



Banking Law

Poh Chu Chai



LexisNexis®



B 30807456 W

By

POH CHU CHAI

LL.B. (Sing.), LL.M., LL.D. (Lond.)



LexisNexis

Singapore • Malaysia • Hong Kong • India
2007

Members of the LexisNexis Group worldwide

Singapore	LexisNexis, SINGAPORE 3 Killiney Road #08-08 Winsland House I Singapore 239519
Malaysia	Malayan Law Journal Sdn Bhd, SELANGOR DARUL EHSAN T1-6, Jaya 33 3, Jalan Segamat, Sekyen 13 46100 Petaling Jaya
Hong Kong	LexisNexis, HONG KONG Unit 3011, 30/F, The Center, 99 Queen's Road, Central
India	LexisNexis, NEW DELHI 14th Floor, Vijaya Building, 17, Barakhamba Road, New Delhi 110001
Argentina	LexisNexis Argentina, BUENOS AIRES
Australia	LexisNexis Butterworths, Chatswood, NEW SOUTH WALES
Austria	LexisNexis Verlag ARD Orac GmbH & Co KG, VIENNA
Canada	LexisNexis Butterworths, Markham, ONTARIO
Chile	LexisNexis Chile Ltda, SANTIAGO DE CHILE
Czech Republic	Nakladatelství Orac sro, PRAGUE
France	Editions du Juris-Classeur SA, PARIS
Hungary	HVG-Orac, BUDAPEST
Ireland	Butterworths (Ireland) Ltd, DUBLIN
Italy	Giuffrè Editore, MILAN
New Zealand	Butterworths of New Zealand, WELLINGTON
PRC	LexisNexis Beijing Representative Office, BEIJING
Poland	Wydawnictwo Prawnicze LexisNexis, WARSAW
South Africa	Butterworths SA, DURBAN
Switzerland	Stämpfli Verlag AG, BERNE
United Kingdom	LexisNexis Butterworths Tolley, LONDON AND EDINBURGH
USA	LexisNexis, Dayton, OHIO

©
Poh Chu Chai
2007

All rights reserved. No part of this publication may be reproduced, or transmitted in any form or by any means, including photocopying and recording, without the written permission of the copyright holder, application for which should be addressed to the publisher. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.

ISBN 978-981-236-589-7

Typeset in Singapore by LexisNexis.
Printed by Stellar-Grafix (S) Pte Ltd.

Publisher's Note

The publisher, authors, contributors and endorsers of this publication each excludes liability for loss suffered by any person resulting in any way from the use of, or reliance on, this publication.

*To my wife, Poe Wah,
and daughters, Joanne and Maryanne.*

The idea for this book was mooted to me many years ago by my publishers, LexisNexis, but I did not take up the idea then as I was busy with the research on my current books. Over the years, the contents of my books have grown in tandem with the developments in the law. LexisNexis' original proposal was for a book that could serve readers who need to know banking law, and these could include lawyers, bankers and students doing banking courses. This growing group of readers may find practitioners' texts not so accessible or easily digestible. Having done research in banking law for many years, I realised that this group of readers could well benefit from my research.

This book is not an attempt to provide a simplified version of banking law but is intended to give the reader an authoritative and well-researched text based on actual legal principles which even a seasoned legal practitioner might find useful. The only constraint my publishers placed on me in doing this book is keeping the size of the book within reasonable range so that it does not become too intimidating to the reader. The text for this book was completed in May 2007.

I am greatly indebted to Ms. Loo Lai Mee, Product Development Manager, for her keen interest and encouragement in getting me to agree to do the book. I must also thank Ms. Sharon Kaur, Publishing Manager, for her interest in the book, and Mr. Terence Lim, Managing Editor, for putting the manuscript into print. My gratitude also goes to Ms. Ng Sheau Jiu, for her untiring enthusiasm, in helping out with the editing of this book.

Poh Chu Chai,
Singapore,
July 2007.

CONTENTS

<i>Preface</i>	v
<i>Table of Cases</i>	xxv
<i>Table of Statutes</i>	xlvi

Chapter 1

THE BANK AND ITS CUSTOMER

1.	APPLICABLE LAW	1
2.	SUPERVISION OF BANKING ACTIVITIES	2
2.1	Monetary Authority of Singapore	2
2.2	Bank Negara Malaysia	3
3.	BANKS AND BANKING BUSINESS	3
3.1	Using the Term "Bank"	3
3.2	Prohibition on Doing Banking Business	3
4.	BANK CUSTOMER	5
4.1	Impact of Relationship	5
4.2	Presence of an Account	6
5.	DEBTOR AND CREDITOR RELATIONSHIP	7
6.	BANKER'S DUTY OF CARE	7
6.1	Failure to Exercise Care	7
6.2	Paying Without Proper Authority	8
6.3	Bank Acting as Collecting Agent	8
6.4	Accepting Convertible Securities	9
7.	OTHER SERVICES RENDERED BY BANKERS	9
7.1	Advice on Investments	9
7.2	Advice on Customer's Tax Liability	10
7.3	Warning Customer of Risks in Transaction	10
8.	CONSTRUCTIVE KNOWLEDGE	10
8.1	Contractual and Fiduciary Duties	10
8.2	Banker's Contractual Duty of Care	12
9.	BANKER'S LIABILITY AS A CONSTRUCTIVE TRUSTEE	13
9.1	Liability for Knowing Receipt	13
9.2	Constructive Knowledge in Knowing Receipt	14
9.3	Rendering Knowing Assistance	15
9.4	Balancing Bank's Interests	17
9.5	Bank's Contractual Duty of Care	17
10.	LIMITATION OF ACTIONS	18
10.1	Demand for Payment	18
10.2	Limitation Period in Singapore	19
10.3	Deposit Account	19
10.4	Loan Account	20
10.5	Demand Made a Condition Precedent	21

10.6	Notice Sent to the Wrong Address	22
10.7	Overdraft Account	22
10.8	Wrongful Debit by Bank	23
11.	REVIVAL OF TIME-BARRED DEBT	24
11.1	Acknowledgment of Debt	24
11.2	Part Payment of Debt	25
11.3	Acknowledgment by Debtor's Agent	25
11.4	Without Prejudice Communication	26
11.5	Presumption of Payment	26
11.6	Customer's Bad Debts	27

Chapter 2

TYPES OF ACCOUNTS	29
1. SAVINGS AND CURRENT ACCOUNTS	29
2. FIXED DEPOSIT ACCOUNT	30
2.1 Payment Made Without Deposit Receipt	30
2.2 Acknowledgment of Deposit	30
2.3 Payment to Third Party	31
2.4 Duration of Banker and Customer Relationship	31
2.5 Fixed Deposit Used as Security	32
3. SAFE DEPOSIT BOXES	33
3.1 Legal Relationship	33
3.2 Failure to Maintain Proper Security System	33
4. TRUST ACCOUNTS	33
4.1 Trustee Drawing on Trust Account for Own Benefit	33
4.2 Cheques Drawn on Trust Account	34
4.3 Bank's Right of Set-Off	35
5. PARTNERSHIP ACCOUNTS	35
5.1 Opening Partnership Account	35
5.2 Partner's Liability for Firm's Debt	36
5.3 Liability on Negotiable Instruments	37
5.4 Liability for Partnership Debts	37
5.5 Notice of Retirement	37
5.6 Death of Partner	38
5.7 Winding Up of Partnership	38
5.8 Limited Partnership	38
6. UNINCORPORATED CLUBS AND SOCIETIES	39
6.1 Capacity to Contract	39
6.2 Member's Liability	39
6.3 Contracts by Committee Members	40
6.4 Association's Overdraft	40
6.5 Association's Property	40
7. LOAN AND OVERDRAFT ACCOUNTS	41
7.1 Negotiation for Loan	41
7.2 Bank Calling for Report	42

7.3	Offer From the Bank	42
7.4	Agreement to Grant Loan	43
7.5	Improper Recall of Loan	44
7.6	Indulgence Granted by Bank	44
7.7	Term Allowing for Loan Recall	45
7.8	Failure to Pay Interest	45
8.	RECOVERY OF LOAN	46
8.1	Notice of Demand	46
8.2	Bank Obtaining Summary Judgment	47
8.3	Recovering Principal and Interest	47
8.4	Recovering Interest	47
8.5	Compound Interest	48
8.6	Default Interest	50
8.7	Post-judgment Interest	50
8.8	Interest Covenant Stipulated as Independent Covenant	51
8.9	Singapore Position	52
8.10	Malaysian Position	52
9.	BANK RECEIVING NEGLIGENT ADVICE	53
9.1	Persons Advising Bank	53
9.2	Duty to Bank's Customers	54
9.3	Contract Induced by Misrepresentation	54
9.4	Loss Attributable to Adviser's Negligence	54
9.5	Contributory Negligence	55
10.	CONCLUSIVE EVIDENCE CLAUSE	55
10.1	Conclusive Evidence Clause Not Contrary to Public Policy	56
10.2	Certificate Issued in Good Faith	57
10.3	Customer Bound by Certificate	57
10.4	Debt Owed at Earlier Date	58
10.5	Fraud or Manifest Error	59
10.6	Customer Not Named in Certificate	60
10.7	Applicability of Conclusive Evidence Clause	61
11.	GIFT OF AN ACCOUNT	61
11.1	Money or Cash in Account	61
11.2	Bank Account	62
11.3	Donatio Mortis Causa	62
Chapter 3		
JOINT BANK ACCOUNTS		65
1.	BANK'S POSITION	65
2.	POSITION BETWEEN JOINT ACCOUNT HOLDERS	66
2.1	Presumption of Joint Ownership	66
2.2	Right of Survivorship	67

3.	REBUTTING PRESUMPTION OF JOINT OWNERSHIP	67
3.1	Circumstances Surrounding Account	67
3.2	Presumption of Resulting Trust	68
3.3	Absence of Special Relationship	70
3.4	Joint Purchase of Property	70
3.5	No Intention to Provide Benefit	71
3.6	Intention to Benefit Account Holder	71
3.7	Funds Contributed by Both Account Holders	71
4.	PRESUMPTION OF ADVANCEMENT	72
4.1	Presence of Special Relationship	72
4.2	Parent and Child	73
4.3	Contrary Opinion	75
4.4	Husband and Wife	75
4.5	Contrary Intention	77
4.6	No Presumption for Husband	77
4.7	Contributions Made by Husband and Wife	77
5.	NO SPECIAL RELATIONSHIP	78
5.1	No Presumption Arises	78
5.2	Intention to Provide Benefit	78
6.	REBUTTING PRESUMPTION OF ADVANCEMENT	79
6.1	Reasons of Convenience	79
6.2	Tax Considerations	80
6.3	Avoiding Legal Disability	80
6.4	Inability to Get to Bank	81
6.5	When Reason of Convenience Ceases	81
7.	PURCHASES MADE WITH FUNDS FROM JOINT ACCOUNT	81
7.1	Presumption of Advancement	81
7.2	Conflicting Decisions	83
8.	GARNISHEE ORDER	84
9.	RIGHT OF INDIVIDUAL ACCOUNT HOLDER TO SUE	84
9.1	Bank's Duty to Each Account Holder	84
9.2	Bank's Obligations Not Joint	85
9.3	Position Followed in Later Cases	86
9.4	Account Holder's Right to Terminate Account	86
9.5	Signatory's Right to Account	86
9.6	Damages Recoverable by Individual Account Holder	87

Chapter 4

FORM OF INSTRUMENT 89

1.	BILLS OF EXCHANGE	89
1.1	Definition of Bill of Exchange	89

1.2	Bill of Exchange Transaction	90
2.	UNCONDITIONAL ORDER	91
2.1	Payment Subject to Conditions	92
2.2	Agreement Between Drawer and Payee	93
2.3	Payment Subject to Contingency	93
2.4	Instrument With Receipt Form	96
2.5	Limiting Time of Payment	96
3.	WRITTEN INSTRUMENT	97
4.	CHEQUES	98
4.1	Cheque Defined	98
4.2	Cheques and Bills of Exchange Compared	99
5.	POST-DATED CHEQUES	99
5.1	Post-Dated Cheque a Valid Bill of Exchange	99
5.2	Validity and Regularity Compared	100
5.3	Post-Dated Cheque and Holder in Due Course	100
6.	CROSSED CHEQUES	103
6.1	Legal Effect of Crossing	103
6.2	General and Special Crossings	104
6.3	Crossing Material Part of Cheque	104
6.4	Payment Contrary to Crossing	105
6.5	Alteration of Crossing	105
6.6	Drawer Crossing Cheque	105
6.7	Holder Crossing Cheque	106
6.8	Negotiability Not Affected by Crossing	107
6.9	Liability to True Owner	108
6.10	Paying Another Banker	109
6.11	Cheque Crossed "Not Negotiable"	110
6.12	Illegal Consideration	110
6.13	Presenting Crossed Cheque for Payment	111
7.	"ACCOUNT PAYEE" CROSSING	111
7.1	Effect of Amendment	113
7.2	Effect on Collecting Banker	114
8.	MARKING OF CHEQUES	115
8.1	Marking Not An Acceptance	115
8.2	Certification Adds to Cheque's Currency	116
9.	PROMISSORY NOTES	117
9.1	I.O.U. Notes	117
9.2	Note Containing Pledge of Security	119
9.3	Note Payable to Promisor	120
9.4	Variation of Promise	120
9.5	Joint Promissory Note	120
9.6	Presentment of Note for Payment	120

Chapter 5

NEGOTIATION OF INSTRUMENT	123
1. ISSUE OF INSTRUMENT	123
1.1 Delivery of Instrument	123
1.2 Mistake Over Messenger's Identity	124
1.3 Unexpected Means of Delivery	124
1.4 Presumption of Delivery	124
1.5 Conditional Delivery	125
1.6 Conclusive Presumption of Delivery	125
2. DELIVERY BY POST	126
2.1 No Agreement to Use the Post	126
2.2 Agreement to Use the Post	127
2.3 Lost Instruments	127
3. ACCEPTING A BILL OF EXCHANGE	127
3.1 Drawer's Position	127
3.2 Recourse Against Drawer	128
3.3 Bill Not an Assignment of Funds	128
3.4 Drawee's Position	129
3.5 General and Qualified Acceptance	129
3.6 Joint and Several Acceptance	130
3.7 Indorser's Position	130
3.8 Holder's Duty to Present Bill for Acceptance	131
3.9 Dishonour by Non-Acceptance	131
4. BEARER AND ORDER INSTRUMENTS	132
4.1 Bearer Instruments	132
4.2 Order Instruments	133
4.3 Indorser of Bill	134
4.4 Forged Indorsements	134
4.5 Restrictive Indorsement	134
4.6 Restricting Right to Acquire Title	136
4.7 Overdue Bill	136

Chapter 6

MAKING PAYMENTS	139
1. FUND TRANSFERS	139
1.1 Relationships Arising From Transaction	139
1.2 Giro Arrangements	140
2. BANK AND OWN CUSTOMER	140
2.1 Principal and Agent Relationship	140
2.2 Customer Countermanding Instructions	141
2.3 After Transfer is Initiated by Bank	141
2.4 Beneficiary Informed of Transfer	142
3. POSITION BETWEEN CREDITOR AND DEBTOR	142
3.1 Timing of Payment	142
3.2 Payment Made to Creditor's Banker	143
3.3 Agent With Limited Authority to Accept Payment	144

3.4	Agent With No Authority to Accept Payment	144
3.5	Payment to be Made in Cash	145
4.	RECEIVING BANK AND BENEFICIARY	145
4.1	Bank's Responsibility	145
4.2	Crediting Customer's Account	145
4.3	Crediting Customer's Account Before Collection	146
4.4	Beneficiary Having No Right to Draw on Credit	146
4.5	Bank's Internal Arrangements	147
5.	ELECTRONIC TRANSACTIONS	147
5.1	Services Provided for Bank Customer	147
5.2	How System Operates	148
5.3	Increased Level of Security for Internet Banking	148
5.4	Conventional Transaction and Electronic Transaction Compared	150
5.5	Responsibility for Fraudulent Transactions	151
5.6	Banking Practice in Electronic Transactions	152
6.	TRAVELLERS' CHEQUES	153
6.1	Legal Nature	153
6.2	Lost or Stolen Cheques	154
6.3	Express Agreement to Refund	154
6.4	Duty to Safeguard Cheques	155
7.	PAYMENT BY CHEQUE	155
7.1	Payment by Cheques and Bills of Exchange	155
7.2	Instrument Constitutes Conditional Payment	155
7.3	Debt Suspended During Currency of Instrument	156
7.4	Payment Takes Effect When Cheque is Paid	156
7.5	Payment to An Agent	157
7.6	Holder's Right to Sue on Cheque	157
8.	PAYMENT BY LETTER OF CREDIT	158
8.1	Letter of Credit Constitutes Conditional Payment	158
8.2	Failure of Issuing Bank	158
8.3	Bank Refusing to Pay	159
Chapter 7		
RECOVERING PAYMENT ON INSTRUMENT		161
1.	SUMMARY JUDGMENT	161
1.1	Instrument Treated as Cash	161
1.2	Instrument a Separate Transaction	162

2.	ACTION BY REMOTE PARTY	163
2.1	Defences Touching on Instrument	163
2.2	Personal Defences, Counterclaims and Set-Offs	163
3.	ACTION BY IMMEDIATE PARTY	164
3.1	Personal Defences	164
3.2	Counterclaim Based on Underlying Contract	165
3.3	Counterclaim Not Touching on Instrument	165
3.4	Defences Based on Underlying Contract	166
3.5	Counterclaim Likely to Succeed	167
4.	DEFENCES BASED ON INSTRUMENT	168
4.1	Fraud	168
4.2	Presence of Common Law Fraud	169
4.3	Total Failure of Consideration	169
4.4	Partial Failure of Consideration	171
4.5	Arguable Case Based on Failure of Consideration	172
5.	STAY OF EXECUTION	172
5.1	Immediate Execution of Judgment	172
5.2	Counterclaim Not a Ground for Staying Execution	173
6.	EXCEPTIONAL CIRCUMSTANCES	174
6.1	Plaintiff Suing as an Agent	174
6.2	Plaintiff Acting as a Trustee	175
6.3	Presence of Exceptional Circumstances	175
7.	TENDERING PAYMENT IN A SMALLER AMOUNT	176
7.1	Rule in Pinnel's Case	176
7.2	Accord and Satisfaction	177
7.3	Equitable Estoppel	178
8.	DISCHARGE OF INSTRUMENT	179
8.1	Payment by Drawee	179
8.2	Payment in Due Course	180
8.3	Discharge by Payment	180
8.4	Evidence of Payment	180
8.5	Instrument Coming Into Acceptor's Hands	181
8.6	Holder's Renunciation	181
8.7	Cancellation of Bill	182
9.	LIMITATION PERIOD	182
9.1	Instruments Payable on Demand	182
9.2	Demand a Pre-condition to Payment	183
9.3	Cheque Given as Disbursement for Loan	183
9.4	Revival of Time-Barred Debt	184
9.5	Acknowledgment by Way of Indorsement	184

9.6	Acknowledgment Given to a Third Party	185
10.	MEASURE OF DAMAGES	185
10.1	Permitted Recovery	185
10.2	Period for Award of Interest	185
10.3	Party Not at Fault	186
10.4	Noting Expenses	186

Chapter 8

	CUSTOMER'S MANDATE	187
1.	DUTY TO HONOUR CUSTOMER'S CHEQUES	187
1.1	Bank's Contractual Duty	187
1.2	Change of Mandate	188
1.3	Account With No Funds	189
1.4	Overdraft Agreement	190
1.5	Money Deposited by Mistake	190
1.6	Demand Made at Branch Where Account is Kept	191
1.7	Payment Made by Another Branch	191
1.8	Funds Transferred to New Branch	191
1.9	Position in Singapore	192
2.	FAILURE TO CARRY OUT CUSTOMER'S MANDATE	194
3.	QUANTUM OF DAMAGES FOR BREACH OF CONTRACT	195
3.1	Customer Who is Trader	195
3.2	Claim for Special Damages	196
3.3	Non-Trader Customer	196
3.4	Award of Substantial Damages Without Proof of Actual Damage	197
4.	ACTION FOR LIBEL	197
4.1	Justification	198
4.2	Reasons Given Not Justified	199
4.3	"Refer to Drawer" Remark	199
4.4	Account Frozen	200
5.	QUANTUM OF DAMAGES FOR LIBEL	200

Chapter 9

	EVENTS AFFECTING BANKER'S MANDATE	203
1.	COUNTERMAND	203
1.1	Countermand at Branch Where Account is Kept	203
1.2	Payment Made by Another Branch	204
1.3	Oral Countermand	205
1.4	Bank Unable to Verify Countermand's Authenticity	205
1.5	Unauthenticated Countermand	206
1.6	Information in a Countermand	206

1.7	Prejudicing Customer's Right of Countermand	207
1.8	Liability of Cheque Drawer	208
2.	DEATH OF CUSTOMER	208
2.1	Notice of Customer's Death	208
2.2	Newspaper Advertisement	209
3.	CUSTOMER'S MENTAL DISORDER	209
3.1	Customer and Third Parties	209
3.2	Knowledge Acquired by Agent	210
3.3	Customer and Own Banker	210
4.	CUSTOMER'S INSOLVENCY	211
4.1	Customer's Bankruptcy — Singapore Position	211
4.2	Grounds for Bringing a Bankruptcy Petition	212
4.3	Commencement of Bankruptcy	212
4.4	Protection for Bona Fide Transactions	213
4.5	Notice of Customer's Bankruptcy	214
4.6	Transaction for Valuable Consideration	214
4.7	Bank's Right of Lien and Right of Set-off	214
5.	GARNISHEE PROCEEDINGS	215
5.1	Source of Court's Authority	215
5.2	Commercial Bank Accounts	215
5.3	Burden of Proof	216
5.4	Demand for Payment	216
5.5	Funds Payable on Demand	217
5.6	Stopping Further Dealings with Account	217
5.7	Money Kept with Banker	217
5.8	Money Received After Service of Garnishee Order	218
5.9	Limited Order	218
5.10	Money Held on Trust	218
5.11	Future Income	219
5.12	Joint Account	219
5.13	Money in Deposit Account	219
6.	MAREVA INJUNCTION	220
6.1	Position in England	220
6.2	Position in Singapore	222
6.3	Position in Malaysia	223
6.4	Bank Served with Notice of Injunction	223
6.5	Banker's Duty of Confidentiality	224
6.6	Bank Entitled to Indemnity	225
7.	OUTBREAK OF WAR	225
8.	TERMINATION OF ACCOUNT	226
8.1	Duty to Give Notice	226
8.2	Express Agreement	227
8.3	Bank Providing Reasons for Termination	227

9.	MISTAKEN PAYMENTS BY BANK	228
9.1	Mistake of Fact and Mistake of Law	229
9.2	Misconstruing Customer's Instructions	230
9.3	Customer Having No Funds	230
9.4	Countermanding Payment	232
9.5	Forgery of Operative Signature	234
9.6	Recovery by Bank Customer	235
 Chapter 10		
	BANKER'S DUTY OF CONFIDENTIALITY	237
1.	DUTY OF CONFIDENTIALITY	237
2.	DUTY OF CONFIDENTIALITY UNDER ENGLISH LAW	237
2.1	Scope of Duty	237
2.2	Information Known to Third Party	239
3.	EXCEPTIONS TO DUTY OF CONFIDENTIALITY	239
3.1	Implied Consent	239
3.2	Public Interest	240
3.3	Compulsion of Law	240
4.	RECOVERY OF DAMAGES	242
5.	SECTION 47 OF BANKING ACT	242
5.1	Scope of Section 47	242
5.2	Position in Malaysia	244
5.3	Section 47 and Duty at Common Law	245
5.4	Banker's Duty Directly Affected by Section 47	246
5.5	Compulsion of Law	248
5.6	Breach of Statutory Duty of Confidentiality	248
5.7	Customer Information	248
5.8	Disclosure Permitted by Section 47	249
5.9	Numbered Accounts	250
6.	BANKERS' BOOKS UNDER THE EVIDENCE ACT	250
6.1	Object of Provisions	250
6.2	Meaning of Bankers' Books	252
6.3	Microfilms and Other Records	252
6.4	Documents Sorted and Filed	252
6.5	Notes of Meetings	253
6.6	Computer Print-Out	253
6.7	Provisions Have No Extra Territorial Effect	253
6.8	Position in Malaysia	254
7.	SCOPE OF SECTION 175	255
7.1	Authority Vested in the High Court	255
7.2	Legal Proceedings	255
7.3	Interlocutory Proceedings	256

7.4	Not a Party to Relevant Legal Proceedings	256
7.5	Not an Extended Right to Discovery	257
7.6	Order Should be Limited in Time	257
7.7	Implied Undertaking Not to Misuse Information	258
7.8	Inspection Must be Relevant to Proceedings	258
7.9	Legal Entitlement to Information	259
7.10	Account Kept in Third Party's Name	260
7.11	Third Party Not Involved in Proceedings	260
7.12	Account Belonging to Litigant in Substance	260
7.13	Litigant in Control of Third Party	261
7.14	Notice of Proceedings to be Given to Third Party	261
7.15	Bank's Legal Liability	262
8.	MONEY LAUNDERING AND TERRORISM FINANCING	262
8.1	Money Laundering	264
8.2	Funds Under Investigation	264
8.3	Bank's Contractual Duty to Customer	265
8.4	Third Party Claims	266
9.	TERRORISM FINANCING	266
 Chapter 11		
BANKER'S REFERENCES AND ADVICE		267
1.	BANKER'S REFERENCES	267
1.1	Potential Liabilities	267
1.2	Duty of Confidentiality	268
1.3	Obtaining Customer's Consent	269
2.	FINANCIAL ADVISERS	270
2.1	Standards Applicable to Bank's Financial Advisers	271
2.3	Financial Adviser's Duty of Care	272
3.	LIABILITY FOR NEGLIGENT MISREPRESENTATION	273
3.1	Negligent Misrepresentation	273
3.2	Advice Given By Way of Business	274
3.3	Foreseeability of Damage	275
3.4	Liability to Own Customer	275
3.5	Person Possessing Special Skill or Knowledge	276
3.6	Pre-Contractual Statements	276
3.7	Employee's Liability	277
4.	SUPPLYING INFORMATION	277
4.1	To Own Customer	277
4.2	To Third Party	278