

Article 312.

A cheque may be made, drawn payable to bearer, or to a particular person or to order, It can be transferred by endorsement in blank.

Article 313.

A cheque must be paid on presentation.

Article 314.

The issue of a cheque, even when drawn from one place on another, does not constitute a commercial transaction.

However, the provisions of the present law in the matters of bills of exchange, and relative to the responsibility of drawers and endorsers, of protest, enforcement of a guarantee, and of loss, are equally applicable to cheques.

Article 315.

If a cheque is payable in the place where it is drawn, the bearer must claim payment within fifteen days of the date of issue.

If a cheque is drawn from one place on another place in Iran, payment must be claimed within 45 days of the date of issue. If the holder of a cheque does not demand payment in the time mentioned in the present article, he loses recourse against the endorsers and where the amount of cheque.

Through the fault of the drawee is not forthcoming in circumstances for which the drawee is responsible, the holder will have no legal claim against the drawer.

Article 316.

The person receiving payment of a cheque must sign or seal on the back of the cheque, even if the cheque is a bearer one.

Article 317.

All regulations relative to cheques issued in Iran are equally applicable to cheques issued abroad and payable in Iran.

However, the period within which the holder of such a cheque can claim payment is four months from the date of issue.

CHAPTER 2 PROMISSORY NOTES

Article 307.

A promissory note is an act by which the maker promises to pay, on demand or at a fixed date, a sum to the holder, or a particular person or to the order of such a person.

Article 308.

Besides the signature or seal of the signatory, the promissory note must be dated and contain the following:-

- (a). The sum to be paid written in words;
- (b). Name of beneficiary;
- (c). Date of payment.

Article 309.

All regulations concerning bills of exchange contained in book 4 chapter 1, section 12, and the following are equally applicable to promissory notes. In book 4, chapter 1, section 12, and the following are equally applicable to promissory notes.

CHAPTER 3

CHEQUES

Article 310.

A cheque is a written document by which the drawer effects the withdrawal of his funds, or transfers to a third party, the whole or part of the funds which he has with the drawee.

Article 311.

A cheque must bear the place and date for issue. It must be signed by the drawer. It can only be drawn at sight.

Article 303.

There cannot be more than one statement of return account for each bill. If the return bill is made on one of the endorsers the return account is paid by endorser to endorser respectively and finally paid by the drawer.

Full costs cannot be cumulative.

Each of the endorsers as well as the original drawer will be liable for one payment only.

Article 304.

Damages for the delay in payment of the amount of the original bill protested for non-payment will be calculated from the date of protest, and that of costs of protest and the return bill count only from the date of filling a suit.

SECTION 12
FOREIGN LAWS

Article 305.

Essential conditions of bill of exchange drawn outside Iran are determined by the laws of the country in which the bills are drawn.

Similarly, liabilities for bills (resulting from endorsement, from guarantee, from acceptance, etc.), which are drawn abroad, are subject to the laws of the country where they have been issued.

If, however, the essential conditions of a bill of exchange conform to Iranian law, or if the liabilities are valid according to the said law, persons who in Iran have undertaken subsequent liabilities cannot plead that the liabilities and engagements undertaken by prior parties are irregular according to foreign law.

Article 306.

The protest and other measures taken abroad to exercise and protect the rights attached to a bill of exchange are subject to the laws of the country where the proceedings are taken.

reimburse himself for the Payment of the bill, with costs of the protest and any difference in exchange.

Article 299.

When the re-draft is drawn on the original drawer, the difference of rate of exchange between the place where the original bill was payable and that of the place where it was drawn should be charged to the original drawer.

Should the return bill be drawn on a endorser thereof, the latter will bear the difference between the rate of exchange of the place where the bill was negotiated and that of the place where the bill was drawn.

Article 300.

To the return bill will be attached a statement called "Return Account" This statement includes:-

- (a). The name of the person on whom the return bill is drawn;
- (b). The original amount of the bill protested;
- (c). The cost of protest, and other ordinary costs, such as bank commission, brokerage, stamps and postal fees, etc;.
- (d). The amount of any difference in rate as mentioned in Article 299.

Article 301.

The statement of account in the previous article must be certified by two merchants.

The protested bill of exchange and one certified copy of the act of protest must also be attached.

Article 302.

Where the return bill is drawn on one of the endorsers, it must be accompanied, in addition to the documents laid down by articles 300 and 301, by a certificate which gives the difference in the rate of exchange between the place where the bill is payable and the of the place where it is drawn.

Article 294.

The act of protest must contain:-

(a). A complete copy of the bill of exchange with all entries, such as acceptance, endorsements, etc.

(b). The order for payment of the amount of the bill. The executive officer must acknowledge and at the foot of the protest, the presence or absence of the payer, his reasons for refusing payment or acceptance, and the causes of his inability or refusal to sign.

Article 295.

No act on the part of the holder of the bill can take the place of the protest, except in cases detailed in Articles 261, 262 and 263, relative to the loss of the bill.

Article 296.

The executive official must deliver an exact copy of the act of protest to the domicile of the persons mentioned in article 29.

Article 297.

The office of the court, or of the authority acting in its place, must enter in a special register from day to day in chronological and numerical order, the contents of any protests made. The pages of the register must be numbered and signed by the president of the Court or his deputy.

When the domicile of the drawer of the bill of exchange or the first endorser is indicated on the bill, the office of the Court must inform them by registered letter of the reasons for the refusal to pay.

SECTION 11**Re- DRAFTS****Article 298.**

A re-draft is one drawn, after protest, on the drawer or on one of the endorsers, by the holder of the original bill in order to

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SECTION 10

PROTESTS

Article 293.

Protest must be made:-

- (a). Where acceptance is refused;
- (b). Where the drawee himself neither accepts nor refuses;
- (c). Where payment is refused.

The protest is drafted in original and by order of the Court Of First Instance is served by an executive official on the domiciles of the following people:-

- (a). The drawee;
- (b). Those indicated in the bill for payment in case of need;
- (c). Third party acceptor.

If in the first district where the protest is made, there is no Court Of First Instance, the duties will be performed by a justice of the peace, and in his absence by the Chief of the Registration Department, and failing him, the Governor.