

Article 290.

Upon the expiration of the above-mentioned periods, the recourse of the holder and endorsers of a bill against the drawer elsewhere than at the place where the bill of exchange is payable, the time limit will be augmented by one day for each six farsakhs. himself will no longer exist, provided the drawer can prove that he has paid the amount thereof on due date to the drawee.

In this case, the holder will be able to exercise recourse against the drawee only.

Article 291.

If upon the expiration of the time prescribed for protest, for the notification of the act of protest, or for the filing of a suit, the drawer or one of the endorsers recovers by account or otherwise the funds which he has entrusted to the drawee for payment of the bill of exchange, the holder, contrary to the regulations of the two preceding articles, has the right to sue whoever has received the funds.

Article 292.

After the filing of a suit, the Court is bound to order immediately, on application of the holder of a bill protested for non-payment, attachment of the defendant's property equal to the value of the bill.

Article 284.

The holder of a bill of exchange protested for nonpayment must, within ten days from the date of protest notify, by an official act or by registered letter with receipt attached, the fact of nonpayment to the person who transferred the bill to him.

Article 285.

Each endorser must also, within ten days of the date of receiving the above-mentioned notice, in his turn notify the preceding endorsers.

Article 286.

If the holder of a bill payable in Iran and protested for nonpayment, desires to benefit by Article 249, he must file a suit within three months of the date of protest.

Note: In cases where the domicile of the defended is situated elsewhere than at the place where the bill of exchange is payable, the time limit will be augmented by one day for each six farsakhs.

Article 287.

So far as bills of exchange payable abroad are concerned, proceedings against the drawer and endorsers, resident in Iran, must be lodged within six months from the date of protest.

Article 288.

Each endorser who wished to benefit by the right which is his under the terms of Article 249, must exercise recourse within the period prescribed by Article 286 and 287. In his case, the period commences from the day following the issue of a summons in a Court of law.

If the endorser pays without an action having been taken against him, the time will count from the day following that one which payment was made.

Article 289.

On the expiration of the time limits prescribed in the foregoing articles, recourse of the holder against the endorsers, as well as that of an endorser against a prior endorser, will be no longer valid.

Article 276.

If an endorser of a bill has fixed a time for presentations, the holder thereof must demand acceptance within the said time, otherwise he will be unable to take advantage of the regulations relative to bills of exchange as far as the said endorser is concerned.

Article 277.

If the holder of a bill, sight or otherwise, drawn in Iran and payable abroad, does not demand payment or acceptance within the time limit prescribed by the above articles, he will forfeit his right in conformity with the prescriptions of the said articles.

Article 278.

The aforesaid articles do not preclude other stipulations being made between the holder, the drawer and the endorsers.

Article 279.

The holder of a bill of exchange must demand payment on due date.

Article 280.

Non - payment must be proved within ten days of due date by an act which is called protest for non-payment.

Article 281.

If the tenth days is a general holiday, then the protest must be made on the following day.

Article 282.

The holder of a bill of exchange is not absolved from protest for non-payment by the death of the drawee, neither by his bankruptcy, nor by protest for non-acceptance.

Article 283.

In the case of the bankruptcy of the acceptor before the date, the holder retains the right to protest.

Article 270.

Any third party can pay for the drawer or for one of the endorsers of a bill of exchange which has been protested. The fact of such intervention and the payment must be stated in the act of protest or at the foot thereof.

Article 271.

The third party who pays the amount of the bill by way of intervention is subrogated to the holder in his rights and liabilities.

Article 272.

If the third party pays the amount of the bill for the account of the drawer, all the endorsers are freed, and if payment is made by an endorser all subsequent endorsers are freed.

Article 273.

If two persons intervene simultaneously for the payment of a bill, but not for the same party, the payment of the one who liberates the greater number of other parties liable on the bill will be accepted.

If, after protest, the drawee himself tenders payment he will be preferred to any third party intervening.

Section 9.

Rights and duties of the holder of a bill of exchange.

Article 274.

With regard to bills of exchange payable in Iran, sight or otherwise, whether drawn in Iran or abroad, the holder must obtain acceptance within one year from date, under penalty of losing his recourse against the endorsers, as well as the drawer who provided for the bill.

Article 275.

If in a bill of exchange, whether drawn in Iran or abroad, a longer or shorter time for presentation for acceptance is stipulated, the holder must demand acceptance within the said time, under penalty of losing his recourse against the endorsers and against the drawer who provided for the bill.

Article 264.

In case of refusal to pay in spite of the demand formulated in Articles 261, 262 and 263, the owner of the lost bill may preserve all his rights by an act of protest.

Article 265.

The act of protest mentioned in Article 264 must be made within 24 hours from the due date of the bill, and must be served on the drawer and the endorsers, in the manner and within the time prescribed by the present law for the notification of protest.

Article 266.

The owner of a lost bill must, in order to obtain a second copy, apply to the previous endorser for a second of exchange. The said endorser shall authorize and direct the owner of the bill to the endorser immediately preceding him, and so on from one endorser to another, until the drawer is reached.

The expenses of these proceedings shall be paid by the owner of the lost bill.

The endorser who refuses to give such authority is responsible for the payment of the lost bill and the costs incurred by the lost bill.

Article 267.

If the guarantor of a lost bill (see Articles 262 and 263) has not limited the duration of his guarantee, the time limit will be three years, and if no claim has been lawfully made in the said three years, no further claim can be made against him in Court.

Article 268.

In case of part payment of a bill the liability of the drawer and endoresrs will be decreased proportionately, and the holder can protest for the outstanding amount only.

Article 269.

The Courts cannot, without the consent of the owner, extend the time of payment of a bill of exchange.

Section 8.

Payment of a bill of exchange by a third party.

Article 256.

Whoever pays a bill of exchange before due date remain liable to the persons who have a right to the amount of the bil.

Article 257.

If the holder of the bill gives an extension of time to the acceptor, he loses his right of recourse against those preceding endorsers and the drawer who have not consented to this extension.

Article 258.

Whoever pays a bill on due date is presumed validly discharged, unless the amount of the bill has been legally attached with him.

Article 259.

Payment of a bill of exchange can be made on a 2nd, 3rd, 4th, etc. Copy of exchange, on condition that this 2nd, 3rd, 4th, etc. of exchange bear a statement that this payment makes void payment of the others.

Article 260.

Whoever pays a bill of exchange on a copy which is not accepted is responsible for the amount to a third party who holds the accepted copy.

Article 261.

In case of the loss of a bill of exchange not yet accepted, payment can be demanded on a 2nd, 3rd, 4th, etc. copy of exchange.

Article 262.

If the lost copy is one which has been accepted, payment cannot be claimed on the other copies except by order of the Court and production of a surety.

Article 263.

If the holder of a lost bill, whether accepted or not, cannot procure a 2nd, 3rd, 4th, etc. Copy of exchange he can obtain payment by order of the Court, provided that he proves that he is the lawful holder of the bill, and that he produces a surety.

IRANIAN BAR ASSOCIATION.

KANOON VOKALA DADGOSTARI

No. 93

December 1964 - January 1965

Vol. 16

قانون تجارت ایران با ننگلیسی (۱۰)

⁽¹⁰⁾Commercial Code of Iran

Section 7.

Payment.

Article 252.

A bill of exchange must be paid in the currency specified therein.

Article 253.

If the holder of a bill has paid the drawer or whoever has transferred the bill to him, currency other than that stated in the bill, and if the bill should be protested for non-acceptance or non-payment, the said holder may claim from the drawer or from whoever transferred the bill to him, payment either in the currency which he himself paid or in the currency specified in the bill.

However, he cannot claim from other responsible parties the amount of the bill in currency other than that specified in the bill.

Article 254.

A usance bill must be paid on due date.

Article 255.

The date of sighting in bills payable after sight and the date of drawing in those which are payable after date is excluded when calculating the due date.