exchange with interest if it was conditional
2. interest to be calculated at the legal rate as from the date of the term
3. expenses of protest, notification and other expenses

If he used the right of recourse before the term of the bill of exchange, he will reduce from its value an amount to be calculated on the period between date of recourse and term of the bill of exchange at the official discount rate on date of recourse at the entity in which bearer's home is located.

Article (881)
Claiming the guarantors
The party which pays the bill of exchange may claim from its guarantors the following:

1. whatever amount paid
2. interest on the amount that he paid at the legal rate as from date of payment
3. expenses incurred

Article (882)
Rights arising from payment of bill of exchange
Each committed party against whom the right of recourse was utilized or subjected to that should request in case of payment of the bill of exchange its delivery with protest letter and acquittal discharge for what he settled.
Each circulator who pays the bill of exchange should cancel his circulation and the circulations of his subsequent circulators.

Article (883)
The case of recourse to divide the unacceptable value of the bill of exchange

1. in case of recourse against one of the committed for the unacceptable amount of the value of bill of exchange, the party which paid this amount will request from bearer a proof of this payment and to be given discharge receipt.
2. in addition to that, the bearer should deliver to him copy of the bill of exchange stating in it that it is true copy and to give him protest letter to enable him to recourse to others for what he paid.

Article (884)
Recourse bill of exchange
Whoever has right of recourse on other guarantor under bill of exchange should fulfill its value by withdrawal of new bill of exchange which is mature at sight at the home of guarantor unless provided otherwise.
Value of recourse bill of exchange includes details of the amounts stated in articles (880 and 881) of this law in addition to paid commission and stamp duty.
If drawer of recourse bill of exchange is the bearer, its value will be specified on the basis by which the value of the bill of exchange drawn at sight is specified by the entity in which the original bill of exchange is mature on the entity of guarantor's home.
If its drawer is one of the circulators, its value will be specified on the basis by which the value of bill of exchange drawn at sight is specified by the entity in which the home of the drawer of the recourse bill of exchange on the entity of the guarantor's home.

Article (885)
Ruling out the right with the expiry of term
To rule out the right of bearer of bill of exchange towards its circulators, drawer and other committed party except acceptor with the expiry of the term stated for the following procedures:

1. presentation of mature bills of exchange at sight or after expiry of specified period
2. to raise an appeal for non acceptance or non payment
3. presentation of bill of exchange for payment in case it includes a condition for recourse without expenses

If the bill of exchange is not offered for acceptance on the period provided by the drawer, the rights of bearer will be ruled out in recourse for the reason of non acceptance or non payment except if it is revealed from the expression of the condition that the drawer did not mean to exempt himself from guaranteeing acceptance.
If the circulator has conditioned period for presenting the bill of exchange for acceptance, he will benefit lonely from what he conditioned.

Article (886)
Legitimate barriers that prevent presentation of bill or exchange or submission of protest within the prescribed time limits
If a compulsive accident occurred that will not be overcome without presentation of the bill of exchange or submission of protest on the prescribed time limits, these time limits will be extended.
Bearer of bill of exchange should notify without delay the previous circulator with the compulsive reasons and to prove this notice with date and his signature on the bill of exchange or the annexed paper with it; the provisions of article (877) will be applied on the remaining circulators.
If the compulsive reasons were removed, bearer of bill of exchange should present it for acceptance or payment without delay and he should raise the protest when necessary.
If the compulsive reasons continued for a period more than 30 days from due date, recourse may be without need to present the bill of exchange or to submit protest.
The period of 30 days is applied in the bills of exchange which are “at sight” or “for period after sight” from the day in which bearer of the bill of exchange has notified the previous circulator with the compulsive reasons even if that was before the due date of presentation; but bills of exchange after period after sight, the term due at sight in the bill of exchange will be added to the 30 days.
The issues relating to the bearer or the authorized person on his behalf to present the bill of exchange or to raise the protest re not considered compulsive reasons.

Article (887)
The committed with the same status
Bill of exchange claim will not be raised if there are multiple committed parties and they were equal in status and the relations between them are organized according the effective provisions in respect of solidarity commitments.

Article (888)
Executive power of bill of exchange
Bill of exchange has the power of the bond to be executed in respect of the original and annexes stated in articles (880, 881 and 884).
The bill of exchange issued in foreign countries has the same power provided that the law of the issuing country approves that; the notice of payment includes copy of bill of exchange or protest and all the necessary documents to prove the required amount; in the commitments arising from bill of exchange signed by authorization, the testimony for authorization should also be mentioned in the notice.

Article (889)
Objection on the notice
Objection on the notice will not suspend its implementation but the competent judge of urgent issues may issue order with reasons to suspend all or part of the implementation operations if the opponent based his claim for lack of recognition of the alleged signature or agency or other serious reasons and the judge should impose in his order submission of suitable guarantee.

Article (890)
Defenses in claims of bill of exchange
In the claims concerning bill of exchange whether to consider it or to consider the objection on the notice, the debtor should not protest the invalidity of bill of exchange without the defenses stipulated in article (829) or the defenses approved in article (848); and if the submitted defenses require lengthy investigation, the judge may issue according the request of the creditor a temporary rule against the debtor imposing submission of guarantee or without guarantee.
He may permit suspension of implementation if the debtor requested that for appropriate justifiable reasons; and he may impose suitable guarantee if necessary.
If he previously suspended implementation of the notice according the previous article, the judge will decide either to support suspension or to cancel it.

Article (891)
Claim concerning the reasons of establishing bill of exchange
If a claim is established on the relation that led to the issuance of the bill of exchange or its transfer, the claim will continue despite issuance of the bill of exchange or its transfer unless proof of renewal is obtained; that claim will not be pursued except after proof of non acceptance or non payment with protest.
Bearer of bill of exchange is not authorized to pursue the reasoned claim except if he offered to the debtor to return the bill of exchange to him and lodged it with the clerk section of the competent court provided that before doing that, he made the necessary procedures to protect the right of the mentioned debtor to pursue claim of recourse.

Article (892)
The case of enrichment without cause
If bearer lost the right of pursuing the bill of exchange claim against all the committed parties and he has no reasoned claim against them, he can pursue claim against the

drawer or acceptor or circulator for the amount that was influenced without the right to harm him.

Article (893)
Authorized persons to raise official protest
The protest should be proved with one document through attorney or competent court or process server.
The penalty of at least LD. 500.- and not exceeding LD. 1,000.- will be imposed on the persons mentioned in the previous paragraph if refrained without reason to withdraw the protest through the means and legally established periods in addition to compensation if there is necessity.

Article (894)
Method of raising the protest and its wording
The protest is written on the bill of exchange itself or on the attached paper or on its second copy or photo copy or on sticky annex with it; the attorney or competent court's clerk or process server may include the annex and in all cases, they should put their stamp on the sticky line.
If the protest was on separate paper, whoever proved it should indicate that on the bill of exchange or on its second copy or on its photo copy or on the sticky annex with it unless it was necessary to raise the protest without the bill of exchange.

Article (895)
The inability of the replacement of the protest
Any procedure will not replace the protest except in case the bill of exchange is lost; and then the provisions concerning the bill of exchange to be in rule of inexistence will be applied.

Article (896)
Entities of protest and on whom it will be raised
The protest should be raised in the places referred to in article (870) and on the mentioned parties in paragraphs (2, 3 and 4) according their order even if they were not present; if it is impossible to trace the home of the mentioned parties, that will not refrain from raising the protest.
Non availability of legal eligibility of the persons to whom the bill of exchange should be presented will not prevent raising a protest against them except for what is stipulated in the last paragraph of article (876).
In case of death of the person to whim the bill of exchange should be presented, the protest will be raised against his name according the previous rules without referring to his death.

Article (897)
Fundamental contents of the protest
The protest paper includes name, date of protest, photo copy of bill of exchange with the proved expressions of acceptance, circulation and name of the person who is recommended for acceptance or payment of the bill of exchange; and it should also include the notification of acceptance of the bill of exchange or payment of its value;

and to mention in it the presence or absence of the claiming person and reasons refraining acceptance or payment or disability to put the signature or to refrain to sign it; this will be supported with the signature of the person who is authorized to raise the protest.
If there are multiple bills of exchange which should be accepted or paid by one person at one place, the creditor may raise the protest with one separate paper.

Article (898)
Duties of the authorized person to raise protests
The person who is authorized to have the power of protest procedures should record all protest letters daily according the dates in a special register with numbered pages and to be indicated according the originals.
He should inform every 15 days the president of the competent court of first instance with list of those protests and this list should contain date of protest, name of drawee, home, name and surname and home of the person requesting payment, maturity date of the bill of exchange, amount claimed and reasons for non payment.
Recording in the mentioned register will be according the method followed in index registers. If he neglected that, he will be obliged to compensate the concerned.
The authorized person should send list of protests edited during the previous month about bills of exchange which were not accepted to the commercial registration office in which the place of protest procedures is located in its area during the first 10 days of each month.
The commercial registration office should keep books to record the previous data and each person may review it on payment of the established fees.

Article (899)
Unnecessary case for submitting protest
If the drawer did not condition in the bill of exchange the necessity of protest, he may replace it if bearer agreed on that with a statement including refusal of acceptance or payment to be written and dated on the bill of exchange or on the annex attached with it or on a separate paper supported with the signature of the drawee.
In order that this statement will have the power of the protest, it should be recorded in the same terms of protest; and in the cases stipulated in the first paragraph, the circulation without date is considered before the edition of the mentioned statement.

Article (900)
Multiple recourse bills of exchange
If there are multiple recourse bills of exchange, the bearer of the original bill of exchange and each circulator should not be claimed except with the expenses of one recourse bill of exchange.

Chapter Six
Intervention – multiple copies and photo copies - distortion - considering the bill of exchange in the rule of inexistence – limitation.

Article (901)
Nominating the interferer
Bearer of bill of exchange, its circulator and provisional guarantor will nominate acceptor or payer when appropriate. Acceptance of bill of exchange or payment by any person who intervenes in favor of any committed party through recourse will be according the following conditions.
The interferer may not be one of the committed in the bill of exchange and he may be the drawee or any person committed under the bill of exchange except the acceptor.
The interferer should feel the impact of interference in his favor during the two subsequent working days of his interference, otherwise he will be obliged to compensate for harm arising from negligence provided that the compensation does not exceed the value of the bill of exchange.

Article (902)
Established conditions for validity of interference
Acceptance through interference will be in all cases in which the bearer of bill of exchange that is subject to acceptance will have the right of recourse before its due date.
If nominated in the bill of exchange the person who accepts it or pays its value when appropriate at the place of its payment, the bearer should not recourse on the nominee and subsequent signatories before due date except if he offered the bill of exchange to the nominee for acceptance or payment when appropriate and refused its acceptance; and prove this refusal with protest letter.
Bearer will refuse in other cases the acceptance through interference but if he declared it, he will have no right of recourse before due date on the person for whom the acceptance was in his favor and on the subsequent signatories.

Article (903)
Methods of acceptance and validity
Acceptance of bill of exchange is recorded through interference in the bill of exchange itself and to be signed by the interferer; and to mention in the clause of acceptance the name of the person for whom the interference was in his favor, otherwise the interference is considered in favor of the drawer.

Article (904)
Commitment of acceptor for interference
The acceptor is committed through interference before the bearer and subsequent circulators towards the person to whom the interference was in his favor with the commitment of the last.
The person to whom the interference was in his favor and his guarantors despite obtaining acceptance through interference may receive from bearer of bill of exchange a protest letter and discharge document if they paid the amount specified in article (880) of this law.
If the bill of exchange is not presented to the person who accepted it through interference during the following day of the last allowed day for raising a protest for the cause of non payment, the commitment of acceptor through interference will be ruled out by virtue of law.

Article (905)
Methods of payment of the bill of exchange through interference and protest for non payment
Bill of exchange may be paid through interference in all cases in which bearer has the right of recourse on the committed with it on due date or before it.
The payment will be by settlement of all amounts that the person who obtained the interference in his favor should have settled for absolution.
The payment should be effected latest on the following day of the last day for the time for raising the protest for non payment.

Article (906)
Home of interferers and absolution of the committed through interference in case of non submission of protest
If acceptor of bill of exchange or the nominated for its payment when it is appropriate have home in the place of payment, bearer should offer it for all of them and to raise the protest for non payment if it is appropriate latest on the following day of the last day of the specified time for raising this protest; if the protest is not raised on this time, the person who nominated the payer or the person to whom acceptance was in his favor and all the subsequent circulators are absolved from their commitments.

Article (907)
Bearer's refusal to accept payment through interference
If bearer of the bill of exchange refused payment from the interferer, his right of recourse will be ruled out on the person who would have been absolved from this payment.

Article (908)
Proof of payment through interference
Proof of payment through interference should be with the expression stating receipt of amount to be written on the bill of exchange mentioning the person to whom payment was in his favor, otherwise the payment will be considered in favor of the bearer; and the bill of exchange should be delivered to the payer and he should also receive the letter of protest if there was a protest.

Article (909)
The payer through interference acquires all rights arising from the bill of exchange before the person to whom payment was effected in his favor and before those who were committed with the bill of exchange towards this last and the payer should not circulate it; and the subsequent circulators will be absolved toward those to whom payment was in their favor.
If various persons will pay through interference, priority will bed to the person whose payment will be consequent to the absolution of the exceeding number of the committed persons.
Whoever interferes in payment and is aware that his interference will violate the provisions, his right of recourse will be ruled out on the person who will be absolved despite this interference.

Article (910)
Multiple copies
The bill of exchange may be drawn in various copies which are identical to each other and its number should be in each copy, otherwise each copy is considered a separate bill of exchange.
Bearer of each bill of exchange who did not mention that it is unique should request copies on his expense.
To achieve that, he should refer to the person who circulated it

Article (911)
Effects of payment of the bill of exchange
Payment of bill of exchange in accordance with one of its copies will be absolving even if it was not conditioned that payment will invalidate the provision of other copies.
The drawee will be still committed with payment under each copy which was accepted and not returned; the circulator who circulated copies of bill of exchange to different persons and subsequent circulators are committed under each copy that bears their signatures and not returned.

Article (912)
Data to be mentioned on the copies
Whoever sends one of the copies of bill of exchange for acceptance should state in the other copies the name of the holder of that copy.
This last person should deliver it to the legitimate bearer of any other copy; if he refused its delivery, the bearer will have no right of recourse except if it is proved with protest letter that:

1. The copy sent for acceptance is not delivered when requested.
2. The acceptance or payment did not occur with another copy.

Article (913)
Extraction of photo copies, conditions and effects
Bearer of bill of exchange extracts from it copies that are identical to the bill of exchange and it should include the circulations and other data; and should be written on it that copying from the original ended at this limit.
The copies and its provisional guarantee may be circulated in accordance with the same procedures of the original; these copies will be subject to the provisions of the original.

Article (914)
Circulation of copies
To state in the copy of the bill of exchange the name of the holder of the original and this last should deliver the original to the legitimate bearer of the copy; if he refused that, this bearer will have no right of recourse on its circulators or provisional guarantors unless in the protest it is proved that the original was not delivered to him despite he requested it.
If the expression “from now onwards, circulation will not be valid except on the copy” or any other similar expression is written on the original after the last circulation that occurred before setting the copy, any circulation that will be written on the original afterwards will be void.

Article (915)
Effects of distortion and its date
If any distortion occurred in the body of the bill of exchange, the person who signed it after distortion becomes committed with the distorted bill of exchange whereas the previous signatories will be still liable under the original body of the bill of exchange.
If it is not revealed in the bill of exchange or it is not verified that the signature was before or after distortion, the signature is considered preceding the distortion.

Article (916)
Procedures and effects of considering the bill of exchange in the rule of inexistence
In case of loss or theft or destruction of bill of exchange, bearer should inform the drawee and should pursue a verdict to consider the bond as non-existent with a petition to be raised to the court of first instance in which payment of the bill of exchange will be effected in its area or to the judge of the district court in which the bearer's home is located at its area; the fundamental elements of the bill of exchange should be mentioned in the petition; and if the bill of exchange is issued on blank, the data verifying itself should be mentioned in the petition.
After verifying the right of the bearer of the bill of exchange, the president of the court of first instance or the judge of the district court will issue decision to consider the bill of exchange in the rule of inexistence stating the elements and other data of the bill of exchange and will permit its payment after expiry of 30 days from date of publishing the decision in the procedural code if the term of the bill of exchange is due or mature at sight or as from due date if following the publication unless holder of bill of exchange has raised a protest during this time.
The party that raises the petition should inform the drawee with the mentioned decision.
Despite raising the petition, payment of the bill of exchange to its holder will absolve the debtor if occurred before notifying the order to him.

Article (917)
Methods of protest
Holder's protest should be submitted in all cases through authorization by the person who raised the petition and drawee for attendance before the court of first instance at the place in which the bill of exchange is payable.
The person who raises the petition should perform all business that will protect his rights during the established time in article (916) including the claim for depositing the amount of the bill of exchange by judicial deposition.

Article (918)
Enforcement of provision and method for fulfillment of the lost bill of exchange
If the time referred to in article (916) expires without protest or refusal of protest with final verdict, the lost bill of exchange will become inexistent by virtue of law; the person who submits the decision considering the bill of exchange as inexistent by virtue of law with an accompanied certificate from court's clerks section proving no protest or submission of the final verdict for refusal of the claim should request payment or second copy if the bill of exchange was issued on blank or its time is not due.
The bill of exchange that its time is due or mature at sight should be with interest at the rate referred to in articles (880 and 881) of this law unless the amount was deposited

according article (874) for account of the person for whom a decision was issued consider the bill of exchange as inexistent in his favor or a verdict was issued for his interest.

Article (919)
Demising enforcement of the lost bill of exchange
Without prejudice to the rights of the holder of the bill of exchange on the person who obtained the verdict, the verdict considering the bill of exchange as inexistent will make it lose any created right.

Article (920)
Limitation periods
The claim arising from bill of exchange towards acceptor is ruled out with the expiry of 3 years from its due date, but holder's claims towards drawer or circulators are ruled out with the expiry of one year from date of the protest which was raised within the legal period or from due date if the bill of exchange included recourse condition without expenses. Limitation claims of the circulators against each other or against the drawer are ruled out with the expiry of 6 months from the day in which the circulator pays the bill of exchange or from the of the claim against him.
The limitation claim of enrichment is ruled out with the expiry of one year from the day the right of claim arising from bill of exchange is lost.

Article (921)
Validity of limitation
Limitation time in case of claim will not be applied except from last day of procedures and this limitation is not applied if a verdict is issued for the debt or recognition in accordance with an independent bond.

Article (922)
Effects of interruption
No effect on interruption of limitation except in respect of the decisive action taken.

Article (923)
Official holidays
If due date of bill of exchange is on holiday, payment should be on the following day. Any other action should not be taken concerning the bill of exchange particularly its offer for acceptance or raising a protest except on working day.

Article (924)
Commencement of times
The first day is not included in calculation of judicial time or promised convention.

Article (925)
Courtesy time limit
Legal or judicial notice should not be granted as a courtesy.

Article (926)
Construing
The expression “home” in this book is mentioned also for “place of work” unless it was place of residence. The expression “place of payment” is mentioned for the entire city and its suburbs.

Section Two
Promissory bond
Chapter One: Provisions

Article (927)
Identification
Promissory bond: is a written commitment according the situations specified by law; it includes an undertaking of a specific person named the editor for paying a specific amount of money on a specific date or to be specified to order or for permission of a person named the beneficiary.

Article (928)
Bond’s basic data
The promissory bond includes the following data:

1. condition of the ordering party or expression “bond to order” written on the body of the bond in the same language
2. unsuspended undertaking on condition to settle a certain amount of money
3. due date
4. place of settlement
5. name of the payee or order (beneficiary)
6. date and place of issuing the bond
7. signature of editor of the bond

Article (929)
Bond without some data
The bond without one of the mentioned data of the previous article is not considered promissory bond except in the following cases:

1. the bond without mentioning the due date is considered mature at sight
2. if the place of payment is not mentioned, the place mentioned in the side of the editor is considered the place of payment and home of the editor at the same time
3. the bond without mentioning the place of issuance is considered issued in the place stated in the side of the name of the editor

Article (930)
Validity of some provisions of the bill of exchange on the promissory bond
The provisions of the bill of exchange regarding payment, circulation and recourse for the reason of non payment, protest, payment by interference, copies, distortion, limitation, official holidays, calculation of time limits, times, prohibition of granting judicial or legal time limits, provisional detention, difference of amounts in letters and numbers, signature without authorization, considering the bond in the rule of

inexistence are applied on the promissory bond. Also the provisions of the bill of exchange concerning mature bill of exchange in another home or other entity which is not in the home of the editor as well as conditioned interest and provisional guarantee will be applied on the promissory bond. If the name is not mentioned in the wording, it is counted for the benefit of the editor without prejudice to the nature of the bond.

Article (931)
Commitments of bond's editor and date at sight
Editor of promissory bond is considered committed with the obligation of acceptor of bill of exchange; the bond which is due for settlement after expiry of a specific period should be presented to the editor during the time specified in article (854) for indicating at sight on it with date and signature and this time will commence from date of the mentioned indication.
If the editor refused to put the mentioned indication, refusal should be proved with protest to be dated on commencement of validity of the period at sight.

Chapter Two
Common provisions between bill of exchange and promissory note

Article (932)
Power of bill of exchange and promissory note as an executive bond
The bill of exchange and promissory note even they were at sight or a period after sight will not depend on consideration of the provisions concerning stamp duty; if the bonds were issued free of stamp duty or stamp duty was not paid during the legally established period, it loses its power as an executive bond.
The bearer of any of the two bonds will have no right to sue on the basis of the provisions of bill of exchange if he did not settle stamp duty fees and the established cash fine mentioned in its respect and the court even on its own will decide rule of invalidity of the bill of exchange or promissory note as an executive bond.

Article (933)
Due interest on bond and its payment
If the promissory note or bill of exchange is due at sight or a period after sight and mentioned in it that interest is due, stamp duty fees should be included – in addition to the original – interest rate should be calculated on the basis of the rate stated in the bond and interest should not be calculated on a period exceeding 10 months.

Section Three
Cheques
Chapter One

Article (934)
Fundamental data of banking cheque
The cheque includes the following data:

1. the word "cheque" included on the bond in the same language of the cheque

2. An order that is not pending condition for payment of a specific amount of money.

3. Name of drawee.

4. Place of payment.

5. Date and place of issuance of the cheque.

6. Signature of drawer.

Article (935)
Effects of not mentioning some data
If the cheque does not include one of the data stated in the previous article, it losses the rule of the cheque except in the following cases:

1. the place stated in the side of drawee's name is considered place of payment; if the cheque is without mentioning a certain place and if there multiple places stated in the side of drawee's name, the cheque is considered payable at the first place

2. if the cheque is without these data, it should be payable in the place of issue and if the bank has no location in the mentioned place, it should be paid in its head quarter.

3. if the cheque is without the place of issue, it will be considered accrued at the place referred to in the side of drawer's name.

Article (936)
Cheque should be withdrawn in bank
Cheques should be withdrawn on bank; and cheque which is payable abroad may be withdrawn from non banks.
Cheque should not be issued except if drawer has money to be disposed with the drawee through issuance of cheques according an explicit or implicit agreement between them; however the bond which arise a breach of the mentioned condition will not lose the rule of the cheque.

Article (937)
No acceptance of cheques
No acceptance of cheque and each indication for acceptance is considered as if it was not but drawee may indicate on the cheque that balance is provided for payment of amount and to prevent the drawer to dispose of the amount before presenting the cheque for payment.

Article (938)
Statement of specific person to fulfill the cheque
The conditions for payment of a cheque are as follows:

1. Specific person with the expression "to order" or without it.

2. Specific person with the expression “not to order” or its corresponding one.

The cheques which is drawn for the interest of a specific person and in which the expression “or bearer” or its equivalent will be considered a cheque to bearer; and if the cheque is without mentioning the name of the beneficiary, the cheque is considered to bearer.

Article (939)
Statement of beneficiary and restrictions
The cheque may be drawn to order of drawer himself and the cheque may be drawn to bearer.
The cheque may not be drawn on the drawer himself unless it is drawn on banks’ branches which are controlled by one head quarter and in this case the cheque should not be to bearer.

Article (940)
Restricting interests
The condition of any interest on the cheque is considered as if it was not.

Article (941)
Place of payment
The cheque may be paid at the home of third party whether he was at the home of drawee or at any other entity in which there is a corporation which is in place of the bank.

Article (942)
Application of some provisions of the bill of exchange on the cheque
Provisions of articles (833, 4, 5, 6, 7 and 838) concerning the bill of exchange and which is related to the amount, signature and conditions will be applied on the cheque.

Article (943)
Power of the general agent
The general authorization commits the person himself in the name and for account another with the power of issuing cheques and its circulation unless agency’s contract stipulates otherwise.

Article (944)
Guaranteeing payment
The responsibility of payment of cheques is on the drawer and each condition which states his exemption is void.

Chapter Two: circulation of cheque

Article (945)
Circulation of cheque
The cheque issued in the name of a specific person is subject to circulation through rotation even if the expression “to order” is not explicitly mentioned in it; the cheque

issued in the name of a specific person and with the condition (not to order) or its equivalent should not be transferred, except on the basis of the established civil transfer in the civil law.
The cheque may be circulated in the interest of the drawer himself or other committed person and they may re circulate it.

Article (946)
Circulation restrictions
Circulation should be free from any condition; any condition will as if it was not and partial circulation will be void.
Circulation to be bearer is considered circulation on blank.
The rule of receipt only is applicable for circulation to drawee unless the drawee has multiple corporations and obtained circulation for one department that differs from the other on which the cheque was drawn.

Article (947)
Application of the provisions of bill of exchange
The provisions of bill of exchange stated in articles (844, 5, 6, 7, 8, 9, 850 and 851) relating to circulation, its effects, circulator's guarantee, legal custody, circulation restrictions, applicable rule of defenses, consideration of dates and circulation (for collection) will be applied on the cheque.

Article (948)
Provisional guarantee
Guarantee for payment of cheque may be with provisional guarantee including all or part of the amount or from other with the exception of the drawee; provisions of articles (862 & 863) will be applied on the cheque.

Chapter Three: presentation of cheque and payment

Article (949)
Cheque that is mature at sight
The cheque is payable at sight and each statement stating postponement is considered cancelled.
The cheque which is presented for payment before the day stated in it such as date of issuance should be paid on submission date.

Article (950)
Time for presenting the cheque for payment
The cheque which is drawn in Libya and mature in Libya should be submitted for fulfillment during 20 days.
If it is drawn abroad and mature in it, it should be submitted during 40 days.
The previously mentioned periods will start from the date stated in the cheque such as issuance date.
Submission of cheque to one of legally known clearing houses is considered submission for fulfillment.

Article (951)
Difference in dates
If a cheque is drawn between two countries with different calendars, the date of issuance will be replaced with the day corresponding it in the calendar of the place for payment.

Article (952)
Payment of cheque after due date
The drawee will pay the cheque after the due date of presentation unless the drawer objects.
Drawer's objection for payment of cheque is not accepted except in case of its loss or bearer's bankruptcy.

Article (953)
Death of drawer or bankruptcy or loss of eligibility
The cheque will not loose its rule or effect with the death of the drawer or bankruptcy or loss of eligibility after issuance of the cheque.

Article (954)
Effects of payment and partial payment
If the drawee paid the cheque, he will have the right to claim its delivery duly signed from the bearer,
The bearer should not refuse acceptance of partial payment and will request payment; if drawer's balance is less than the value of the cheque and paid part of its value, the drawee will request to indicate that in the cheque.
Whatever amount is paid from the actual value of the cheque will absolve the drawer, circulator and provisional guarantors; bearer of cheque will raise the protest with the remainder.

Article (955)
Submission of multiple cheques at the same time
If multiple cheques were submitted at the same time and drawer's balance is not sufficient to cover all cheques, it will be paid according dates of issuance.
If the cheques were separated from on book and with the same date, the cheque with the precedent number is given priority.

Article (956)
Sequence circulations
The drawee before payment of the cheque which is subject to circulation should investigate the sequence of circulation and he is not obliged to ascertain the accuracy of the signatures of circulators.

Article (957)
The cheque drawn in foreign currency or not circulating in Libya
If it is conditioned to pay the cheque in a currency not circulating in Libya, its value may be paid on the specified time for presentation in the Libyan currency at the current rate on the day of payment,

If payment was not effected on the day of presentation, bearer will choose between claiming the value of the cheque calculated at the rate of the Libyan currency on the day of presentation or day of payment.
If the cheque is presented for payment at the first time after expiry of the specified time for presentation, the rate to be applied is the rate on the expiry day of presentation.
The custom of the place of payment is to estimate the foreign currency, but the drawer may condition calculation of the payable amount on the basis of the rate stated in the cheque.
The precedent provisions will not be applied when the drawer conditions payment of the cheque in a specific foreign currency.
If the cheque is in a currency with common name and its value differs in country of issuance from its value in the country of payment, it is assumed that payment will be in the currency in the country of fulfillment.

Article (958)
Responsibility for payment of fraudulent cheques
The drawer is not committed to pay the cheques with fraudulent signatures, even if it was paid by the bank on which it was drawn unless an error is proved.
The drawer is considered wrong particularly if he did not preserve the forms of cheques delivered to him with care.

Article (959)
Some of provisions of bill of exchange are applicable on the cheque
The provisions of the bill of exchange considering the cheque in the rule of inexistence, claim of recourse, limitation and provisional guarantee are applied on the cheque.

Chapter Four: crossed cheque and cheque which is recorded in the account

Article (960)
Identification and provision of crossing
Drawer of cheque or bearer will cross it be two parallel lines on the face of the cheque the effects stated in the following articles are consequent to the crossing.
Crossing is general or special.
The crossing is considered general if there is no sign between the two lines or the (word bank) was stated only or any other expression of the same meaning was stated. It is considered special if a name of a specific bank is written between the two lines.
The general crossing may be transferred to special crossing and the opposite should not be. Cancellation of crossing or the name of the bank stated in it is considered as if it was not.

Article (961)
Methods of payment of the crossed cheque
The drawee should not pay a crossed cheque with general crossing except to one of his clients or to the bank.
The crossed cheque with special crossing should not be paid except to specific bank or one of his clients if the bank is the drawee; and the specific bank for collection may

assign another bank to fulfill the value of the cheque according circulation by authorization.
The bank should not obtain a crossed cheque except from one of his clients or from another bank and he should not collect it except for account of one of those.
If the drawee does not consider the previous provisions, he becomes committed to compensate to an extent not exceeding the amount of the cheque.
The word (client) in the provision of this article means the person who has an account with the bank on which it was drawn.

Article (962)
Recording the amount of cheque in the account
The drawer or bearer of the cheque may prevent in cash by putting the expression (recording in the account) or any other equivalent expression on the back of the cheque.
In this case the cheque is not paid by the drawee through recording in the records (in the account or transfer or set off).
Recording the cheque in the records replaces payment. Cancellation of the expression (recording in the account) will be void and the consequences if the drawee did not consider that will be the provisions of his responsibility to compensate against harm at an extent not exceeding the amount of the cheque.
The drawee is not committed for recording except in respect of the person who has account.

Article (963)
Restricted cheque from circulation
A cheque should not be paid with a condition on issuance as (not transferable) or the like, in cash or recording in the account except to the person to whom the cheque is issued in his name.
The cheque should not be circulated except to a bank on the basis for collection of its value; and in this case the bank should not re circulate it.
Any circulation that contradicts this restriction is considered as if it was not; and also cancellation of the expression (not transferable). Whoever pays a cheque that is prevented from circulation to a person who is not specified or to a bank that is not assigned to collect it will be committed to pay the cheque again.
The bank may add in the cheque the expression (not transferable) if his client requested that.
Any circulator may add the same expression and the consequences of this subsequent limitation are the same mentioned effects.

Article (964)
Application of the provisions of this chapter
The provisions of this chapter are applied on the cheques payable inside Libya.
Chapter Five: recourse for non payment

Article (965)
Proof of non payment
Bearer of cheque has the right of recourse to circulators, drawer and other committed persons if he presented it during the established period for payment and its value was not paid; refusing payment to be proved by one of the following methods:

1. Official letter of protest
2. Statement issued by the drawee mentioning day of submission and place
3. Dated statement issued by clearing house mentioning that the cheque was submitted on a specific time and its value was not paid

Issuance of the referred to statement should not be refused if the bearer requested it even if the cheque includes the condition of recourse without expenses.

Article (966)
Due date for proving non payment
Refusing payment should be refused by the means stated in the previous article before expiry of the specified period for submission; and if submission was on the last day, refusal may be proved on the following working day.

Article (967)
Provisions of bill of exchange which are applied on the cheque
Provisions of articles (877. 878 and 879) concerning the bill of exchange in respect of the notification for non payment or exemption from raising the protest and responsibility of those committed with it will be applied on the cheque.

Article (968)
The authorized right of whoever pays the cheque
Whoever pays a cheque should request guarantors with the following:

1. The amount paid from cheque's value
2. The legal payable interest from date of payment
3. Expenses of protest and all incurred expenses

Article (969)
Applying the provisions of bill of exchange
The provisions to be applied on the cheque are the provisions of articles (869, 882, 883, 886, 887, 888, 889, 890, 891, 892, 893, 894, 897 and 898) of this law without contradicting the nature of the cheque.

Chapter Six: multiple copies

Article (970)
Issuing copies and conditions
With the exception of the cheque (to bearer), it is allowed to draw multiple copies of the cheque to be identical with each if drawn from a country and due for payment in another country or it was withdrawn and due for payment in part or different parts of the country.

If a cheque is drawn with more than a copy, its number should be inserted in each copy, otherwise each copy will be considered an independent cheque.

Article (971)
Provisions of bill of exchange applicable on the cheque
Provisions of article (911) are applied on the cheque

Article (972)
Applying some provisions of bill of exchange on the cheque
The provisions considering the bill of exchange in the rule of inexistence and the provisions related to distortion will be applied on the cheque.
Concerning limitation, the periods established for the bill of exchange while reducing the duration of limitation of the claim of bearer's recourse on the circulator to 6 months.

Article (973)
Identification
In this section the word (bank) means each person or financial corporation performing banking services; the word (home) means place of residence; the expression (payment entity) or (place of payment) means town.

Article (974)
General provisions
Provisions of the bill of exchange concerning official holidays as well as the provision for non granting judicial or legal time limit for courtesy and validity of commencement of times will be applied on cheques.

Article (975)
Bank's refusal
A penalty of at least LD> 500.- and not more than LD. 1,000.- will be imposed on the bank if it committed the following deeds intentionally:

1. Declaring unavailability of balance for the cheque or balance is not sufficient
2. Refusal in bad faith to fulfil a cheque with the entire balance or partial balance
3. Refusal to set or deliver the statement referred to in paragraph (2) of article (965)
4. Refusal without justification to certify the cheque or to pay the equivalent of the certified cheque

The same penalty will be imposed on the ordinary responsible official who committed the deeds stipulated in the previous paragraphs or issued instructions for its commitment.

Chapter Seven: periodic cheque

Article (976)
Conditions for issuance

The periodic cheque is a credit bond (to order) which is issued by one of the permitted corporations for payment of amounts not exceeding the total funds available with it on issuance.

The periodic cheque is mature at sight from all entities specified for payment.

The licensed corporation to issue periodic cheques should form suitable balance to guarantee payment of the issued cheques according the stipulations of the license.

Article (977)
Data of the periodic cheque

The periodic cheque includes the following data:

1. Name of (periodic cheque) written on the bond
2. Unconditional commitment for payment of a specific amount of money
3. Name of the corporation that issued the cheque
4. Date and place of issue
5. Corporation's signature

If the periodic cheque is without one of these data, it loses its validity.

Article (978)
Period of limitation

The right of the cheque holder is ruled out in pursuing claim of recourse if not presented for payment within 40 days from its issuance; and limitation of right in pursuing the claim on the corporation after expiry of 3 years from date of its issuance.

Circulation of cheque to the issuing corporation or one of its branches will rule out the cheque.

Article (979)
Authorization for issuance of periodic cheques

Periodic cheques may be issued by authorization if the agent is a bank or one of its branches.

Article (980)
Extent of application of the provisions of the banking cheque and provisions of the bill of exchange

The provisions of bill of exchange concerning circulation, payment, protest, recourse, limitation, fraudulent acts and legal eligibility as well as the provisions of the banking cheque regarding circulation if it does not contradict the nature of the periodic cheque will be applied on the periodic cheque.

Chapter Eight: tourism cheques

Article (981)
Identification
Tourism cheque is a bond issued by a bank or financial corporation which is licensed for that after signature of the buyer in the presence of the concerned official from the issuing entity.

Article (982)
Conditions for payment of the cheque
The tourism cheque is not paid except if two identical signatures of the person to whom it is issued on the front of the cheque.

Article (983)
Applicable conditions
The relation between the issuer of the tourism cheque and the person to whom it is issued is governed with purchase testimony without contradicting the habits and customs followed in this respect.