



Bills of Exchange Act 1882

1882 CHAPTER 61

PART II

BILLS OF EXCHANGE

Negotiation of Bills

35 Restrictive indorsement

- (1) An indorsement is restrictive which prohibits the further negotiation of the bill or which expresses that it is a mere authority to deal with the bill as thereby directed and not a transfer of the ownership thereof, as, for example, if a bill be indorsed "Pay D only," or " Pay D for the account of X," or " Pay D, or order for collection."
- (2) A restrictive indorsement gives the indorsee the right to receive payment of the bill and to sue any party thereto that his indorser could have sued, but gives him no power to transfer his rights as indorsee unless it expressly authorise him to do so.
- (3) Where a restrictive indorsement authorises further transfer, all subsequent indorsees take the bill with, the same rights and subject to the same liabilities as the first indorsee under the restrictive indorsement.