Chapter III - Parties to Notes, Bills and Cheques

Chapter in 2 minutes

- Map capacity, signature authority, agency, primary/secondary liability and consideration before assigning responsibility.
- Primary control: capacity and authority gate.
- Verify legal capacity, signatory authority, agency disclosure, consideration and primary/secondary liability.
- Apply the exact current section text, amendment history and transaction evidence together.
- Do not confuse a negotiable instrument remedy with automatic proof of the underlying transaction.

Execution gates

- Legally enforceable transaction
- Instrument classification and stamp
- Authority/mandate and custody
- Presentation, return and notice clocks
- Evidence, forum and entity liability
- Settlement, accounting and retention

Provision/control map

Provision	Subject	Control
Section 26	Capacity to make, etc., promissory notes, etc.	Identify trigger, parties, conditions, exceptions, consequence and linked sections before execution.
Section 27	Agency.	Identify trigger, parties, conditions, exceptions, consequence and linked sections before execution.
Section 28	Liability of agent signing.	Map every party, capacity, signature, notice, consent, payment and loss before concluding exposure.
Section 29	Liability of legal representative signing.	Map every party, capacity, signature, notice, consent, payment and loss before concluding exposure.
Section 30	Liability of drawer.	Map every party, capacity, signature, notice, consent, payment and loss before concluding exposure.
Section 31	Liability of drawee of cheque.	Confirm funds, mandate, stop-payment, freeze, garnishee, signature, date, alteration, crossing and fraud flags.
Section 32	Liability of maker of note and acceptor of bill.	Map every party, capacity, signature, notice, consent, payment and loss before concluding exposure.
Section 33	Only drawee can be acceptor except in need or for honour.	Identify trigger, parties, conditions, exceptions, consequence and linked sections before execution.
Section 34	Acceptance by several drawees not partners.	Identify trigger, parties, conditions, exceptions, consequence and linked sections before execution.
Section 35	Liability of indorser.	Map every party, capacity, signature, notice, consent, payment and loss before concluding exposure.

Evidence file

Instrument/image; mandate; contract/invoice/delivery; ledger/bank/tax; presentment/return; notice/service; calculations; settlement/orders; source log.

Default response

Freeze timeline; verify debt and authority; preserve originals; validate bank memo; calculate statutory/civil clocks; decide cure, notice, settlement and filing.