

CHECK ACT

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Act No. 1002, Jan. 20, 1962  
Amended by Act No. 5010, Dec. 6, 1995  
Act No. 8440, May 17, 2007

## CHAPTER I THE ISSUE AND FORM OF CHECK

### Article 1 (Requirements for Check)

A check shall contain: *<Amended by Act No. 5010, Dec. 6, 1995>*

1. The word "check" inserted in the body of the instrument and expressed in the language employed in drawing up the instrument;
2. An unconditional order to pay a determinate sum of money;
3. The name of the person who is to pay (drawee);
4. An expression of the place where payment is to be made;
5. An expression of the date when and the place where the check is drawn; and
6. The name and seal or signature and seal of the person who draws the check (drawer).

### Article 2 (Defect of Requirements)

(1) An instrument in which any of the requirements mentioned in the preceding Article is deficient shall be invalid as a check: *Provided*, That this shall not apply to the cases in the following paragraphs. *<Amended by Act No. 5010, Dec. 6, 1995>*

(2) In the absence of the expression of the place of payment, the place specified beside the name of the drawee shall be deemed to be the place of payment. If several places are specified beside the name of the drawee, the check shall be deemed to be made payable to the first one of those places.

(3) In the absence of the expression mentioned under the preceding paragraph and of any other indication, the check shall be payable at the place where it is drawn.

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(4) A check which does not specify the place at which it was drawn shall be deemed to have been drawn in the place specified beside the name of the drawer.

### Article 3 (Necessity of Available Fund and Check Agreement)

A check shall be drawn on a bank holding funds at the disposal of the drawer at the time of the presentment thereof and in conformity with an agreement, express or implied, whereby the drawer is entitled to dispose of those funds by check. Nevertheless, even if these provisions are not complied with, the instrument shall be still valid as a check.

### Article 4 (Prohibition of Acceptance)

A check shall not be accepted. An expression of acceptance on a check shall be disregarded.

### Article 5 (Designation of Payee)

(1) A check may be made payable:

1. To a specified person with or without the express clause "to order";
2. To a specified person with the word "not to order" or any equivalent word; or
3. "To bearer".

(2) A check made payable to a specified person with the word "or to bearer", or any equivalent words shall be deemed to be a check to bearer.

(3) A check which does not specify the payee shall be deemed to be a check to bearer.

### Article 6 (Check Payable to Drawer's Order, for Account of Third Person, or for Account of Drawer Himself)

(1) A check may be drawn payable to drawer's order.

(2) A check may be drawn for account of a third person.

(3) A check may be drawn on the drawer himself.

### Article 7 (Stipulation of Interest)

Any stipulation concerning interest which may be embodied in the check shall be deemed not to be written.

### Article 8 (Payment at Domicile of Third Person)

A check may be payable at the domicile of a third person either in the locality where the drawee has his domicile or in another locality: *Provided*, That such third person shall be a bank.

### Article 9 (Discrepancies regarding Sum Payable)

(1) When the sum payable by a check is expressed in words and also in

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figures, and there is a discrepancy between the two, the sum denoted by the words shall be the amount payable.

(2) Where the sum payable by a check is expressed more than once in words or more than once in figures, and there is a discrepancy the smaller sum shall be the sum payable.

### Article 10 (Independent Nature of Obligations of Check)

If a check bears names and seals or signatures of persons incapable of binding themselves by a check, or forged names and seals or signatures of fictitious persons, names and seals or signatures which for any other reason cannot bind the persons who wrote their names and affixed their seals or put their signatures on the check or on whose behalf the names and seals were written and affixed or signatures were put on it, the obligation of the other persons who have signed and sealed on it shall be nonetheless valid. *<Amended by Act No. 5010, Dec. 6, 1995>*

### Article 11 (Name and Seal or Signature by Unauthorized Representative)

Whoever writes his name and affixes his seal or puts his signature on a check as representing a person for whom he has no power to act shall be himself subject to the obligations relating to the check and, if he pays, have the same rights as the person for whom he purported to act. The same shall apply to a representative who has exceeded his powers. *<Amended by Act No. 5010, Dec. 6, 1995>*

### Article 12 (Liability of Drawer)

The drawer shall guarantees payment. Any stipulation by which he releases himself from the of the payment guarantee shall be disregarded.

### Article 13 (Incomplete Check)

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

## CHAPTER II TRANSFER

### Article 14 (Check to Order)

(1) A check made payable to a specified person with or without the express clause "to order" may be transferred by means of endorsement.

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(2) A check made payable to a specified person, in which the word "not to order" or any equivalent words have been inserted, may only be transferred according to the form, and with the effects of an ordinary assignment of nominative claim.

(3) A check may be endorsed even to the drawer or to any other party to the check. These persons may re-endorse the check.

### Article 15 (Requisites of Endorsement)

(1) An endorsement shall be unconditional. Any condition to which it is made subject shall be deemed not to be written.

(2) A partial endorsement shall be null and void.

(3) An endorsement by the drawee shall be also null and void.

(4) An endorsement of "to bearer" shall be equivalent to an endorsement in blank.

(5) An endorsement to the drawee shall have the effect only of a receipt, except in the case where the drawee has several business establishments and the endorsement is made in favour of a business establishment other than that on which the check has been drawn.

### Article 16 (Form of Endorsement)

(1) An endorsement shall be written on the check or on a slip affixed thereto. The endorser shall write his name and affix his seal or sign on it. *<Amended by Act No. 5010, Dec. 6, 1995>*

(2) The endorsement may leave the beneficiary unspecified or may consist simply of the name and seal or signature and seal of the endorser (endorsement in blank). In the latter case, the endorsement to be valid shall be written on the back of the check or on the slip attached thereto.

*<Amended by Act No. 5010, Dec. 6, 1995>*

### Article 17 (Effect of Endorsement Transferring All Rights)

(1) An endorsement shall transfer all the rights arising out of a check.

(2) If the endorsement is in blank, the holder may:

1. Fill up the blank either with his own name or with the name of some other person;
2. Re-endorse the check in blank or to some other person; and
3. Transfer the check to a third person without filling up the blank and without endorsing it.

### Article 18 (Effect of Endorsement Guaranteeing Payment)

(1) In the absence of any contrary stipulation, the endorser shall guar-

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antee payment.

(2) The endorser may prohibit any further endorsement. In this case, he shall give no guarantee liability as to the persons to whom the check is subsequently endorsed.

### Article 19 (Effect of Endorsement Establishing Title)

The possessor of check which be transferred by endorsement shall be deemed to be the lawful holder if he establishes his title to the check through an uninterrupted series of endorsements, even if the last endorsement is in blank. In this connection, cancelled endorsements shall be deemed not to be written. When an endorsement in blank is followed by another endorsement, the person who signed this last endorsement shall be deemed to have acquired the check by the endorsement in blank.

### Article 20 (Endorsement on Check to Bearer)

An endorsement on a check to bearer shall render the endorser liable in accordance with the provisions governing the right of recourse, but it does not convert the instrument into a check to order.

### Article 21 (Check Acquired in Good Faith)

Where a person has, in any manner whatsoever, been dispossessed of a check, whether it is a check to bearer or a check transferable by endorsement to which the holder establishes his right in the manner mentioned in Article 19, the holder into whose possession the check has come shall not be bound to give up the check unless he has acquired it in bad faith or unless in acquiring it he has been guilty of gross negligence.

### Article 22 (Restriction against Personal Defenses)

Persons sued on a check shall not set up against the holder defences founded on their personal relations with the drawer or with previous holders, unless the holder, in acquiring the check, has knowingly acted to the detriment of the debtor.

### Article 23 (Endorsement for Collection)

(1) When an endorsement contains the statements "value in collection" "for collection", "by procuration", or any other phrase implying a simple mandate, the holder may exercise all rights arising out of the check, but he can only endorse it in his capacity as agent.

(2) In the case of the preceding paragraph, the parties liable can only set up against the holder defences which could be set up against the endorser.

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(3) The mandate contained in an endorsement by procuration shall not terminate by reason of the death of the party giving the mandate or by reason of his becoming legally incapable.

### Article 24 (Endorsement after Maturity)

(1) An endorsement after the protest or making an equivalent declaration or after the expiration of the limit of time for presentment shall operate only as an ordinary assignment.

(2) An undated endorsement shall be presumed to have been placed on the check before drawing up the pretest or making an equivalent declaration, or before the expiration of the limit of time for presentment.

## CHAPTER III "AVALS"

### Article 25 (Availability of "Aval")

(1) Payment of a check may be guaranteed by an "aval" as to the whole or part of its amount.

(2) This guarantee under the preceding paragraph may be given by a third person other than the drawee, or even by a person who has written his name and affixed his seal or put his signature on the check. *<Amended by Act No. 5010, Dec. 6, 1995>*

### Article 26 (Form of "Aval")

(1) The "aval" shall be given either on the check itself or on an "allonge" attached thereto.

(2) The guarantee shall be expressed by the word "good as aval" or by any other equivalent formula. The giver of the "allonge" shall write his name and affix his seal or put his signature on the check. *<Amended by Act No. 5010, Dec. 6, 1995>*

(3) The "aval" shall be deemed to be constituted by the mere name and seal or signature of the giver of the "aval" placed on the face of the check, except in the case of the name and seal or signature of the drawer. *<Amended by Act No. 5010, Dec. 6, 1995>*

(4) An "aval" shall specify for whose account it is given. In default of this, it shall be deemed to be given for the drawer.

### Article 27 (Effect of "Aval")

(1) The giver of an "aval" shall be bound in the same manner as the person

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for whom he has become guarantor.

(2) His undertaking shall be valid even when the liability which he has guaranteed is inoperative for any reason other than defect of form.

(3) The giver of "*aval*" shall have, when he pays the check, the rights arising out of the check against the person guaranteed and against those who are liable to the latter on the check.

## CHAPTER IV PRESENTMENT AND PAYMENT

### Article 28 (Payment at Sight of Check)

(1) A check shall be payable at sight. Any contrary stipulation shall be deemed not to be written.

(2) A check presented for payment before the date stipulated as the date of issue shall be payable on the day of presentment.

### Article 29 (Limit of Time for Presentment for Payment)

(1) A check payable in the country in which it was issued shall be presented for payment within ten days.

(2) A check issued in a country other than the country in which it is payable shall be presented within a period of twenty days or of seventy days, according to whether the place of issue and the place of payment are situated respectively in the same continent or in different continents.

(3) For the purposes of the preceding paragraph, checks issued in European country and payable in a country bordering on the Mediterranean or vice versa shall be deemed to have been issued and payable in the same continent.

(4) The date from which the periods mentioned in the preceding three paragraphs shall begin to run from the date stipulated on the check as the date of issue.

### Article 30 (Issue between Places Having Different Calendars)

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

### Article 31 (Presentment at Clearing-house)

(1) Presentment of a check at a clearing-house shall be equivalent to a presentment for payment.

(2) Such presentment for payment prescribed in paragraph (1) is con-

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sidered finished, when a bank entrusted with collection of a check by a holder (hereafter referred to as "presentment bank" in Article 35 (2) and subparagraph 2 of Article 39) electronically prepare items to be filled out on a check in the form of electronic information, and such information is transferred to a clearing-house and then inputted into information processing system of such clearing-house. <Newly Inserted by Act No. 8440, May 17, 2007>

### Article 32 (Countermand of Payment Order)

- (1) The countermand of payment order in relation to a check shall take effect only after the expiration of the limit of time for presentment.
- (2) If payment order in relation to a check has not been countermanded, the drawee may pay it even after the expiration of the limit of time.

### Article 33 (Death or Incapacity of Drawer)

Neither the death of the drawer nor his incapacity after the issue of the check shall have any effect regarding the check.

### Article 34 (Giving up of Check)

- (1) The drawee who pays a check may require that it shall be given up to him receipted by the holder.
- (2) The holder may not refuse partial payment.
- (3) In case of partial payment the drawee may require that the mention of this payment shall be made on the check, and that a receipt be given to him.

### Article 35 (Liability of Drawee to Verify)

- (1) The drawee who pays a check transferable by endorsement shall be bound to verify the regularity of the series of endorsements, but not the name and seal or signature of the endorsers. <Amended by Act No. 5010, Dec. 6, 1995>
- (2) In cases of presentment for payment pursuant to Article 31 (2), a drawee may entrust a presentment bank with verification the regularity of the series of endorsements, which was prescribed by paragraph (1). <Newly Inserted by Act No. 8440, May 17, 2007>

### Article 36 (Currency in which Drawee is to Pay)

- (1) When a check is drawn payable in a currency which is not that of the place of payment, the sum payable may, within the limit of time for the presentment of the check, be paid in the currency of the country according to its value on the date of payment. If payment has not been



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made on presentment, the holder may, at his option, demand that the amount of the check be paid in the currency of the country according to the rate on the day of presentment or on the day of payment.

(2) The usages of the place of payment shall determine the value of foreign currency. Nevertheless, the drawer may stipulate that the sum payable shall be calculated according to a rate expressed in the check.

(3) The provisions of the preceding two paragraphs shall not apply to the case in which the drawer has stipulated that payment must be made in a certain specified currency (stipulation for effective payment in a foreign currency).

(4) If the amount of the check is specified in a currency having the same denomination, but a different value in the country of issue and the country of payment, reference shall be deemed to be made to the currency of the place of payment.

## CHAPTER V CROSSED CHECKS

### Article 37 (Kinds and Forms of Crossing)

(1) The drawer or holder of a check may cross it with the effects prescribed in the next Article hereof.

(2) The crossing shall take the form of two parallel lines drawn on the face of the check. The crossing may be general or special.

(3) The crossing shall be general if it consists of the two lines only or if between the lines the word "bank" or some equivalent word is inserted, and it shall be special if the name of a bank is written between the lines.

(4) A general crossing may be converted into a special crossing, but a special crossing may not be converted into a general crossing.

(5) The effacement of either of a crossing or of the name of the designated bank shall be disregarded.

### Article 38 (Effect of Crossing)

(1) A check which is crossed generally may be paid by the drawee only to a bank or to a customer of the drawee.

(2) A check which is crossed specially may be paid by the drawee only to the designated bank, or if the latter is the drawee, to his customer. Nevertheless the designated bank may procure the check to be collected by another bank.

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(3) A bank may not acquire a crossed check except from one of his customers or from another bank. He shall not collect it for the account of persons other than the foregoing.

(4) A check bearing several special crossings shall not be paid by the drawee except in the case where there are two crossings, one of which is for collection through a clearing-house.

(5) The drawee or bank who fails to observe the provisions of the preceding four paragraphs shall be liable for resalting damage up to the amount of the check.

## CHAPTER VI RECOURSE AGAINST NON-PAYMENT

### Article 39 (Requisites of Recourse)

The holder may exercise his right of recourse against the endorsers, the drawer and the other parties liable, if the check on presentment in due time is not paid, and if the refusal to pay is evidenced: *<Amended by Act No. 8440, May 17, 2007>*

1. By a notarized certificate (protest);
2. By a declaration dated and written by the drawee (in cases of Article 31 (2), a presentment bank entrusted by a drawee) on the check and specifying the date of presentment; or
3. By a dated declaration made by a clearing-house, stating that the check has been delivered in due time and has not been paid.

### Article 40 (Limit of Time for Drawing up protest, etc.)

- (1) The protest or equivalent declaration shall be made before the expiration of the limit of time for presentment.
- (2) If the check is presented on the last day of the limit of the time, the protest may be drawn up or the equivalent declaration made on the first business day which follows.

### Article 41 (Notice of Non-Payment)

- (1) The holder shall give notice of non-payment to his endorser and to the drawer within the four business days which follow the day on which the protest for refusal is drawn up or the equivalent declaration is made or, in case of a stipulation "*retour sans frais*", the day for presentment.

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Every endorser shall, within two business days following the day on which he receives notice, inform his endorser of the notice he has received, mentioning the names and addresses of those who have given the previous notices and so on through the series until the drawer is reached. The periods shall mentioned above run from the receipt of the preceding notice.

(2) When, in conformity with the preceding paragraph, notice is given to a person who has written his name and affixed his seal or put his signature on a check, the same notice shall be given within the same limit of time to his *avaliseur*. <Amended by Act No. 5010, Dec. 6, 1995>

(3) Where an endorser either has not specified his address or has specified it in an illegible manner, it shall be sufficient that notice should be given to the proceeding endorser him.

(4) A person who must give notice may give it in any form whatever, even by simply returning the check.

(5) A person who must give notice shall prove that he has given notice within the time allowed. This time-limit shall be regarded as having been observed if a letter giving the notice has been posted within the prescribed time.

(6) Even a person who does not give notice within the limit of time mentioned in the preceding paragraph shall not forfeit his right of recourse. He shall be responsible for the injury, if any, caused by his negligence, but the damages shall not exceed the amount of the check.

### Article 42 (Release from Drawing up of Protest)

(1) The drawer, an endorser or a person guaranteeing payment by *aval* may, by the stipulation "*retours sans frais*", "*sans protest*", or any other equivalent word written on the instrument and by writing his name and affixing his seal or put his signature thereon, release the holder from having a protest drawn up or an equivalent declaration made in order to exercise his right of recourse. <Amended by Act No. 5010, Dec. 6, 1995>

(2) The stipulation under the preceding paragraph shall not release the holder from presenting the check within the prescribed time, or from the notices he has to give. The burden of proving the non-observance of the limit of time shall lie on the person who seeks to set it up against the holder.

(3) If the stipulation under paragraph (1) is written by the drawer, it shall operate in respect of all persons who have written his name and

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affixed his seal or put his signature on the check; if it is written by an endorser or an avaliseur, it shall be operative only in respect of such endorser or avaliseur. If, in spite of the word written by the drawer, the holder has the protest drawn up or the equivalent declaration made, he shall bear the expenses thereof. When the stipulation emanates from an endorser or avaliseur, the costs of the protest or equivalent declaration, if drawn up or made, may be recovered from all the persons who have written his name and affixed his seal or put his signature on the check.

### Article 43 (Joint Liabilities of Parties)

- (1) All the parties liable on a check shall be jointly and severally liable to the holder.
- (2) The holder shall have the right of proceeding against all the persons under the preceding paragraph, individually or collectively, without being required to observe the order in which they have become bound.
- (3) The same right as that of the holder under the preceding paragraph shall be possessed by a person under the check who has taken it up and paid it.
- (4) Proceedings against one of the parties liable shall not prevent proceedings against the others, even though they may be subsequent to the party first proceeded against.

### Article 44 (Amount for Recourse by Holder)

The holder may recover from the person against whom he exercises his right of recourse:

1. The amount of the unpaid check;
2. Interest at the rate of 6 percent a year from the date of presentment;  
and
3. The expenses of protest or equivalent declaration, and of the notices given as well as other expenses.

### Article 45 (Amount for Recourse by Party)

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

1. The entire sum which he has paid;
2. Interest on the said sum calculated at the rate of 6 percent a year starting from the day when he has made payment; and
3. Any expenses which he has incurred.

### Article 46 (Right of Party Liable for Recourse)

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(1) Every party liable against whom a right of recourse is, or may be exercised, require against payment that the check shall be given up to him with the protest or equivalent declaration and a receipted account.

(2) Every endorser who has taken up and paid a check may cancel his own endorsement and those of subsequent endorsers.

### Article 47 (Extension of Limit of Time due to *Vis Major*)

(1) Should the presentment of the check or the drawing up of the protest or the making of the equivalent declaration within the prescribed limit of time be prevented by an insurmountable obstacle (legal prohibition by any State or other case of *vis major*), these limits of time shall be extended.

(2) The holder shall be bound to give notice, without delay, of the case of *vis major* to his endorser and to specify this notice, which he must date and write his name and affix his seal or put his signature, on the check or on an *allonge*; in other respects, the provisions of Article 41 shall apply. <Amended by Act No. 5010, Dec. 6, 1995>

(3) When *vis major* has terminated, the holder shall without delay present the check for payment and, if needed be drawn up the protest or made an equivalent declaration.

(4) If *vis major* continues to operate beyond fifteen days after the date on which the holder, even before the expiration of the limit of time for presentment, has given notice of *vis major* under paragraph (2) to his endorser, the right of recourse may be exercised and neither presentment nor a certificate for refusal nor an equivalent declaration shall be necessary.

(5) Facts which are purely personal to the person whom he has entrusted with the presentment of the check, drawing up of the protest, or making of the equivalent declaration shall not be deemed to constitute cases of *vis major*.

## CHAPTER VIII PARTS OF A SET

### Article 48 (Condition of Issue Form)

With the exception of bearer checks, any check issued in one country and payable in another or payable in separate part overseas of the same country or *vice versa*, or issued and payable in the same part or in different parts overseas of the same country may be drawn in a set of

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two or more identical parts. When a check is in a set of parts, each part shall be numbered in the body of the instrument itself; in default, each part shall be considered as a separate check. *<Amended by Act No. 5010, Dec. 6, 1995>*

### Article 49 (Effect of Part Set)

(1) Payment made on one part of a set shall operate as a discharge, even though there is no stipulation that such payment annuls the effect of the other parts.

(2) An endorser who has transferred parts of a set to different persons as well as subsequent endorsers shall be liable on all the parts bearing their name and seal or signatures and seals which have not been refunded. *<Amended by Act No. 5010, Dec. 6, 1995>*

## CHAPTER VIII ALTERATIONS

### Article 50 (Alteration and Liability of Parties relating to Check)

In case of the alteration of the text of a check, parties who have written their names and affixed their seals or signed subsequent to the alteration shall be bound according to the terms of the altered text; parties who have written their names and affixed their seals or signed before the alteration shall be bound according to the terms of the original text. *<Amended by Act No. 5010, Dec. 6, 1995>*

## CHAPTER IX LIMITATION OF ACTIONS

### Article 51 (Period of Limitation)

(1) Actions by the holder against the endorsers, drawer and other parties liable shall be barred after six months from the expiration of the time fixed for presentment.

(2) Actions of recourse by the different parties liable for the payment of a check against other parties liable shall be barred after six months from the day on which the parties liable have paid the check or the day on which they was sued thereon.

### Article 52 (Interruption of Period of Limitation)

Interruption of the period of limitation shall be only effective against the person in respect of whom the cause of interruption has taken place.

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### CHAPTER X CERTIFICATION

#### Article 53 (Form of Certification)

- (1) The drawee may certify the payment of a check.
- (2) The certification of payment shall be expressed by the word "certification of payment" or by any other word indicating and engagement to make payment on the face of the check, dated, and written name and sealed signed by the drawee. <Amended by Act No. 5010, Dec. 6, 1995>

#### Article 54 (Requisites of Certification of Payment)

- (1) The certification of payment shall be unconditional.
- (2) Any modification introduced by a certification into the tenor of the check shall be deemed not to be written.

#### Article 55 (Effect of Certification of Payment)

- (1) The drawee who has certified the payment shall be bound to make payment only when the check is presented before the expiration of the limit of time fixed for presentment.
- (2) In the case of refusal of payment, it shall be evidenced in accordance with the provisions of Article 39 that the presentment prescribed in the preceding paragraph has taken place.
- (3) The provisions of Articles 44 and 45 shall apply as to the case referred to in the preceding paragraph.

#### Article 56 (Guarantee of Payment and Liabilities of Parties)

The liabilities of drawer and other parties liable on a check shall not be discharged by reason of certification of payment.

#### Article 57 (Extension of Limits of Time due to *Vis Major*)

The provisions of Article 47 shall apply *mutatis mutandis* to the exercise of rights against the drawee who has certified payment.

#### Article 58 (Prescription of Liabilities of Guarantor)

The claim on a check as against the drawee who has certified payment shall be barred after one year from the expiration of the time limit fixed for presentment.

#### Article 59 (Definition of Bank)

The term "bank" under this Act includes the banks, and the person or institutions assimilated thereto in accordance with Acts or subordinate statutes.

#### Article 60 (Acts as to Checks and Holiday)

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(1) The presentment of a check or the drawing up of protest in relation thereto may only take place on a business day.

(2) When the last day of the limit of time prescribed by the law for performing any act relating to a check and particularly for presentment of a check or for the drawing up of a protest or the making of an equivalent declaration is a legal holiday, the limit of time shall be extended until the first business day which follows the expiration of that time. Intermediate holidays shall be included in computing limit of time.

### Article 61 (Day of Commencement)

The time limit prescribed in this Act shall not include the date on which the period commences.

### Article 62 (Days of Grace)

No days of grace, whether legal or judicial, shall be permitted.

## ADDENDA

### Article 63 (Claims for Reimbursement of Benefits)

Even in cases where rights arising out of a check have been extinguished on account of any failure to take the requisite proceedings or of limitation of actions, the holder may claim reimbursement against the drawer, endorser or drawee who has certified payment to the extent of the benefit received by the latter.

### Article 64 (Interruption of Period of Limitation by Giving Notice of Action)

(1) The period of limitation of any claim on a check by an endorser against another endorser and against the drawer shall, in cases where an action has been brought against the endorser, be interrupted by his giving notice of such action to the relevant party who is in prior to him.

(2) Period of limitation which has been interrupted in accordance with the provisions of the preceding paragraph shall begin to run anew from the time when the decision thereon has become final and conclusive.

### Article 65 (Check for "Payable in Account")

A check drawn abroad and payable in Korea for which payment in cash has been forbidden by the drawer or holder by writing on the face of the instrument the words "payable in account" or a similar word shall be treated as a generally crossed check.

### Article 66 (Definition of Holiday)



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The term "holiday" within the meaning of this Act comprises national holidays and public holidays, Sundays and other general holidays.

### Article 67 (Penal Provisions against Illegal Issuance)

Any drawer of a check who contravenes the provisions of Article 3 shall be punished by a fine for negligence not exceeding five hundred thousand hwan.

### Article 68 (Checks Issued Prior to Enforcement of This Act)

With regard to checks issued prior to the enforcement of this Act, the old provisions shall remain applicable.

### Article 69 (Designation of Clearing-house)

The clearing-house referred to in Article 31 shall be specified by the Minister of Justice.

### Article 70 (Drawing up of Protest)

Matters related to the drawing up of a protest shall be prescribed by Presidential Decree. <Amended by Act No. 5010, Dec. 6, 1995>

### Article 71 (Enforcement Date, Repeal of Old Act)

- (1) This Act shall enter into force on January 1, 1963.
- (2) The Act on Checks, established in Korea under Article 1 of the *Chosun* Civil Affairs Decree, shall remain in force until this Act becomes effective.

### ADDENDUM <Act No. 5010, Dec. 6, 1995>

This Act shall enter into force on the date of its promulgation.

### ADDENDUM <Act No. 8440, May 17, 2007>

This Act shall enter into force six months after the date of its promulgation.