

Thomson's
DICTIONARY
OF BANKING

F. R. Ryder,
D. B. Jenkins,

Thomson's DICTIONARY OF BANKING

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PREFACE TO THE TWELFTH EDITION

INEVITABLY Editors of any book approach their task with diffidence as to what to omit and what to add. With a work of reference the problem is accentuated. Throughout, the Editors have been tempted to retain a number of headings that may no longer have current significance. Where a volume has something of a classic character about it, then its value is in part historical. It is hoped this feature has not been permitted to override the prime purpose of practical reference; on the other hand, such entries as "Attendance Book" have been allowed to remain because they may remind bankers of today of the significance attributed, generations ago, to such a record that it merited inclusion in the Dictionary of Banking.

It is probably true to say that the face of British banking has changed more in the last five years than in the previous fifty. For this reason it may be that the Editors are more vulnerable to the criticism that some of the entries are wider than traditional or even current banking confines.

F. R. RYDER
D. B. JENKINS

EDITOR'S NOTE

At the time of going to press the Consumer Credit Bill and the Companies Bill were before Parliament and it is hoped to incorporate legislation arising from these bills in a future publication.

PUBLISHER'S NOTE

Sadly, the co-editor Mr. D. B. Jenkins died before his work on the revision of this book was finished. Both Mr. Ryder and the publishers would like to acknowledge their great indebtedness to Mr. F. E. Perry for completing the task of reading the proofs.

PREFACE TO FIRST EDITION

THE Dictionary of Banking has been compiled in order to provide, in one volume, the means of obtaining information, with the minimum of trouble, upon any subject connected with the business of banking.

Hitherto it has been a matter of continual difficulty with many bank officials to know exactly where to turn for information upon certain subjects; but it is hoped and believed that the present volume will meet this difficulty, and that it will enable anyone to find in its pages a ready and reliable reference whenever the occasion arises.

The following pages include, as far as possible, a reference to all the various terms and matters which come within the scope of a banker's ordinary duties, as well as to other matters which arise out of, or are associated with, the business of banking, such as bankruptcy, company regulations, partnerships, stamp duties, stock exchange, winding up, law of property, etc.

The book is furnished with many cross-references, and at the end of each leading subject, e.g. ACCOUNTS, BANKRUPTCY, BILL OF EXCHANGE, CHEQUE, COMPANIES, INSURANCE, MORTGAGE, STAMP DUTIES, STOCK EXCHANGE, TITLE DEEDS, will be found a list of the principal articles connected with that subject, which should facilitate the discovery of any particular point.

The whole of the Bills of Exchange Act, 1882, is given, the sections being distributed under the appropriate headings. Under the title *BILLS OF EXCHANGE ACT, 1882*, references are supplied to the various articles in which the different sections have been placed.

Many sections from other Acts, which are useful and interesting to bankers, are also given under the proper headings, and include the Currency and Bank Notes Act, 1928, and the Companies Act, 1929. For example, if information is required respecting the registration of a charge given by a company, the actual words of the Companies Act, 1929, on that subject are quoted under *REGISTRATION OF CHARGES*; and respecting the registration of a mortgage of a ship, the provisions of the Merchant Shipping Act, 1894, are set forth under *SHIP*, and so in many other cases, an endeavour having been made, wherever practicable and necessary, to quote the sections of the Acts relating to matters of importance.

There is probably no subject of greater interest to branch managers and senior clerks than that of securities for advances, and consequently all matters connected with the examination of title deeds and the investigations of titles have been treated in the *DICTIONARY* in accordance with their importance.

In addition to the article on *TITLE DEEDS*, dealing with the matter in a general way, there is an article on *TITLE DEEDS—NOTES RE TITLE*, wherein is set out a number of the principal points which it is thought will prove useful in indicating what a banker should attend to when examining a parcel of deeds of freehold or leasehold property. If further information should be required on any of the points raised, the subject can be referred to in its alphabetical order in the book. A few questions relating to the value of a property which is offered as security are added to that article, and additional hints as to valuations, particularly for the benefit of younger managers, may be found under *ADVANCES*, *FARM STOCK*, *LICENSED PROPERTY*, *VALUATION*.

With regard to securities other than title deeds, articles such as the following may be referred

PREFACE

to:—AMERICAN SHARE CERTIFICATES, BEARER BONDS, BILL OF LADING, BILL OF SALE, BOND OF CREDIT, CERTIFICATE, DEBENTURE, DEBTS—ASSIGNMENT OF, DOCK WARRANT, GUARANTEE, INSCRIBED STOCK, LIFE POLICY, NEGOTIABLE INSTRUMENTS, SHARES, etc.

A list of many of the abbreviations which are used in bank offices is supplied under ABBREVIATIONS. The article BANKRUPT PERSON contains separate headings relating to a bankrupt drawer, partner, payee, surety, etc., and under STATUTE OF LIMITATIONS the various sub-headings show how the statute affects the different matters with which a banker is concerned, such as a bank note, a bill of exchange, the drawer of a cheque, a guarantee, memorandum of deposit, promissory note, etc. A series of articles is supplied dealing with the position upon a death, e.g. DEATH OF ACCEPTOR, ADMINISTRATOR, DRAWER, GUARANTOR, JOINT CUSTOMER, PARTNER, SHAREHOLDER, TRUSTEE, etc.

Specimens of indorsements which are usually accepted, as well as examples of those which are not, as a rule, passed by a banker, are given in tabular form under INDORSEMENT.

The results of law cases have been given wherever necessary, and in many instances the words of the judges are quoted. References are added to the various cases, and the abbreviations in the quotation of reports are explained on page ix.

To facilitate reference being made to law reports other than those that are quoted in the text, the date of the decision has been given in every instance.

The following books amongst others have been consulted in the preparation of the present volume—

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|--|--|
| GRANT'S LAW OF BANKING | BANKERS' ADVANCES AGAINST PRODUCE <i>Alfred Williams</i> |
| CHALMERS' BILLS OF EXCHANGE ACT, 1882 | FOREIGN EXCHANGE AND FOREIGN BILLS <i>W. F. Spalding</i> |
| THE LAW OF BANKING <i>Heber Hart, LL.D. (Lond.)</i> | MY BANKER AND I <i>J. G. Kiddy</i> |
| THE LAW OF BANKING <i>Sir John R. Paget, Bart., K.C.</i> | THE COUNTRY BANKERS' HANDBOOK <i>J. G. Kiddy</i> |
| THE PRACTICE OF BANKING (4 Vols.) <i>John Hutchison</i> | HISTORY, PRINCIPLES, AND PRACTICE OF BANKING <i>J. W. Gilbart</i> |
| BANKING AND NEGOTIABLE INSTRUMENTS <i>Frank Tillyard, M.A.</i> | MONEY MARKET PRIMER <i>George Clare</i> |
| BILLS, CHEQUES, AND NOTES <i>J. A. Slater, B.A., LL.B. (Lond.)</i> | THE ELEMENTS OF BANKING <i>H. D. Macleod, M.A.</i> |
| ENGLISH PRACTICAL BANKING <i>T. B. Moxon</i> | HANDBOOK ON JOINT STOCK COMPANIES <i>F. Gore-Browne, M.A., K.C., and W. Jordan</i> |
| THE COUNTRY BANKER <i>George Rae</i> | BANKING LAW <i>W. Wallace, M.A., and A. McNeil</i> |
| LOMBARD STREET <i>Walter Bagehot</i> | LAW OF STAMP DUTIES <i>E. N. Alpe</i> |
| BUSINESS MAN'S GUIDE <i>Sir Isaac Pitman & Sons Ltd.</i> | QUESTIONS ON BANKING PRACTICE |
| PRESENT-DAY BANKING <i>F. E. Steele</i> | JOURNAL OF THE INSTITUTE OF BANKERS |
| BANKING AND CURRENCY <i>Ernest Sykes, B.A.</i> | BANKERS' MAGAZINE |
| THE PRACTICE AND LAW OF BANKING <i>H. P. Sheldon</i> | BANKERS' ALMANAC AND YEAR BOOK |
| BANKER'S ADVANCES <i>Francis R. Stead</i> | LAW TIMES REPORTS |
| BANKERS' SECURITIES AGAINST ADVANCES <i>Lawrence A. Fogg</i> | TIMES LAW REPORTS |
| | ALL ENGLAND REPORTS |

I have to express my deep indebtedness to the many friends who have been kind enough to supply most useful information and to read and correct the sheets as they have passed through the press.

W. THOMSON

NEWCASTLE-ON-TYNE

WILLIAM THOMSON

As it is now sixty years since the first edition was published, perhaps the time is opportune to preserve the information and recollections available about Mr. William Thomson, to whose energy, courage and enterprise the existence of the Dictionary is attributable.

William Thomson at the age of sixteen entered banking as a Junior Clerk in the service of the Cumberland Union Bank at Carlisle in 1883. We are told by a contemporary that "he wrote a splendid hand and was brimful of intelligence," so that it is not surprising to learn that he soon engaged the special attention of the General Manager, and became his Shorthand Correspondent.

In 1901, when the York City and County Bank took over the "Cumberland" he was transferred to York as a Branch Inspector; and in 1910 after the York City and County had themselves been taken over by the London Joint Stock Bank, he was transferred to Newcastle-upon-Tyne as Inspector of the N.E. District. He continued in this post with the Midland Bank after amalgamation in 1918, until his retirement in 1932.

The Dictionary was inspired by his own difficulties as a young clerk in obtaining information about banking terms and other relevant matters. From recollections of people who knew him personally we learn that, as an Inspector, he impressed upon those who worked with him that an adverse report should not be submitted on anyone until one was absolutely certain that everything possible had been said about the man's good points. Not unexpectedly he was also known for the habit of writing notes on odd bits of paper that he took home each night and no doubt enshrined in the Dictionary.

Born in 1867, he lived to the ripe old age of 91 and passed away on 1st March, 1958. He had lived to see his Dictionary become famous and of help to generations of bankers throughout the world.

F.R.R.

ABBREVIATIONS USED IN THIS BOOK WHEN REFERRING TO LAW CASES

A.C. or } Appeal Cases, Law Reports.
 App. Cas. }
 A. & E., Adolphus & Ellis.
 All E.R., All England Reports.
 B. & Ad., Barnewall & Adolphus.
 B. & C., Barnewall & Cresswell.
 Be., Beavan.
 Bing., Bingham.
 Burr., Burrows.
 C.B., Common Bench.
 C.B.N.S., Common Bench New Series.
 C.P.D., Common Pleas Division, Law Reports.
 Ch., Chancery, Law Reports.
 Ch. App., Chancery Appeals, Law Reports.
 Ch.D., Chancery Division, Law Reports.
 Cl. & Fin., Clark & Finelly.
 Com. Cas., Commercial Cases.
 Cox C.C., Cox's Criminal Cases.
 Dunl., Dunlop, Court of Sessions Cases, Scotland.
 E. & B., Ellis & Blackburne.
 E. & I. A., English and Irish Appeals, Law Reports.
 Exch., Exchequer Reports.
 F., Fraser, Court of Sessions Cases, Scotland.
 H.L.C., Clark's House of Lords' Reports.
 I.C.L.R. } Irish Common Law Reports.
 Ir.R.C.L. }
 I.L.T., Irish Law Times.
 I.R., Irish Reports.
 J. & H., Johnson & Hemming.
 K.B., King's Bench, Law Reports.
 L.J., C.P., Law Journal, Common Pleas.

L.J., Ch., Law Journal, Chancery.
 L.J., Q.B., Law Journal, Queen's Bench.
 L.J.R. from [1947]–[1949].
 L.R.C.P., Law Reports, Common Pleas.
 L.R., Eq., Law Reports, Equity.
 L.R., Ex., Law Reports, Exchequer.
 L.R., Ch., Law Reports, Chancery.
 L.R.H.L., Law Reports, House of Lords.
 L.R.Ir., Law Reports, Ireland, Chancery and Common
 Law.
 L.R.P.C., Law Reports, Privy Council.
 L.R., Q.B., Law Reports, Queen's Bench.
 L.T., Law Times Reports.
 Ll.L.R., Lloyd's List Law Reports.
 M. & S., Maule & Selwyn.
 M. & W., Meeson & Welsby.
 Macq. H.L.R., Macqueen's Appeal Cases (Scotch).
 Mer., Merivale.
 Q.B., Queen's Bench Cases.
 Q.B.D., Queen's Bench Division.
 R., Rennie, Court of Session Cases, Scotland.
 S.C., Sessions Cases, Scotland.
 Sc.R., Scottish Law Reporter.
 S.L.T., Scots Law Times.
 Sol.J., Solicitors' Journal.
 T.C., Tax Cases.
 T.L.R., Times Law Reports.
 T.R., Term Reports.
 W.L.R., Weekly Law Reports.
 W.N., Weekly Notes.
 W.R., Weekly Reporter.

DICTIONARY OF BANKING

ABB]

A

[ABB

ABBREVIATIONS. The following is a list of the chief abbreviations met with in banking—

A/c., Account.
 A/C., Account Current.
 A/D., After Date.
 A.I.B., Associate of the Institute of Bankers.
 A/o., Account of.
 A/S., After Sight.
 Ad. Val., *Ad valorem*.
 Agt., Agreement. Agent.
 Assgt., Assignment.
 B.B., Branch Bill.
 B/C., Bills for Collection.
 B.D., Bill Discounted.
 B/E., Bill of Exchange.
 B/L., Bill of Lading.
 B.N., Bank Note.
 B.O., Branch Office.
 B/P., Bills Payable.
 B/R., Bills Receivable.
 B/S., Balance Sheet. Bill of Sale.
 C., Copper. Country.
 C/-, Coupon.
 C.A., Chartered Accountant. Credit Account.
 C a/c, C/A., Current Account.
 C.B., Country Bill.
 C/B., Cash Book.
 C.C., Cash Credit.
 C.C., Country Cheque. Country Clearing.
 C.C.O., Country Clearing Office.
 C.D., Cum Dividend.
 C.H., Clearing House.
 C.I.F., Cost, Insurance, Freight.
 C.I.F. and C., Cost, Insurance, Freight and Commission.
 C.I.F. and E., Cost, Insurance, Freight and Exchange.
 C.L.C.B., Committee of London Clearing Bankers.
 C/N., Contract Note.
 C.O., Cash Order.
 C.O.D., Cash on Delivery.
 C.P., Charter Party.
 Chq., Cheque.
 Com., Commission.
 Contra, Against.
 Cr., Creditor, Credit.
 Cum D., With Dividend.
 D., a penny. D is the first letter in *Denarius* (Latin).
 D.A., Deposit Account.

D/A., Days after Acceptance.
 D/A., Documents on Acceptance.
 D/B., Day Book.
 D/D., Days after Date. Demand Draft.
 D/O., Delivery Order.
 D/P., Documents on Payment.
 D.P.B., Deposit Pass Book.
 D/R., Deposit Receipt.
 D/S., Days after Sight.
 Deb., Debenture.
 Dft., Draft.
 Dis., Disc., Discount.
 Div., Dividend.
 Dols., Dollars.
 Dr., Debtor.

E.E., Errors Excepted.
 E. & O.E., Errors and Omissions Excepted.
 Ex., Excluding.
 Ex Cp. or x/cp., Ex Coupon.
 Ex D. or x/d., Ex Dividend.
 Ex Int., Ex Interest.
 Exch., Exchange.
 Exix., Executrix.
 Exor., Executor.

F., Franc.
 F.A.S., Free Alongside Ship.
 F.I.B., Fellow of the Institute of Bankers.
 F.O.B., Free on Board.
 F.O.R., Free on Rail.
 F/P., Fire Policy.
 F.P.A., Free from Particular Average.
 F.p., Fully Paid.
 Fi. Fa., *fieri facias* (q.v.).
 Fo., Fol., Folio.

G., Gold.
 G/A., General Average.
 Gtee, Guarantee.

H.M.C., Her Majesty's Customs.
 H.M.S., Her Majesty's Service.
 H.O., Head Office.

I.B.S.S., International Banking Summer School.
 Ins., Insurance.
 Int., Interest.
 Inv., Invoice.
 I O U, I Owe You.

Irr., Irredeemable.

J/A., Joint Account.

Jour., Journal.

Jr., Junr., Junior.

L/A., Letter of Authority.

L/C., Letter of Credit.

L/D., Letter of Deposit.

L.O., London Office.

L/P., Life Policy.

L.S. (Lat., *Locus sigilli*), Place of the Seal.

L.s.d. (Lat., *Librae, solidi, denarii*), Pounds, Shillings, Pence.

£p., Pounds, New Pence.

£E., Pounds Egyptian.

£I., Pounds Israeli.

£T., Pounds Turkish.

Led., Ledger.

Lit., Lire Italian.

Ltd., Limited.

M. (Lat., *Mille*), Thousand.

M., Metropolitan.

M/C., Marginal Credit.

M/D., Months after Date.

M/D., Memorandum of Deposit.

M.O., Money Order.

MS., Manuscript.

M/S., Months after Sight.

M/T., Mail Transfer.

N.A., New Account.

N/A., Non-acceptance.

N/N., Not to be Noted.

N.P., Notary Public.

No., Number.

O.A., Old Account.

O/A., On Account.

O/D., On Demand.

O/D., Overdraft.

% (Lat., *Per centum*), By the Hundred.

O.O., Own Occupation.

0/00 (Lat., *Per mille*), By the Thousand.

O.R., Official Receiver.

O.R., Owner's Risk.

O.S., Old Style.

O/s, o/sg., Outstanding.

P., New Pence.

P/A., P/Av., Particular Average.

P/A., Power of Attorney.

P.A. (Lat., *Per annum*), Yearly.

P.B., Pass Book.

P/C., Price Current.

P.C. (Lat., *Per centum*), By the Hundred.

P. & L., Profit and Loss.

P/N., Pro. Note, Promissory Note.

P.O., Postal Order.

P.P., Per Procurationem.

P.S. (Lat., *Post scriptum*), Postscript.

Payt., Payment.

Pd., Paid.

Per an. (Lat., *Per annum*), Yearly.

Per con. (Lat., *Per contra*), On the other side.

Per cent. (Lat., *Per centum*), By the Hundred.

Per pro. (Lat., *Per procurationem*), By procuration.

Pm., Premium.

Pro., For.

Pro tem. (Lat., *Pro tempore*), For the time being.

Qr., Quarter.

Qy., Query.

R., Rupee.

R.A.P., Rupees, Annas, Pies.

R/C., Re-credited.

R.D., Refer to Drawer.

Recpt., Receipt.

Reg., Regd., Registered.

Rev. a/c., Revenue Account.

Rs., Rupees.

S., Silver, Shilling (Lat., *Solidus*).

\$, Dollars.

S.B., Sub Branch.

S.B., Short Bill.

S.C., Safe Custody.

S.D., Send Direct.

S.O., Sub Office.

S.P., Supra Protest.

S.P.A., Sundry Persons' Account.

S.S., Special Settlement.

S.S., Steamship.

S/V., Surrender Value.

St., Stet (Lat., *Stet*), Let it stand.

Ster., Stg., Sterling.

Sy. Crs., Sundry Creditors.

Sy. Drs., Sundry Debtors.

T., Town.

T/o., Turnover.

T.T., Telegraphic Transfer.

Tfr., Transfer.

V/A., Voucher Attached.

W.W., Warehouse Warrant.

Wt., Warrant.

X.C., Ex Coupon.

X.D., Ex Dividend.

X.In., Ex Interest.

ABRASION OF COINS. The loss of weight through their constant use which occurs in coins which are in circulation. After a certain time many coins become so much worn as to be below the minimum weight allowed

by law; but so long as the impressions are discernible upon coins, the general public do not concern themselves very much with their weight.

ABSCONDING DEBTOR. (See ACT OF BANKRUPTCY.)

ABSOLUTE TITLE. Land may be registered under the Land Registration Act, 1925, with an Absolute Title. A grant of an Absolute Title gives the proprietor a state-guaranteed title against all the world. The Land Certificate thereafter is the sole document of title and the previous title deeds are obsolete. To evidence this fact they are impressed with the Land Registry stamp. Absolute Title is granted for the most part in respect of freehold land, but in certain circumstances may be granted in respect of a leasehold estate. A possessory title may be converted into an absolute freehold title after fifteen years or, if leasehold, to a good leasehold title after ten years. (See LAND REGISTRATION.)

ABSTRACT. An abridgment or epitome of a book or document.

ABSTRACT OF TITLE. A document prepared by the vendor's solicitor and delivered to the purchaser's solicitor. It is an epitome of the vendor's deeds and subsidiary documents, but is not part of the title. The abstract should commence with the deed—the root of title—stipulated in the contract of sale for commencement of title. If there is no such stipulation, the abstract should ordinarily cover a minimum period of fifteen years. (Law of Property Act, 1969, Section 23.) Previously the period was thirty years. An abstract of title will disclose in addition to the deeds in the vendor's possession, documents not usually handed over to a purchaser, but necessary to show an unbroken chain of title, such as probates, marriage and death certificates, settlements, etc. An acknowledgment of the right to production of any missing deeds or documents mentioned in the abstract of title should be obtained. (See OPEN CONTRACT, TITLE DEEDS.)

ACCEPTANCE. This word is commonly used as meaning a bill of exchange, that is, the actual bill itself; but an acceptance is really the writing across the face of a bill by which the drawee agrees to the order of the drawer. The drawee is the person to whom a bill is addressed by the drawer, and who is required to pay on demand, or at a fixed or determinable future time, a sum certain in money to or to the order of a specified person, or to bearer. If the drawee agrees to the drawer's order he signifies his assent by accepting the bill. When the drawee has accepted a bill he is called the acceptor.

An acceptance is defined by Section 17 of the Bills of Exchange Act, 1882, as follows—

- “(1) The acceptance of a bill is the signification by the drawee of his assent to the order of the drawer.
- “(2) An acceptance is invalid unless it complies with the following conditions, namely:
 - “(a) It must be written on the bill and be signed by the drawee. The mere signature of the drawee without additional words is sufficient.

“(b) It must not express that the drawee will perform his promise by any other means than the payment of money.”

As a rule a drawee accepts a bill after it has been fully completed and signed by the drawer; but by Section 18, “A bill may be accepted—

- “(1) Before it has been signed by the drawer, or while otherwise incomplete:
- “(2) When it is overdue, or after it has been dishonoured by a previous refusal to accept, or by non-payment:
- “(3) When a bill payable after sight is dishonoured by non-acceptance, and the drawee subsequently accepts it, the holder, in the absence of any different agreement, is entitled to have the bill accepted as of the date of first presentment to the drawee for acceptance.”

There are two kinds of acceptances—

- (1) General acceptance. (See ACCEPTANCE, GENERAL.)
- (2) Qualified acceptance. (See ACCEPTANCE, QUALIFIED.)

“A general acceptance assents without qualification to the order of the drawer. A qualified acceptance in express terms varies the effect of the bill as drawn.” (Section 19, subsection 2.)

An acceptance is usually upon the face of the bill, but the drawee's signature placed upon the back of it is regarded as sufficient. In such a case it is usual to make a reference on the front of the bill to the fact that the acceptance is on the back. A drawee may accept a bill by merely writing his name across it, without any further words, but it is customary for the word “accepted” to be used. When the bill is domiciled, the name of the bank where it is payable follows the word “accepted,” and then the acceptor signs his name. The commonest form of acceptance (a general acceptance) is—
“Accepted, payable at the X & Y Banking Coy. Ltd., London, John Brown.”

If the bill is payable at so many days after sight, the drawee must add the date of sighting to his acceptance. (See SIGHTING A BILL.)

If there are several drawees named on a bill, each one of them must sign the acceptance; but an order addressed to two drawees in the alternative, or to two or more drawees in succession, is not a bill of exchange. (See DRAWEE.)

Section 17 states that the acceptance must be signed by the drawee, but anyone who holds a proper authority from the drawee to accept bills may accept on his behalf. A bill cannot be drawn on one person and accepted by another.

Where the drawee is a firm, the partner who accepts must do so in the name of the firm. Where the drawee is a limited company, the acceptance should contain the name of the company as well as the signatures of the authorised officials. If officials in signing do not show that they sign for and on behalf of the company they may render themselves personally liable. (See AGENT, “PER PRO.”)

With regard to the rules as to presentment of a bill for acceptance, see **PRESENTMENT FOR ACCEPTANCE**.

When a bill is duly presented for acceptance and is not accepted within the customary time (that is by the close of business on the day following presentation for acceptance), the person presenting it must treat it as dishonoured by non-acceptance. (See **DISHONOUR OF BILL OF EXCHANGE**.)

Until a drawee has accepted the bill he is not liable thereon; but in Scotland where the drawee has funds available for its payment, the bill operates as an assignment of the amount of the bill in favour of the holder from the time when the bill is presented to the drawee. (Section 53.)

An acceptor is at liberty to cancel his acceptance provided that the bill is still in his own hands, and that he has not led anyone to believe that he would accept it.

In the Bombay High Court (*The Times*, 29th Nov., 1924), a decision was given with regard to certain bills which had been re-accepted, at or before maturity, an extension of the due date having been agreed upon with the consent of the drawers. It was held that the original bills had been extinguished, and that the bills became new instruments which could not be received in evidence for want of the proper stamp duty.

In a number of foreign countries the legal position is different.

The liability of an acceptor is defined by Section 54—

"The acceptor of a bill, by accepting it—

"(1) Engages that he will pay it according to the tenor of his acceptance:

"(2) Is precluded from denying to a holder in due course:

"(a) The existence of the drawer, the genuineness of his signature and his capacity and authority to draw the bill:

"(b) In the case of a bill payable to drawer's order, the then capacity of the drawer to indorse, but not the genuineness or validity of his indorsement;

"(c) In the case of a bill payable to the order of a third person, the existence of the payee and his then capacity to indorse, but not the genuineness or validity of his indorsement."

As an acceptor is responsible for the genuineness of the drawer's signature, a drawee consequently incurs an unnecessary liability if he accepts a bill before it has been signed by the drawer. If the bill is drawn "per pro." or on behalf of the drawer, the drawee ought to satisfy himself, before accepting the bill, that the drawer has authorised the bill to be drawn in that way. He is not liable for signatures, such as the payee's or an indorser's, which do not, in the ordinary course of things, appear upon a bill until after it has been accepted.

No person is liable as acceptor of a bill who has not signed it as such: Provided that (1) where a person signs a bill in a trade or assumed name, he is liable thereon as if he had signed it in his own name; (2) the signature of the name of a firm is equivalent to the

signature by the person so signing of the names of all persons liable as partners in that firm (Section 23). In the case of a non-trading partnership, an acceptance by a partner binds himself alone and not the firm.

If there are several acceptors on a bill they are jointly liable, not jointly and severally.

Where a bill is accepted payable at the acceptor's bankers, that is a sufficient authority for the banker to debit it to his customer's account; but in practice, country bankers often require particulars of acceptances falling due to be given, and a written order from the customer to pay them. Such an order does not require to be stamped. London bankers pay inland bills without advice, but foreign bills domiciled in London require advice.

Notice of the death, bankruptcy or mental incapacity of an acceptor revokes a banker's authority to pay an acceptance.

If the banker is a holder for value, he may debit an acceptance to the acceptor's account, even if the acceptor has sent instructions not to pay the bill.

Where a bill is accepted, say, by John Brown payable at the British Bank, Leeds, although no drawee's name is mentioned in the bill, it may be debited to his account. A bill may also be charged to the acceptor's account which is accepted simply "John Brown," if there is an indication elsewhere on the bill that it is payable at the British Bank, Leeds.

A banker is not obliged to pay a bill accepted payable with him or to retire an acceptance payable in London, except by instructions or by custom. In *Bank of England v. Vagliano Brothers*, [1891] A.C. 107, it was held that "if a banker undertakes the duty of paying his customer's acceptances, the arrangement is the result of some special agreement, expressed or implied."

An order signed by a customer to retire an acceptance (whether his own or another person's) does not require a stamp to be affixed.

A drawer often indicates in the body of the bill, or below the drawee's name, where it shall be payable, e.g. "payable in London," but if there is no such indication, the drawee accepts it payable in the place where he lives, unless he follows the recognised custom and makes it payable in London.

If a bill is accepted payable at, say, the British Bank Ltd., and no town is mentioned, it should be presented at the British Bank in the town where the drawee is described as living.

As to the practice of banks accepting bills on behalf of customers see **CONFIRMED CREDIT**, **DOCUMENTARY BILL**.

In Scotland, acceptors usually sign their names under the drawer's signature, but when they accept the bill payable at their bankers, the acceptance is generally across the bill. (See **BILL OF EXCHANGE**.)

ACCEPTANCE CREDIT. A credit whose terms involve the drawing of time bills needing acceptance either by the bank issuing the credit or by the customer. (See **DOCUMENTARY CREDIT**.)

ACCEPTANCE FOR HONOUR. The drawer of a bill and any indorser may insert in the bill the name of

a person to whom a holder may resort in case of need, that is in case the bill is dishonoured by non-acceptance or non-payment. Such a person is called the referee in case of need. (See Bills of Exchange Act, 1882, Section 15.) If the bill is not accepted by the drawee the holder may, after the bill is protested for non-acceptance, present it to the referee in case of need. When the referee accepts it, he becomes an acceptor for honour.

After protest for non-acceptance, any person may, with the consent of the holder, accept a bill *supra* protest for the honour of any party thereon. Section 65 of the Bills of Exchange Act, 1882, provides as follows—

- “(1) Where a bill of exchange has been protested for dishonour by non-acceptance, or protested for better security, and is not overdue, any person, not being a party already liable thereon, may, with the consent of the holder, intervene and accept the bill *supra* protest, for the honour of any party liable thereon, or for the honour of the person for whose account the bill is drawn.
- “(2) A bill may be accepted for honour for part only of the sum for which it is drawn.
- “(3) An acceptance for honour *supra* protest in order to be valid must—
 - “(a) be written on the bill, and indicate that it is an acceptance for honour;
 - “(b) be signed by the acceptor for honour.
- “(4) Where an acceptance for honour does not expressly state for whose honour it is made, it is deemed to be an acceptance for the honour of the drawer.
- “(5) Where a bill payable after sight is accepted for honour, its maturity is calculated from the date of the noting for non-acceptance, and not from the date of the acceptance for honour.”

An acceptance for honour is written across the bill as, “Accepted for the honour of John Brown, Thomas Jones,” or “Accepted *supra* protest, Thomas Jones,” or “Accepted for the honour of John Brown with £ for notarial charges, Thomas Jones,” or, “Accepted S.P. (i.e. *supra* protest), Thomas Jones.”

The liability of an acceptor for honour is dealt with in Section 66 as follows—

- “(1) The acceptor for honour of a bill by accepting it engages that he will, on due presentment, pay the bill according to the tenor of his acceptance, if it is not paid by the drawee, provided it has been duly presented for payment, and protested for non-payment, and that he receives notice of these facts.
- “(2) The acceptor for honour is liable to the holder and to all parties to the bill subsequent to the party for whose honour he has accepted.”

As to presentment for payment to an acceptor for honour see Section 67 under PRESENTMENT FOR PAYMENT. (See ACCEPTANCE, BILL OF EXCHANGE.)

ACCEPTANCE, GENERAL. When a drawee writes his name across a bill agreeing to the order of the drawer, it is called an acceptance of the bill. The Bills of

Exchange Act, 1882, Section 19, defines two kinds of acceptances—

- “(1) An acceptance is either (a) general or (b) qualified. (See ACCEPTANCE, QUALIFIED.)
- “(2) A general acceptance assents without qualification to the order of the drawer.
- “(c) . . . An acceptance to pay at a particular place is a general acceptance, unless it expressly states that the bill is to be paid there only and not elsewhere.”

The following are specimens of general acceptances—

John Brown.
Accepted, John Brown.
Accepted, John Brown, 2, King Street, Leeds.
Accepted, payable at X & Y Bank Ltd., Leeds, John Brown.
Sighted, June 16, John Brown, Leeds.
Accepted, payable at A & B Bank Ltd., London, per pro. John Brown, W. Robinson.

A holder of a general acceptance may present it to the acceptor himself, but, if there is a place of payment mentioned on the bill, unless it is presented at that place he will lose his recourse against all the other parties to the bill. (See ACCEPTANCE, ACCEPTANCE QUALIFIED, BILL OF EXCHANGE.)

ACCEPTANCE LEDGER. The ledger in which are entered, under the customer's name, particulars of bills accepted by the bank on his behalf.

ACCEPTANCE OF CHEQUES. (See CERTIFICATION OF CHEQUES.)

ACCEPTANCE, QUALIFIED. An acceptance is either general (see ACCEPTANCE, GENERAL) or qualified. Section 19 of the Bills of Exchange Act, 1882, defines a qualified acceptance as follows—

- “(2) . . . A qualified acceptance in express terms varies the effect of the bill as drawn.
- “In particular an acceptance is qualified which is—
- “(a) conditional, that is to say, which makes payment by the acceptor dependent on the fulfilment of a condition therein stated;
- “(b) partial, that is to say, an acceptance to pay part only of the amount for which the bill is drawn;
- “(c) local, that is to say, an acceptance to pay only at a particular specified place:
- “An acceptance to pay at a particular place is a general acceptance, unless it expressly states that the bill is to be paid there only and not elsewhere;
- “(d) Qualified as to time;
- “(e) The acceptance of some one or more of the drawees, but not of all.”

The following are specimens of qualified acceptances—

Conditional. “Accepted, payable on delivery of bills of lading. J. Brown.”
Partial. “Bill drawn for £100. “Accepted for £50 only. J. Brown.”

Local. "Accepted, payable at the X & Y Bank Ltd., Leeds, and there only. J. Brown." In order to charge the acceptor and other parties, the bill must be presented for payment at the place named.

As to time. Bill drawn at three months' date.

"Accepted, payable at six months' date. J. Brown."

Not accepted by all the drawees. Bill drawn on W. Brown, J. Jones, and W. Robinson. "Accepted, payable at X & Y Bank Ltd., W. Robinson." In this case W. Robinson is liable to pay the bill.

The duties of the holder, the drawer, or the indorser of a qualified acceptance are set forth in Section 44 as follows—

"(1) The holder of a bill may refuse to take a qualified acceptance, and if he does not obtain an unqualified acceptance may treat the bill as dishonoured by non-acceptance.

"(2) Where a qualified acceptance is taken, and the drawer or an indorser has not expressly or impliedly authorised the holder to take a qualified acceptance, or does not subsequently assent thereto, such drawer or indorser is discharged from his liability on the bill.

"The provisions of this sub-section do not apply to a partial acceptance, whereof due notice has been given. Where a foreign bill has been accepted as to part, it must be protested as to the balance.

"(3) When the drawer or indorser of a bill receives notice of a qualified acceptance, and does not within a reasonable time express his dissent to the holder he shall be deemed to have assented thereto."

Where by the terms of a qualified acceptance, presentment for payment is required, the acceptor, in the absence of an express stipulation to that effect, is not discharged by the omission to present the bill for payment on the day that it matures. (Section 52 (2).) If a bill be accepted with a qualified acceptance as to place, the holder cannot sue the acceptor before he has presented the bill for payment.

A qualification of an acceptance must be in clear and unequivocal terms, so that any person taking the bill could not, if he acted reasonably, fail to understand that it was accepted subject to an express qualification. (*Decroix v. Meyer* (1890), 25 Q.B.D. 343.)

ACCEPTANCE REGISTER. The book in which are kept full particulars of all bills accepted by the bank for customers.

ACCEPTING HOUSES. Financial houses which specialise in accepting bills drawn on them under credits established in favour of approved customers. The accepting house is an important institution in the Money Market, and came into being over a century ago, when leading merchants allowed smaller traders to draw on them in order that the superior quality of their acceptance would facilitate negotiation of the bills. This origin is still seen in the description "merchant banker" sometimes given to some accepting houses. Today

accepting houses also deal in loan issues, deposits, and other financial operations. (See also DOCUMENTARY CREDIT.)

The Accepting Houses Committee represents 18 merchant banks. The chief qualifications for membership of the Committee are that a substantial part of the business of each house shall consist of accepting bills to finance the trade of others, that the bills when accepted can command the finest rates on the discount market, and that the acceptances are freely taken by the Bank of England. These three qualifications may be considered as the three characteristics of an accepting house, but its activities are wider.

ACCEPTOR. When the drawee of a bill (that is the person to whom the bill is addressed) agrees to the order of the drawer, he shows his assent by signing his name across the bill, that is, he accepts it, and when that is done he is called the acceptor. The acceptor is the person who is expected to pay the bill at maturity.

In applying the provisions of Part IV of the Bills of Exchange Act, 1882, dealing with Promissory Notes, the maker of a note is to be deemed to correspond with the acceptor of a bill. If there are several acceptors of a bill they can only be liable jointly, but in the case of a promissory note the makers may be liable jointly, or jointly and severally, according to the wording of the note.

An acceptor is not discharged through any failure of a holder to present the bill to him at maturity for payment. He is liable thereon for six years from its maturity. If an acceptor becomes bankrupt, his acceptances should be withdrawn by any customer for whom they have been discounted, though legally the withdrawal cannot be enforced before the bills mature. (See ACCEPTANCE, BILL OF EXCHANGE.)

"The position of the acceptor of a bill of exchange with reference to subsequent holders is very different from that of a customer with reference to his banker in the case of a cheque. In the latter case, there is a definite contractual relation involving the obligation to take reasonable precautions." "There is no such connection between the drawer or acceptor and possible future indorsees of a bill of exchange." (*London Joint Stock Bank Ltd. v. Macmillan and Arthur*, [1918] A.C. 777.) (See under ALTERATIONS.)

ACCEPTORS' LEDGER. A separate account is opened in this ledger for each acceptor of bills discounted by the bank, so that the banker may see at a glance to what extent the acceptances of any person or firm have been discounted. In considering whether a bill should be discounted it is, of course, very important to know the amount for which the acceptor is already liable.

ACCESS is the name given to the credit card scheme introduced by Lloyds, Midland, National Westminster, Williams and Glyn's and the Royal Bank of Scotland in October, 1972. The Scheme is run as a joint venture by the participating banks, who are responsible for the recruitment and control of their own cardholder files. The Joint Credit Card Company, which was formed by the original three banks, each holding a third part

equity, is responsible for the merchant members and computer operations.

When making a purchase at an establishment which is a merchant member of the scheme (e.g. shops, airlines, hotels) the cardholder hands his card, which bears his signature, to the supplier who places it in an imprinter which transfers the details of both the cardholder and the merchant to a sales voucher. Particulars of the transaction are included by the merchant and the cardholder signs the voucher to authenticate it and to establish his identity. The card is then returned to him with a copy of the sales voucher.

A cardholder is also able to obtain a cash advance to the amount of £30 from any branch of the participating banks. Interest is charged on such withdrawals at $1\frac{1}{2}$ per cent per month from the day the money is taken.

The merchant pays his copy of the sales slip into a branch of one of the participating banks, who credit his account with the total amount, using the Bank Giro System if the account is at another branch or bank. The sales and cash advance vouchers are remitted by the banks to The Joint Credit Card Company at Southend for processing.

The cardholder receives a monthly statement of his account, advising him of the balance outstanding and the minimum repayment due, which is now either £6 or 15 per cent of balance, dependent on which is the greater amount. If the full amount of the account is settled within 25 days of the statement date, no interest is charged. If extended credit is taken, then interest is charged at $1\frac{1}{2}$ per cent per month on the outstanding balance.

ACCOMMODATION BILL. A bill to which a person, called an accommodation party, puts his name to oblige or accommodate another person without receiving any consideration for so doing. The position of such a party is, in fact, that of a surety or guarantor. Bills of this type are commonly called "kites," or "windmills," or "windbills." A may accept a bill for the accommodation of B the drawer, who is in need of money. A receives no consideration and does not expect to be called upon to pay the bill when due. B raises the necessary funds by discounting the bill, expecting that, at maturity, he will be in a position to meet the bill himself. If, however, he fails to do so, a holder for value, even though he knew it was an accommodation bill when he took it, can sue the acceptor and prior indorsers. But until value has been given no one is liable on such a bill. When a banker discounts an accommodation bill he becomes a holder for value.

The Bills of Exchange Act, 1882, Section 28, defines an accommodation bill and the liability of an accommodation party as follows—

- "(1) An accommodation party to a bill is a person who has signed a bill as drawer, acceptor, or indorser, without receiving value therefor, and for the purpose of lending his name to some other person.
- "(2) An accommodation party is liable on the bill to a holder for value; and it is immaterial whether,

when such holder took the bill, he knew such party to be an accommodation party or not."

By Section 46 (2), presentment for payment is dispensed with—

"(c) As regards the drawer, where the drawee or acceptor is not bound, as between himself and the drawer, to accept or pay the bill, and the drawer has no reason to believe that the bill would be paid if presented.

"(d) As regards an indorser, where the bill was accepted or made for the accommodation of that indorser and he has no reason to expect that the bill would be paid if presented."

Notice of dishonour is dispensed with, by Section 50 (2)—

"(c) (4) Where the drawee or acceptor is as between himself and the drawer under no obligation to accept or pay the bill;

"(d) As regards the indorser,

"(3) Where the bill was accepted or made for his accommodation."

But to preserve the holder's rights against any prior parties the bill should be presented for payment at maturity.

By Section 59 (3):—"Where an accommodation bill is paid in due course by the party accommodated, the bill is discharged."

Where a banker discounted a bill for the drawer, a customer, and was informed, after the bill was dishonoured, that it was an accommodation bill, and the banker agreed, at the drawer's request, not to apply to the acceptor but to depend upon him (the drawer), and his account afterwards showed a credit balance larger than the amount of the bill, it was held in *Marsh v. Houlditch* (an unreported case tried in 1818, and cited in Chitty, *Bills of Exchange*, 11th edn., p. 290), that the banker was bound to have applied the balance in payment of the bill and that the acceptor was discharged. In his judgment, Mr. Justice Abbott said: "The banking account of the drawer with the plaintiffs having at one time, after the bill was due, been in his favour to a larger amount than the bill, the plaintiffs (the bankers) were bound to apply the balance in discharge of that bill, and could not keep it as a security for a fluctuating balance which might ultimately become due to them." (See *BILL OF EXCHANGE*.)

ACCOMMODATION PARTY. The person who signs the bill as drawer, acceptor, or indorser, without receiving any value therefore, for the purpose of accommodating some other person. An accommodation party is liable to a holder for value. (See *ACCOMMODATION BILL*.)

ACCORD AND SATISFACTION. The substitution of one agreement for another, one party to a contract being willing to waive his claim under the contract for something different.

There cannot be a good accord and satisfaction of the whole of a debt by payment of part unless there be valuable consideration for giving up the remainder. The delivery and acceptance in satisfaction of a negotiable

instrument for a less sum than the total sum due is good accord and satisfaction—the consideration being the getting of something different from legal tender in the shape of a negotiable instrument.

ACCOUNT DAY. Otherwise known as Settling Day or Pay Day. The fifth and final day in each twice monthly Stock Exchange settlement, when securities bought for the Account are delivered, payment for purchase made, and differences settled. Since January, 1947, Account Day is on a Tuesday. (See **SETTLING DAYS**.)

"ACCOUNT PAYEE." These words, or their equivalent, such as "a/c A.B.," are frequently added to the crossing of a cheque, with the idea of safeguarding it in transmission. The phrase has no mention in the Bills of Exchange Act, 1882, and does not render a cheque not transferable. (*National Bank v. Silke*, [1891] 1 Q.B. 435). Furthermore, the words have no effect on the negotiable quality of a cheque. (*A. L. Underwood Ltd. v. The Bank of Liverpool & Martins Ltd.* (1924), 40 T.L.R. 302.)

The efficacy of the phrase lies in its warning effect on a collecting banker, for the collection of a cheque bearing an a/c payee crossing for anyone but the payee will enable the latter to claim damages for conversion if the cheque has been used in fraud of him. It has been held that the collection of a cheque so crossed for someone other than the payee is negligence disentitling the banker to the protection of Section 82, Bills of Exchange Act, 1882 [now replaced by Section 4, Cheques Act, 1957]. (*Bevan v. National Bank Ltd.* (1907), 23 T.L.R. 65; *House Property Co. of London, Ltd. & Others v. London County & Westminster Bank Ltd.* (1915), 31 T.L.R. 479.) But where an English bank collected a cheque crossed "a/c payee" for a foreign banking correspondent who remitted it for credit in its account in London and the cheque had been paid into the foreign bank by one of its customers in fraud of the payee, it was held that the English bank had not acted negligently. (*Importers Co. Ltd. v. Westminster Bank Ltd.* (1927), 43 T.L.R. 325.) It is not clear beyond all doubt whether sufficient enquiry can eliminate the risk for the collecting banker, despite this so-called crossing. However, at least the duty of enquiry is much heavier than it would otherwise have been.

The fact that a cheque is payable to a specified person or to bearer and crossed "a/c payee" does not minimise the significance of the words.

The paying banker is not concerned with the special features of an a/c payee crossing, and evidence, in the shape of further indorsements, that the cheque has not gone to the payee's account does not put him upon inquiry.

An uncrossed cheque marked "a/c payee" and presented across the counter for payment should not be paid.

The Committee of London Clearing Bankers agreed in 1958 that the drawing of non-transferable cheques would create serious practical difficulties for the banks and might expose them to unacceptable risks; for

example, a paying banker would have no statutory protection in respect of non-transferable cheques cashed at the counter and would in each case be obliged positively to identify the payee; while the collecting banker could not become a holder for value of a non-transferable cheque and would not be able to enforce payment in his own name. For these and other reasons, therefore, it recommended that in appropriate cases customers should be approached with a request that the practice should be discontinued.

ACCOUNT STATED. This term has two meanings. It may mean the simple acknowledgment of a debt, which acknowledgment is considered merely prima facie evidence of the existence of the debt and rebuttable by further evidence. In its second sense it means that parties who have had a series of mutual transactions have agreed expressly or impliedly to a set-off of the items against each other and to be answerable only for the balance.

In this latter sense the Courts have consistently refused to hold that the pass book was evidence of an account stated. It is even less likely that the present-day loose-leaf statement, which is not returned by the customer to his banker, would be so considered.

ACCOUNTABLE RECEIPT. A receipt given for moneys or goods which have to be subsequently accounted for, such as a deposit receipt, a safe custody receipt. A fraudulent entry in a pass book has been held to be a forgery of an accountable receipt.

ACCOUNTS. See **CURRENT ACCOUNT**, **DEPOSIT ACCOUNTS**.

ACCOUNTS OPENED AND CLOSED BOOK. This book, as its name implies, contains a complete list of all accounts which have been opened and of those which have been closed, the date of opening or closing, and the reason for closing, if known, being given normally in each case.

ACCRUED INTEREST. Interest to which a banker or a customer is entitled, but which is not actually received till a later date. At the end of a half-year, a banker, before ascertaining his profits, provides for the interest which has accrued up to date, and for which he is liable, on the outstanding deposit accounts; he also takes into account the interest which has accrued upon investments or loans, and to which he is entitled, though the actual receipt of the dividends or interest will not take place till some date in the next half-year.

ACKNOWLEDGMENT OF PRODUCTION OF DEEDS. (See **ABSTRACT OF TITLE**, **TITLE DEEDS**.)

A COMPTE. French, on account.

ACQUITTANCE. The document which releases a person from a debt or obligation.

ACT OF BANKRUPTCY. When a debtor commits an act of bankruptcy, the Court may, on a bankruptcy petition being presented either by a creditor or by the debtor, make a receiving order for the protection of the estate. The Act must have been committed within three months before the presentation of the petition.

Eight various acts of bankruptcy are detailed in Section 1 of the Bankruptcy Act, 1914—

"(1) A debtor commits an act of bankruptcy in each of the following cases—

"(a) If in England or elsewhere he makes a conveyance or assignment of his property to a trustee or trustees for the benefit of his creditors generally:

"(b) If in England or elsewhere he makes a fraudulent conveyance, gift, delivery, or transfer of his property, or of any part thereof:

"(c) If in England or elsewhere he makes any conveyance or transfer of his property or any part thereof, or creates any charge thereon, which would under this or any other Act be void as a fraudulent preference if he were adjudged bankrupt:

"(d) If with intent to defeat or delay his creditors he does any of the following things, namely, departs out of England, or being out of England remains out of England, or departs from his dwelling-house, or otherwise absents himself, or begins to keep house:

"(e) If execution against him has been levied by seizure of his goods under process in an action in any Court, or in any civil proceeding in the High Court, and the goods have been either sold or held by the sheriff for twenty-one days:

Provided that, where an interpleader summons has been taken out in regard to the goods seized, the time elapsing between the date at which such summons is taken out and the date at which the proceedings on such summons are finally disposed of, settled, or abandoned, shall not be taken into account in calculating such period of twenty-one days:

"(f) If he files in the Court a declaration of his inability to pay his debts or presents a bankruptcy petition against himself:

"(g) If a creditor has obtained a final judgment or final order against him for any amount, and, execution thereon not having been stayed, has served on him in England, or by leave of the Court, elsewhere, a bankruptcy notice under this Act, and he does not, within seven days after service of the notice, in case the service is effected in England, and in case the service is effected elsewhere, then within the time limited in that behalf by the order giving leave to effect the service, either comply with the requirements of the notice, or satisfy the Court that he has a counter-claim set-off or cross demand, which equals or exceeds the amount of the judgment debt or sum ordered to be paid, and which he could not set up in the action

in which the judgment was obtained, or the proceedings in which the order was obtained:

For the purposes of this paragraph and of Section 2 of this Act, any person who is, for the time being, entitled to enforce a final judgment or final order, shall be deemed a creditor who has obtained a final judgment or final order,

"(h) If the debtor gives notice to any of his creditors that he has suspended, or that he is about to suspend, payment of his debts."

The phrase "begins to keep house" in subsection (d) means to shut himself up in the house, or to refuse to see his creditors with the intention of delaying them.

There are three further acts of bankruptcy—

"(i) The County Courts Act, 1959, allowed an application to be made for an Administration Order (q.v.) over assets of the debtor. The Administration of Justice Act, 1965, provided that the making of such an application was to be treated as an act of bankruptcy.

"(j) When a County Court is hearing an application for an Attachment of Earnings Order and considers that an Administration Order may be appropriate, the Court may order the debtor to submit a list of all his debts. By the Administration of Justice Act, 1970, such an action is deemed to be an act of bankruptcy.

"(k) The Criminal Justice Act, 1972, sections 7 to 9, and the first schedule of the act, provides that a person against whom a criminal bankruptcy order is made is to be treated as a debtor who has committed an act of bankruptcy on the date on which the order is made. Criminal bankruptcy occurs where a person is convicted of an offence before the Crown Court and it appears to the Court that, as a result of the offence(s), loss or damage other than personal injury has been suffered by one or more persons, whose identity is known to the Court, and the amount or aggregate amount of the loss or damage exceeds £15,000. The petition is presented in the High Court but the proceedings may be transferred."

An available act of bankruptcy means any act of bankruptcy available for a bankruptcy petition at the date of the presentation of the petition on which the receiving order is made (Section 167).

It is often difficult to decide whether a certain state of things does or does not constitute an act of bankruptcy. A mere statement by a debtor that, in certain events, he will be obliged to suspend payment is not, of itself, an act of bankruptcy. Where a doctor, through