PROMISSORY NOTES IN THE LEGISLATIONS OF THE AMERICAS

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IT HAS rightly been said that the promissory note is the Cinderella of negotiable paper. It is indeed strange that this instrument, widely used in most countries, is accorded only a few words in the legal textbooks and a few sections in the respective statutes. The purpose of the present study is not to rescue promissory notes from their present position of obscurity, but rather to present a unified classification of the specific provisions relating thereto, which are in force at the present time in the legislations of the American continent.

An over-all classification of these legislations is impossible, due to the fact that in many of the countries the provisions are eclectic rather than indigenous and because of the local variations introduced in each statute. Therefore, within each classification, an attempt has been made to group the legislations according to the system or tradition which they follow in dealing with particular topics, while at the same time calling attention to the differences existing between the members of each group.

In order to accomplish the object in view, it has been necessary to select a basis for analysis which would provide a comprehensive outline of the subject. In the writer’s opinion, the Uniform Law relating to Bills of Exchange, Promissory Notes, and Cheques, adopted at Geneva in 1930, affords the most satisfactory choice for this purpose, since it treats promissory notes in a very succinct, and at the same time logical, manner. Consequently, the provisions of the Uniform Law are employed as the source of the headings of the various classifications presented. Since the Uniform Law contains no definition of promissory notes, it has been necessary to create an additional category, covering the provisions of those countries which specifically define the instrument.

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In the first part of each section appears a commentary on the patterns followed by each of the American statutes with respect to the specific topic under consideration, and thereafter a chart of the legislative treatment accorded thereto by the provisions themselves. Where a country has no provision on a particular topic, there is no entry for it in the respective table. Due to space limitations, no attempt has been made to make comparisons in substance, emphasis being placed entirely on the language used and the structure of the various provisions. The writer has deemed it advisable to translate these provisions into English, in order to provide the English-speaking reader with a relatively complete representation of the pertinent provisions respecting promissory notes in the Americas.

As indicated by its title, this study is concerned only with promissory notes, in the generic meaning of an unconditional promise to pay to another person or to his order, a determinate sum of money at a fixed or determinable future time. The dangers inherent in the use of the term are apparent, but it has been necessary to choose a term broad enough to cover in English the many variations which exist in the twenty-two American legislations. It has therefore seemed desirable to include in parentheses the word or words actually used in each statute in its original language. Furthermore, many of the legislations examined contain rules with respect to *libranzas*, a Spanish

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1 Some of the designations are as follows:
*Argentina: vale, pagaré, o billete a la orden.*
*Bolivia: vale, pagaré, mercantil, pagaré a la orden.*
*Brazil: nota promissória.*
*Canada: promissory note.*
*Chile: vale, pagaré, pagarée, pagarée a la orden.*
*Colombia: pagaré.*
*Costa Rica: vale o pagaré a la orden.*
*Cuba: vale o pagaré a la orden.*
*Dominican Republic: pagaré a la orden.*
*Ecuador: pagaré.*
*El Salvador: vale o pagaré a la orden.*
*Guatemala: vale o pagaré.*
*Haiti: billet à ordre.*
*Honduras: vale, pagaré.*
*Mexico: pagaré.*
*Nicaragua: pagaré a la orden.*
*Panama: pagaré negociable.*
*Paraguay: vale, pagaré, o billete a la orden.*
*Peru: vale o pagaré a la orden.*
*United States: negotiable promissory note.*
*Uruguay: vale, pagaré, o billete, a la orden.*
*Venezuela: pagaré o vale a la orden.*
institution equivalent to inland bills of exchange, the use of which is practically extinct. These provisions have been omitted, and only those that have reference to promissory notes have been included.

I

Definitions

The definitions of the promissory note included by the nations of the American continent in their legislations relating to negotiable instruments, have in the main followed three general trends, although certain countries have elaborated definitions of their own. These groups may be designated as the Anglo-American, the Argentine, and the Chilean.

The first group, which follows the Anglo-American tradition, includes the United States, Colombia, Panama, Canada, and Costa Rica. The first three of these countries have no other specific legislation pertinent to the subject, and their definitions are therefore broad and inclusive. The United States provision reads:

"A negotiable promissory note within the meaning of this act is an unconditional promise in writing made by one person to another signed by the maker engaging to pay on demand, or at a fixed or determinable future time, a sum certain in money to order or to bearer. Where a note is drawn to the maker's own order, it is not complete until endorsed by him." ²

Whatever differences may exist between the legislations of these three countries are due mainly to the separate translations made by Colombia and Panama of the United States statute. These inconsistencies result from variations in the choice of words, since it is common knowledge that the Colombian and Panamanian laws were copied from the Negotiable Instruments Law of the United States.

The Canadian provision is even broader than that quoted above.³ It begins by using language almost identical to that employed in the Negotiable Instruments Law, but thereafter a number of provisions are added, which have no counterpart in the legislation of the countries adopting this law. Of these provisions, one, a part of the section on definitions, deals with notes containing a pledge of collateral security, but subsequent provisions, though appearing in separate sections, in

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² U.S.—N.I.L., s. 184.
Col.—Ley 46 de 1923, art. 185.
Pan.—Ley 52 de 1917, art. 184.
³ Can.—B.E.A., s. 176.
the writer's opinion are also actually parts of the definition, to wit: those respecting inland and foreign notes, the requirement of delivery, and promissory notes signed by more than one maker.

The Costa Rican legislation belongs definitely to this group, although, like the Canadian statute in this respect, it is even broader than the Negotiable Instruments Law. After defining the instrument, article 177 of the Ley de Cambio of Costa Rica proceeds to state that, whatever the occupation (calidad) of the persons intervening in the note, or the nature of the transaction which gave rise to its issue, a promissory note will have such effects as said law determines. As in the Canadian act, the two succeeding articles of the Costa Rican law may be considered as part of the definition, since they have to do with pledges of collateral security accompanying the note and with cases where more than one maker has placed his signature on the instrument. It should be noted that, while in its definition Costa Rica follows the Anglo-American pattern, it does not provide for notes payable to bearer, but merely states that the maker engages to pay to the order of a second person.

The countries following the Argentine tradition are Argentina, Paraguay, and Uruguay. While they have not enacted extensive specific legislation on promissory notes, their definition of such instruments is one of the simplest. It states that a promissory note is a written promise to pay, by which a person undertakes that he himself will pay a determinate sum of money. These countries make no provision whatever with regard to payees, or place and time of payment.

The last group is comprised of Chile and Guatemala, and their articles of definition state that a promissory note is a writing by which the person who signs admits himself to be the debtor of another for a certain sum of money and undertakes to pay it to his order within

4 Can.—B.E.A., s. 177.
5 Can.—B.E.A., s. 178.
6 Can.—B.E.A., s. 179.
7 C.R.—L.Cam., arts. 177, 178, 179.
8 Honduras, although following a different tradition, provides that two or more makers appearing on the same note will be deemed jointly liable unless the contrary is expressed. This rule is also applicable to sureties. Hon.—C. Com., art. 626.
9 Arg.—C. Com., art. 739.
Parag.—C. Com., art. 739.
Urug.—C. Com., art. 932.

Attention should be called to the fact that the Argentine and Paraguayan Codes define a promissory note as vale, pagaré, o billete a la orden, while the Uruguayan Code, by placing a comma after the word billete, makes these instruments all documents to order rather than just the billete alone, as the other two countries have done.
a determinate term. They further provide that when payment is to be made at a place other than that of the residence of the debtor, the instrument is known as a domiciled promissory note.\textsuperscript{10}

Aside from these three groups, four other nations have provided individual definitions, which may be described as peculiar to themselves. Brazil simply states that a promissory note is a promise to pay and that it must contain the requisites enumerated, written out in its context.\textsuperscript{11} The Bolivian Mercantile Code specifies that a commercial promissory note (\textit{vale o pagaré mercantil}) is a document issued by someone engaged in commercial activities, binding himself to pay to the order of another in the same profession, a stipulated amount proceeding from a commercial transaction. Honduras is the only one of the Latin American nations that still maintains a formal differentiation between the \textit{pagare} and the \textit{vale}, and its Code gives separate definitions for each of these instruments, even though the succeeding provisions use the terms interchangably. A \textit{pagare} is defined as a document by which a person binds himself to pay a determinate sum of money on an indicated day, and a \textit{vale} as a document by which the person who signs binds himself to pay to another the amount which the \textit{vale} states.\textsuperscript{12}

Venezuela, though not stating a complete definition, prescribes formal requisites for instruments designated as promissory notes (\textit{pagares o vales}) to order between merchants or for acts of commerce on the part of the maker.\textsuperscript{13}

The definitions of the various countries are as follows:

\textit{Argentina, C. Com. (1889) art. 739.} A promissory note (\textit{vale, pagaré, o billete a la orden}) is a written promise by which a person undertakes that he himself will pay a determinate sum of money.

\textit{Bolivia, C. Merc. (1834) art. 467.} A commercial promissory note (\textit{vale o pagaré mercantil}) is a document issued by someone engaged in commercial activities, binding himself to pay to the order of another in the same profession a certain amount proceeding from a commercial transaction.

\textit{Brazil, Dec. 2044 (1908) art. 54.} A promissory note (\textit{nota promis-}

\textsuperscript{10} Chile—C. Com., art. 766.
Guat.—C. Com., art. 761.
\textsuperscript{11} Bra.—Dec. 2044, art. 54.
\textsuperscript{12} Bol.—C. Merc., art. 467.
Hon.—C. Com., art. 622. See above, n. 8.
\textsuperscript{18} Ven.—C. Com., art. 466.
is a promise of payment and must contain these essential requisites, written out in full in the context...

Canada, Bills of Exchange Act (1927) s. 176. “A promissory note is an unconditional promise in writing made by one person to another, signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money, to, or to the order of, a specified person or to bearer.

2. An instrument in the form of a note payable to the maker’s order is not a note within the meaning of this section, unless it is endorsed by the maker.

3. A note is not invalid by reason only that it contains also a pledge of collateral security with authority to sell or dispose thereof.”

Id., s. 177. “A note which is, or on the face of it purports to be, both made and payable within Canada, is an inland note.

2. Any other note is a foreign note.”

Id., s. 178. “A promissory note is inchoate and incomplete until delivery thereof to the payee or bearer.”

Id., s. 179. “A promissory note may be made by two or more makers, and they may be liable thereon jointly, or jointly and severally, according to its tenor.

2. Where a note runs ‘I promise to pay,’ and is signed by two or more persons, it is deemed to be their joint and several note.”

Chile, C. Com. (1865) art. 766. A promissory note (vale o pagare) is a writing by which the person who signs admits himself to be the debtor of another for a certain amount of money and undertakes to pay it to his order within a determinate term.

When payment is to be made at a place different from that of the debtor’s residence, the promissory note is designated a domiciled note (pagare a domicilio).

Colombia, Ley 46 de 1923, art. 185. For the effects of this law, a promissory note (pagare) is an unconditional promise made in writing, by which a person undertakes by his signature to another, to pay on demand or at a fixed or determinable time a sum certain in money, to order or to bearer. When a note is issued only to the order of the maker, it is not complete until it has been endorsed by him.

Costa Rica, Ley de Cambio (1902) art. 177. A promissory note (vale o pagare a la orden) is an unconditional promise in writing, made by one person to another, and in which the maker undertakes to pay to the order of the other a certain sum in money, on a fixed or determinable day.
Whatever the occupation of the persons who intervene in the note (vale) or the nature of the operation which gave rise to its creation, the note (vale) will have such effects as the present law determines.

*Id.*, *art.* 178. Any guaranties which may accompany the note (vale) will not prejudice its character as such.

*Id.*, *art.* 179. If the note (vale) is subscribed by various parties, they will be deemed joint debtors, unless the contrary is expressed. The same rule is applicable to a person who signs as surety (fiado).

_Guatemala, C. Com. (1942) art. 761._ A promissory note (vale o pagaré) is a writing by which the person who signs admits himself to be the debtor of another for a certain amount of money and undertakes to pay it to his order within a determinate term.

When payment is to be made at a place different from the residence of the debtor, the promissory note is designated a domiciled note (pagare a domicilio).

_Honduras, C. Com. (1940) art. 622._ A pagaré is a document by which a person binds himself to pay a determinate sum of money on an indicated day.

_A vale is a document by which the person who signs binds himself to pay to another the amount which the vale states._

_Panama, Ley 52 de 1917, art. 184._ A negotiable promissory note (pagare negociable) in accordance with this law, is an unconditional promise in writing, made by one person to another and signed by the grantor, undertaking to pay on demand or at a future date determinate or susceptible of determination, a certain sum of money, to order or to bearer. If a note should be drawn to the grantor’s own order, it will not be deemed complete until it has been endorsed by him.

_Paraguay, C. Com. (1903) art. 739._ A promissory note (vale, pagaré o billete a la orden) is a written promise by which a person undertakes that he himself will pay a determinate sum of money.

_United States, Negotiable Instruments Law (1896) s. 184._ “A negotiable promissory note within the meaning of this act is an unconditional promise in writing made by one person to another signed by the maker engaging to pay on demand, or at a fixed or determinable future time, a sum certain in money to order or to bearer. Where a note is drawn to the maker’s own order, it is not complete until endorsed by him.”

_Uruguay, C. Com. (1866) art. 932._ A promissory note (vale, pagaré o billete, a la orden) is a written promise by which a person undertakes that he himself will pay a determinate sum of money.
II

FORMAL REQUISITES

The Uniform Law of Geneva sets forth the formal requisites of a promissory note in article 75. These requisites, seven in number, are as follows:

1. The term ‘promissory note’ inserted in the body of the instrument and expressed in the language employed in drawing up the instrument;
2. An unconditional promise to pay a determinate sum of money;
3. A statement of the time of payment;
4. A statement of the place where payment is to be made;
5. The name of the person to whom or to whose order payment is to be made;
6. A statement of the date and of the place where the promissory note is issued;
7. The signature of the person who issues the instrument (maker).

The legislations of eight of the American nations expressly prescribe the requisites in this way, and a number of others make specific provision for some of them. For purposes of clarity, each requirement will be dealt with separately. The numbers at the beginning of each subsection have reference to the subsections of article 75 of the Geneva Uniform Law.

1. Denomination. Brazil, Ecuador, and Nicaragua use language substantially identical to that of the Uniform Law, requiring that the denomination be inserted in the body of the instrument and that it be expressed in the language used in drafting it. Guatemala and Mexico do not have the language clause, but require that the denomination be included in the body of the note, while Cuba, Honduras, and Peru merely demand that the instrument contain the specific designation of promissory note (vale o pagaré).

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14 Gen.-L.U., art. 75.
15 Bra.-Dec. 2044, art. 54, n. I.
Ec.—Ley de 5. XII. 1925, art. 77, inc. 1.
Nic.—C. Com., art. 676, inc. 1.
16 Guat.—C. Com., art. 774, inc. 1.
17 Cuba—C. Com., art. 531, inc. 1.
Hon.—C. Com., art. 623, inc. 1.
Peru—C. Com., art. 520 inc. 1.
The specific provisions of the various countries concerning denomination are as follows:

**Brazil**, Decreto 2044 (1908) art. 54, n. I. The denomination “promissory note” or a corresponding term in the language in which it was issued.

**Cuba**, C. Com. (1886) art. 531, inc. 1. The specific name of . . . promissory note (vale o pagaré).

**Ecuador**, Ley, 5. XII. 1925, art. 77, inc. 1. Denomination of the document inserted in the text itself and expressed in the language employed in drafting the instrument.

**Guatemala**, C. Com. (1942) art. 774, inc. 1. Denomination of the instrument included in the text.

**Honduras**, C. Com. (1940) art. 623, inc. 1. The specific name . . . of promissory note (vale o pagaré).

**Mexico**, Ley General de Titulos y Operaciones de Crédito (1932) art. 170, fr. I. Mention that it is a promissory note (pagare) included in the text of the instrument.


**Peru**, C. Com. (1902) art. 520, inc. 1. The specific name of promissory note (vale o pagaré).

2. **Unconditional promise to pay a determinate sum.** In dealing with this requisite, Mexico and Ecuador have followed the language of the Uniform Law exactly, while Guatemala and Nicaragua have deviated slightly by employing the terms “pure and simple” rather than the word “unconditional,” which is used in the Uniform Law. Of these four countries, only Mexico specifically provides that the promise be to pay a determinate sum of money. The other three use the word “sum” (suma) or “amount” (cantidad), without the qualification “of money.” In the Brazilian statute, all that is required is that the instrument state the sum of money to be paid, and Chile only requires a statement of the amount of the note.

We may now consider the legislation of those countries which, besides requiring a statement in the note of the sum of money to be paid, also demand a statement of the consideration received therefor.

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19 Ec.—Ley de 5. XII. 1925, art. 77, inc. 2.

20 Guat.—C. Com., art. 774, inc. 2.

21 Nic.—C. Com., art. 676, inc. 2.

22 Bra.—Dec. 2044, art. 54, n. II.

23 Chile—C. Com., art. 771.
Typical examples are provided by the Dominican Republic and Haiti, the statutes of which are substantially identical, although in different languages. The Dominican provision is as follows:

A promissory note must express . . . the amount that must be paid; . . . the value that has been given in cash, in merchandise on account, or in any other manner.\textsuperscript{22}

Bolivia requires an expression of the amount of the note and of the \textit{causa} from which the note arose.\textsuperscript{23} Cuba, Peru, and Honduras have a very similar provision, although the word \textit{causa} is not employed.\textsuperscript{24} The only other country to require this statement is Venezuela, which provides that a promissory note must contain the amount of the note expressed in figures and in letters, and a statement of whether it is for value received and in what kind, or if it is for value on account.\textsuperscript{25}

In addition to the countries mentioned above, there are others where the requirement of an unconditional promise to pay is not set forth specifically, but is rather stipulated in the definition. These nations may be divided into two groups, those following the Anglo-American tradition—the United States, Canada, Colombia, Panama, and Costa Rica—which define a note as an unconditional promise in writing engaging to pay a sum certain in money,\textsuperscript{26} and those of the Argentine group—Argentina, Paraguay, and Uruguay. The latter group merely provide that a promissory note is a written promise to pay a determinate sum of money.\textsuperscript{27} El Salvador has no provision on this point.

The specific provisions of the various countries concerning the unconditional promise to pay a determinate sum are as follows:

\textit{Bolivia}, \textit{C. Merc. (1834) art. 463, inc. 4.} The amount, and the \textit{causa} or kind of value from which it arose.

\begin{enumerate}
\item \textit{Dom.}—C. Com., art. 188.
\item \textit{Haiti}—C. Com., art. 185.
\item \textit{Bol.}—C. Merc., art. 463, inc. 4.
\item \textit{Cuba}—C. Com., art. 531, incs. 3 and 7.
\item \textit{Hon.}—C. Com., art. 623, incs. 3 and 7.
\item \textit{Peru}—C. Com., art. 520, incs. 3 and 7.
\item \textit{Ven.}—C. Com., art. 466.
\item \textit{U.S.}—N.I.L., s. 184.
\item \textit{Col.}—Ley 46 de 1923, art. 185.
\item \textit{Pan.}—Ley 52 de 1917, art. 184.
\item \textit{Can.}—B.E.A., s. 176.
\item \textit{C.R.}—L. Cam., art. 177.
\item \textit{Arg.}—C. Com., art. 739.
\item \textit{Parag.}—C. Com., art. 739.
\item \textit{Urug.}—C. Com., art. 932.
\end{enumerate}
Brazil, Decreto 2044 (1908) art. 54, n. II. The sum of money to be paid.

Chile, C. Com. (1865) art. 771. . . . The amount . . .

Cuba, C. Com. (1886) art. 531, inc. 3. The amount.

Id., inc. 7. Origin and kind of value they (promissory notes) represent.

Dominican Republic, C. Com. (1884) art. 188. The amount that must be paid; . . . value given in cash, in merchandise on account, or in any other manner.

Ecuador, Ley, 5. XII. 1925, art. 77, inc. 2. An unconditional promise to pay a determinate sum.

Guatemala, C. Com. (1942) art. 774, inc. 2. A pure and simple promise to pay a determinate sum.

Haiti, C. Com. (1826) art. 185. The sum to be paid; . . . the value furnished in specie, merchandise or goods, on account or in any other manner.

Honduras, C. Com. (1940) art. 623, inc. 3. The amount.

Id., inc. 7. Origin and kind of value they represent.

Mexico, Ley General de Títulos y Operaciones de Crédito (1932) art. 170, fr. II. An unconditional promise to pay a determinate sum of money.

Nicaragua, C. Com. (1916) art. 676, inc. 2. A pure and simple promise to pay a determinate sum.

Peru, C. Com. (1902) art. 520, inc. 3. The amount.

Venezuela, C. Com. (1942) art. 466. . . . The amount in ciphers and in letters. . . .

The expression of whether they are for value received and in what kind or for value on account.

3. Time of payment. In dealing with this requisite, Ecuador, Guatemala, and Nicaragua follow the language of the Uniform Law, and state that the note must contain an indication of its maturity. Another group, composed of Bolivia, Chile, Cuba, Honduras, Peru, and Venezuela, merely require an indication of the time of payment.

28 Bol.—C. Merc., art. 469; cf. art. 463, inc. 5.

29 Chile—C. Com., art. 771.
Chile—C. Com., art. 531, inc. 4.
Hon.—C. Com., art. 623, inc. 4.
Peru—C. Com., art. 520, inc. 4.
Ven.—C. Com., art. 466.
while the Dominican Republic and Haiti state that there must be an indication of the time when payment is to be made.\textsuperscript{80}

Canada, Colombia, Panama, and the United States\textsuperscript{31} include the requirement in their definitions, stating that the note shall be payable on demand or at a fixed or determinable future time. Costa Rica simply requires the note to be payable on a fixed or determinable day.\textsuperscript{82}

The specific provisions of the various countries regarding time of payment are as follows:

- **Bolivia**, C. Merc. (1834) art. 463, inc. 5. The time \ldots of payment.
- **Chile**, C. Com. (1865) art. 771. \ldots The time of payment. \ldots
- **Cuba**, C. Com. (1886) art. 531, inc. 4. The time of payment.
- **Dominican Republic**, C. Com. (1884) art. 188. \ldots The time at which payment must be made. \ldots
- **Ecuador**, Ley, 5. XII. 1925, art. 77, inc. 3. Indication of the maturity.
- **Guatemala**, C. Com. (1942) art. 774, inc. 3. Indication of the maturity.
- **Haiti**, C. Com. (1826) art. 185. \ldots The time at which payment must be made. \ldots
- **Honduras**, C. Com. (1940) art. 623, inc. 4. The time of payment.
- **Mexico**, Ley General de Títulos y Operaciones de Crédito (1932) art. 170, fr. IV. The time \ldots of payment.
- **Nicaragua**, C. Com. (1916) art. 676, inc. 3. Indication of the maturity.
- **Peru**, C. Com. (1902) art. 520, inc. 4. The time of payment.
- **Venezuela**, C. Com. (1942) art. 466 \ldots The time of payment\ldots

4. **Place of payment.** Ecuador, Guatemala, and Nicaragua state that the note must contain an indication of the place where payment is to be made and Mexico merely provides that the note express the place of payment.\textsuperscript{33} Honduras, Peru, Cuba, and Bolivia, on the other

\textsuperscript{80} Dom.—C. Com., art. 188.

Haiti—C. Com., art. 185.

\textsuperscript{31} Can.—B.E.A., s. 176.

Col.—Ley 46 de 1923, art. 185.

Pan.—Ley 52 de 1917, art. 184.

U.S.—N.J.L., s. 184.

\textsuperscript{82} C.R.—L. Cam., art. 177.

\textsuperscript{33} Ec.—Ley de 5. XII. 1925, art. 77, inc. 4.

Guat.—C. Com., art. 774, inc. 4.

Nic.—C. Com., art. 676, inc. 4.

hand, require not only that the place of payment be expressed but further provide that, if this is a place other than the residence of the maker, such place must be expressly indicated.\textsuperscript{34} Chile requires a statement of the place of payment only when it is different from that where the note was dated.\textsuperscript{35}

The specific provisions of the various countries concerning place of payment are as follows:

- **Bolivia**, C. Merc. (1834) art. 463, inc. 5. ... Place of payment.
- \textit{Id.}, art. 469. ... If this is to be effected at a place different from the residence of the obligor, the place where it is to be made must be indicated.
- **Chile**, C. Com. (1865) art. 771. ... The place where payment is to be made when not payable at the place of its date. ...
- **Cuba**, C. Com. (1886) art. 531, inc. 6. The place where payment is to be made.
- ... Notes which are to be paid at a place different from the residence of the maker must indicate a domicile for payment.
- **Ecuador**, Ley, 5. XII. 1925, art. 77, inc. 4. The place where payment is to be made.
- **Guatemala**, C. Com. (1942) art. 774, inc. 4. The place where payment is to be made.
- **Honduras**, C. Com. (1940) art. 623, inc. 6. The place where payment must be made.
- ... Notes which are to be paid at a place different from the residence of the maker must indicate a domicile for payment.
- **Mexico**, Ley General de Títulos y Operaciones de Crédito (1932) art. 170, fr. IV. ... Place of payment.
- **Nicaragua**, C. Com. (1916) art. 676, inc. 4. The place where payment is to be made.
- **Peru**, C. Com. (1902) art. 520, inc. 6. The place where payment is to be made.
- ... Notes which are to be paid at a place different from the residence of the maker must indicate the domicile for payment.

5. **Name of payee or order.** In analyzing the treatment accorded this requirement in the legislations of the Americas, the statutes must again be divided into three different categories. The first of these embraces Brazil and Mexico, which specify only that the note must contain

\textsuperscript{34} Bol.—C. Merc., art. 469; \textit{cf.} art. 463, inc. 5.
- Cuba—C. Com., art. 531, inc. 6 and par. 2.
- Hon.—C. Com., art. 623, inc. 6 and par. 2.
- Peru—C. Com., art. 520, inc. 6 and par. 2.

\textsuperscript{35} Chile—C. Com., art. 771.
the name of the person to whom payment is to be made.\textsuperscript{36} The second
second group, comprised of Bolivia, Chile, Cuba, Honduras, Peru, the Do-
group, comprised of Bolivia, Chile, Cuba, Honduras, Peru, the Dom-
inican Republic, and Haiti, provide that the note must contain the
inican Republic, and Haiti, provide that the note must contain the
name of the person to whose order payment is to be made.\textsuperscript{37} Ecuador,
name of the person to whose order payment is to be made.\textsuperscript{37} Ecuador,
Guatemala, Nicaragua, and Venezuela follow the pattern of the Uni-
Guatemala, Nicaragua, and Venezuela follow the pattern of the Uni-
form Law on this point, and require the note to contain the name of
form Law on this point, and require the note to contain the name of
the person \textit{to whom or to whose order} payment is to be made.\textsuperscript{38}
the person \textit{to whom or to whose order} payment is to be made.\textsuperscript{38}
The specific provisions of the various countries concerning name
The specific provisions of the various countries concerning name
of payee or order are as follows:

\textbf{Bolivia, C. Merc. (1834) art. 463, inc. 6.} The name of the indi-
\textbf{Bolivia, C. Merc. (1834) art. 463, inc. 6.} The name of the indi-
vidual to whose order it is made.

\textbf{Brazil, Decreto 2044 (1908) art. 54, n. III.} The name of the per-
\textbf{Brazil, Decreto 2044 (1908) art. 54, n. III.} The name of the per-
son to whom it must be paid.

\textbf{Chile, C. Com. (1865) art. 771.} The name and surname of the
\textbf{Chile, C. Com. (1865) art. 771.} The name and surname of the
person to whose order payment must be made.\ldots

\textbf{Cuba, C. Com. (1886) art. 531, inc. 5.} The person to whose order
\textbf{Cuba, C. Com. (1886) art. 531, inc. 5.} The person to whose order
payment will be made.

\textbf{Dominican Republic, C. Com. (1884) art. 188.} \ldots The name of
\textbf{Dominican Republic, C. Com. (1884) art. 188.} \ldots The name of
the person to whose order it is signed. \ldots

\textbf{Ecuador, Ley. 5. XII. 1925, art. 77, inc. 5.} The name of the per-
\textbf{Ecuador, Ley. 5. XII. 1925, art. 77, inc. 5.} The name of the per-
son to whom or to whose order payment must be made.

\textbf{Guatemala, C. Com. (1942) art. 774, inc. 5.} The name of the
\textbf{Guatemala, C. Com. (1942) art. 774, inc. 5.} The name of the
person or to the order of whom payment must be made.

\textbf{Haiti, C. Com. (1826) art. 185.} \ldots The name of the person to
\textbf{Haiti, C. Com. (1826) art. 185.} \ldots The name of the person to
whose order it is signed. \ldots

\textbf{Honduras, C. Com. (1940) art. 623, inc. 5.} The person to whose
\textbf{Honduras, C. Com. (1940) art. 623, inc. 5.} The person to whose
order payment will be made. \ldots

\textbf{Mexico, Ley General de Títulos y Operaciones de Crédito (1932)
\textit{art. 170, fr. III.}} The name of the person to whom payment is to be
\textbf{Mexico, Ley General de Títulos y Operaciones de Crédito (1932)
\textit{art. 170, fr. III.}} The name of the person to whom payment is to be
made.

\textsuperscript{36} Bra.—Dec. 2044, art. 54, n. III.
\textsuperscript{36} Bra.—Dec. 2044, art. 54, n. III.
\textsuperscript{37} Bol.—C. Merc., art. 469; \textit{cf.} art. 463, inc. 6.
 \textsuperscript{37} Bol.—C. Merc., art. 469; \textit{cf.} art. 463, inc. 6.
 Chile—C. Com., art. 771.
 Chile—C. Com., art. 771.
Cuba—C. Com., art. 531, inc. 5.
Cuba—C. Com., art. 531, inc. 5.
Hon.—C. Com., art. 623, inc. 5.
 Hon.—C. Com., art. 623, inc. 5.
Peru—C. Com., art. 520, inc. 5.
 Peru—C. Com., art. 520, inc. 5.
Dom.—C. Com., art. 188.
 Dom.—C. Com., art. 188.
Haiti—C. Com., art. 185.
 Haiti—C. Com., art. 185.
\textsuperscript{38} Ec.—Ley de 5. XII. 1925, art. 77, inc. 5.
 Ec.—Ley de 5. XII. 1925, art. 77, inc. 5.
 Guat.—C. Com., art. 774, inc. 5.
 Guat.—C. Com., art. 774, inc. 5.
Nic.—C. Com., art. 676, inc. 5.
 Nic.—C. Com., art. 676, inc. 5.
Ven.—C. Com., art. 466.
Ven.—C. Com., art. 466.
Nicaragua, C. Com. (1916) art. 656, inc. 5. The name of the person to whom or to whose order payment must be made.

Peru, C. Com. (1902) art. 520, inc. 5. The persons to whose order payment will be made.

Venezuela, C. Com. (1942) art. 466. ... The person to whom or to whose order they must be paid. ...

6. Date and place of issue. This double requirement of the Uniform Law has been adopted only by Ecuador, Guatemala, Nicaragua, and Mexico. The other countries that have followed the system of enumerating specific requisites, that is, Bolivia, Chile, Cuba, the Dominican Republic; Haiti, Honduras, Peru, and Venezuela, only direct that the date of issue be contained in the note.

The specific provisions of the various countries concerning date and place of issue are as follows:

Bolivia, C. Merc. (1834) art. 463, inc. 2. The date.
Chile, C. Com. (1865) art. 771. ... The date. ...
Cuba, C. Com. (1886) art. 531, inc. 2. The date of issue.
Dominican Republic, C. Com. (1884) art. 188. A promissory note must have a date. ...

Ecuador, Ley. 5. XII. 1925, art. 77, inc. 6. Indication of the date and place where the note is signed.
Guatemala, C. Com. (1942) art. 774, inc. 6. Indication of the date and place where the document is signed.
Haiti, C. Com. (1826) art. 185. A promissory note is dated. ...
Honduras, C. Com. (1940) art. 623, inc. 2. The date of issue.
Mexico, Ley General de Títulos y Operaciones de Crédito (1932) art. 170, fr. V. The date and place where the document is signed.
Nicaragua, C. Com. (1916) art. 676, inc. 6. Indication of the date and place where the note is signed.
Peru, C. Com. (1902) art. 520, inc. 2. The date of issue.
Venezuela, C. Com. (1942) art. 466. ... The date. ...

89 Ec.—Ley de 5. XII. 1925, art. 77, inc. 6.
Guat.—C. Com., art. 774, inc. 6.
Nic.—C. Com., art. 675, inc. 6.
40 Bol.—C. Merc., art. 469; cf. art. 463, inc. 2.
Chile—C. Com., art. 771.
Cuba—C. Com., art. 531, inc. 2.
Dom.—C. Com., art. 188.
Haiti—C. Com., art. 185.
Hon.—C. Com., art. 623, inc. 2.
Peru—C. Com., art. 520, inc. 2.
Ven.—C. Com., art. 466.
7. Signature of maker. The requirement of signature has been included in almost identical language in those legislations enumerating specific requisites. Bolivia, Cuba, Honduras, and Peru thus require the signature of the person who contracts the obligation to pay. 41 Ecuador, Guatemala, and Nicaragua require the signature of the person issuing the instrument (maker). 42 The only variations in this pattern are found in the Brazilian legislation, which requires that the signature be in the maker's own handwriting or that of his special agent, 43 and that of Mexico, which provides for the signature of the maker or of the person who signs at his request or in his name. 44

The specific provisions of the various countries concerning the signature of the maker are as follows:

Bolivia, C. Merc. (1834) art. 469. In promissory notes (pagarés a la orden) the particulars defined in article 463 must be expressed, excluding the first, third, and seventh, and the person who undertakes to pay signing instead of the librancista.

Brazil, Decreto 2044 (1908) art. 54, n. IV. The signature in the maker's own handwriting or that of his special agent.

Chile, C. Com. (1865) art. 771. . . . The signature of . . . the debtor on the note. . . .

Cuba, C. Com. (1886) art. 531, inc. 8. The signature . . . on promissory notes of the person who contracts the obligation to pay them.

Ecuador, Ley, 5. XII. 1925, art. 77, inc. 7. The signature of the person issuing the document (maker).

Guatemala, C. Com. (1942) art. 774, inc. 7. The signature of the person issuing the document, that is, the maker.

Honduras, C. Com. (1940) art. 623, inc. 8. The signature . . . on promissory notes of the person who contracts the obligation to pay them.

Mexico, Ley General de Títulos y Operaciones de Crédito (1932) art. 170, fr. VI. The signature of the maker or of the person who signs at his request or in his name.

41 Bol.—C. Merc., art. 469.
   Cuba—C. Com., art. 531, inc. 8.
   Hon.—C. Com., art. 623, inc. 8.
   Peru—C. Com., art. 520, inc. 8.
42 Ec.—Ley de 5. XII. 1925, art. 77, inc. 7.
   Guat.—C. Com., art. 774, inc. 7.
   Nic.—C. Com., art. 676, inc. 7.
43 Bra.—Dec. 2044, art. 54, n. IV.
Nicaragua, C. Com. (1916) art. 676, inc. 7. The signature of the person issuing the instrument (maker).

Peru, C. Com. (1902) art. 520, inc. 7. The signature of the person who contracts the obligation to pay it.

From the foregoing analysis, there appears a classification of the American legislation respecting the formal requisites of promissory notes. The statutes of the American continent may be grouped into three classes, according to their treatment of this subject. The first group is composed of those nations which specifically demand these requisites, and includes Cuba, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, and Peru. The second group comprises those legislations which specifically require only certain of them, namely Bolivia, Brazil, Chile, the Dominican Republic, Haiti, and Venezuela. The third group includes the nations of the Anglo-American system, the United States, Canada, Panama, Colombia, and in this respect Costa Rica, as well as those of the Argentine system, Argentina, Paraguay, and Uruguay. These countries, while not specifically requiring enunciation of these formal requisites, do include some of them in their definitions of the instrument. The only nation making no provision whatever in this respect is the Republic of El Salvador.

III

Omission of Formal Requisites

Fourteen of the nations of the American continent make specific provisions for cases where one or more of the formal requisites has been omitted. The legislation of these countries may be classified into four groups, according to their treatment of the matter.

Ecuador, Guatemala, and Nicaragua have modelled their legislation on the Uniform Regulation on Bills of Exchange adopted at The Hague in 1912, although there have been a few departures from the original terminology. As suggested above, these variations are due largely to the fact that each of the enactments is a separate translation, independent of the others. The provision of Ecuador is as follows:

A document lacking any of the statements indicated in the preceding article will have no value as a promissory note, except in the cases determined in the following paragraphs:

—Ley de 5. XII. 1925, art. 78.
Guat.—C. Com., art. 775.
Nic.—C. Com., art. 677.
A note whose maturity is not indicated will be deemed payable on demand.

In the absence of special mention, the place of issue of the document will be deemed the place of payment and at the same time the domicile of the maker.

A note in which the place of issue is not indicated will be considered as subscribed at the place designated beside the maker's name.

Brazil is included in this group since in the writer's opinion it follows the same basic pattern, although its provision in this respect is phrased somewhat differently and is much broader than those of the other nations. The provision is contained in article 54, which, after outlining the formal requisites of promissory notes, contains four subdivisions, three of which deal with the present subject. The first of these provides that the holder is presumed to have authority to insert the date and place of issue if the note does not contain them. The second states that a note that does not indicate the date of maturity will be payable on demand, and if no place of payment is indicated, will be payable at the maker's domicile. The fourth subdivision states that a writing which lacks any of the requisites enumerated in the first part of the article will not be deemed a promissory note, and that the essential requisites are considered as written at the time of issue, but that in case of bad faith on the part of the holder, proof to the contrary will be admissible.

The Mexican provision dealing with the omission of formal requisites, although narrower, also warrants inclusion in the present group because it is similar in pattern. It deals entirely with instances where either the date of maturity or the place of payment has been omitted. In such cases, the promissory note is presumed to be payable on demand, and the domicile of the maker is considered as the place of payment. No mention is made of cases where other formal requisites are lacking, nor of the effect of such omission on the note.

The next group includes those nations which expressly provide for cases where the clause "to order" has been omitted. This group should
be subdivided into three categories. The first is comprised of those legislations which merely provide that where notes are not "to order," they are deemed simple promises to pay, and are subject to the civil law (ley civil). In this respect, Argentina and Paraguay have identical provisions. The Uruguayan legislation, while more elaborate than the others, is essentially the same, although it adds that notes drawn to bearer may be transferred by mere delivery and the bearer can exercise the same rights as if they had been drawn in his own name. It further provides that notes not drawn to order are transferable in the manner prescribed in the title on the transfer of nonendorsable credits in the Commercial Code.

The provisions contained in the codes of Nicaragua and El Salvador are very much alike. It should be recalled that Nicaragua is one of the countries that have followed the Hague Uniform Regulation, but, oddly enough, the Nicaraguan Code has retained its prior provisions with regard to notes which are not drawn "to order." Although couched in language almost identical to that of El Salvador, the Nicaraguan provision includes an exception that the Code of El Salvador does not contain. After stating that notes not drawn "to order" are subject to the "common" law (derecho común), it excepts the provisions of article 925 of the Civil Code. Both statutes also provide that lack of protest for non-payment will not prejudice the rights of the holder against the original debtor or his sureties.

The second category includes the three legislations which, in dealing with promissory notes, follow the rules of the Spanish Commercial Code, Cuba, Honduras, and Peru. They provide that notes not "to order" are deemed simple promises to pay, subject to commercial

50 Arg.—C. Com., art. 740.
Parag.—C. Com., art. 740.

The first part of this article dealing with extension also appears in the Uruguayan Code, and will be dealt with below.
51 Urug.—C. Com., art. 933.
52 Nic.—C. Com., art. 704, pars. 2 and 3. The final paragraph deals with extension and will be treated below.

El Sal—C. Com., art. 463, pars. 2 and 3.
53 Nic.—C. Civ., art. 925. Bills of exchange, promissory notes, whether or not endorsed, libranzas, instruments to bearer (acciones al portador), and other types of transfers, whether or not the parties are merchants, will be governed according to the Code of Commerce or by special acts.
54 Cuba—C. Com., art. 531.
Hon.—C. Com., art. 624.
Peru—C. Com., art. 521.
55 The Peruvian Code adds "nor to bearer."
or civil jurisdiction, according to their nature, the Cuban Code adding an exception, contained in the succeeding title of the Code.

The Chilean provision with regard to the omission of requisites has been followed in some respects by Guatemala. It first states that all promissory notes "to order" are always deemed to be acts of commerce, and then proceeds to say that promissory notes not drawn "to order" and not arising from mercantile operations are presumed with respect to all persons to be documents probatory of obligations and subject to the prescriptions of the Civil Code. Furthermore, notes between merchants, even though not "to order," are presumed to be acts of commerce.\(^5^6\) Although the first part of this provision would seem to put Chile in the first category, the fact that notes arising from commercial transactions and instruments between merchants are especially regulated, sets Chile apart in this regard. Like Nicaragua, Guatemala has retained some of its prior legislation, which in this subject matter follows the Chilean Commercial Code. The Chilean provision begins by stating that all promissory notes drawn "to order" are considered as acts of commerce. In contrast, the Guatemalan legislation omits this first sentence, but in the latter part of the article follows the Chilean language to the letter.

The exact opposite of the provision described above places Bolivia in the last category. The law states that notes not "to order" are subject to the "common" law (*fuero común*) even though they are between merchants, and that notes drawn to bearer, without designating any particular person, will not give rise to any obligation. A further provision states that if a term has been fixed, the notes are payable at maturity, and if no term has been indicated, they are payable after ten days, the terms to run from the day after the date of the note.\(^5^7\) Costa Rica has no similar provision with regard to the omission of requisites, but it has one article which deals with what it designates as notes to order (*vales a la orden*). Such instruments are payable ten days from date, if no term has been determined.\(^5^8\)

The following provisions regulate the omission of requisites:

*Argentina, C. Com. (1889) art. 740. If they (promissory

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56 Chile—C. Com., art. 767.
Guat.—C. Com., art. 762.

57 Bol.—C. Merc., art 468; cf. art. 461; arts. 473, 471.

58 C.R.—L. Cam., art. 180. Chile also provides that notes (*vales o pagarées a la orden*) in which the term is not indicated shall be payable ten days after their date. C. Com., art. 778.
notes) are not drawn to order, they will not be deemed commercial paper, but simple promises to pay, subject to the civil law (ley civil).

_Bolivia, C. Merc. (1834) art. 468; cf. art. 461._ Promissory notes (pagarés) which are not to order, are subject to the “common” law (fuero común), even though they may have been drawn between merchants.

_Id., art. 473._ Promissory notes (pagarés) drawn to bearer, without designating any particular person, will produce no obligation or action.

_Id., art. 471._ When terms have been indicated in promissory notes (vales a la orden), they will be paid at maturity, and if a term is not indicated, they are payable after ten days: these terms are to begin to run from the day after their date.

_Brazil, Decreto 2044 (1908) art. 54, § 1._ The holder is presumed to have authority (mandato) to insert the date and place of issue in a promissory note which does not contain these requisites.

_Id., § 2._ A promissory note which does not indicate the date of maturity will be payable on demand. A promissory note which does not indicate the place of payment will be payable at the domicile of the maker.

Alternative indication of the place of payment is permitted, the holder having the right of election.

_Id., § 4._ A writing lacking any of the requisites enumerated above will not be a promissory note. The essential requisites are deemed written at the time of issue of the promissory note. Proof to the contrary will be admissible in case of the holder’s bad faith.

_Chile, C. Com. (1865) art. 767._ Promissory note to order (pagarés a la orden) will always be considered as acts of commerce.

... And notes (pagarés) not included in the foregoing paragraph, and which do not arise from commercial transactions, will be considered with respect to all persons as written evidence of obligations subject to the provisions of the Civil Code.

... Promissory notes (pagarés), even though they do not contain the clause “to order,” are presumed to be acts of commerce.

_Id., art. 778._ Promissory notes to order (vales o pagarés a la orden) which do not have a term, are demandable ten days after their date.

_Costa Rica, Ley de Cambio (1902) art. 180._ Promissory notes to order (vales a la orden) are payable ten days after their date if they do not have a term (época) for their payment.

_Cuba, C. Com. (1886) art. 532._ Promissory notes (vales o pa-
garés) which are not drawn to order will be deemed simple promises to pay, subject to the “common” law (derecho común) or the commercial law according to their nature, except as provided in the following title.

_Ecuador, Ley, 5. XII. 1925, art. 78._ A document lacking any of the statements indicated in the preceding article will have no value as a promissory note, except in the cases determined in the following paragraphs:

A note (pagaré) whose maturity is not indicated will be deemed payable on demand.

In the absence of special mention, the place of issue of the document will be deemed the place of payment and at the same time the domicile of the maker.

A note in which the place of issue is not indicated will be considered as subscribed at the place designated beside the maker’s name.

_El Salvador, C. Com. (1904) art. 463._ ... Promissory notes (vales o pagarés) not to order will be governed by the provisions of the “common” law (derecho común).

_Guatemala, C. Com. (1942) art. 762._ ... Promissory notes (pagarés), whether or not to order, which do not arise from commercial transactions, will be considered, with respect to all persons, as written evidence of obligations subject to the provisions of the civil law (derecho civil). Promissory notes (pagarés) ... from merchant to merchant, although they do not contain the clause “to order,” are presumed to be acts of commerce unless the contrary is proved.

_Id., art. 775._ A document lacking any of the particulars indicated in the preceding article, will have no value as a promissory note (pagaré) except in the cases determined in the following paragraphs:

A promissory note (pagaré) the maturity of which is not indicated, will be considered payable on demand.

Unless specially indicated, the place of creation of the document will be considered as the place where payment is to take place and at the same time the domicile of the maker.

A promissory note (pagaré) in which the place of creation is not indicated will be deemed signed in the place which appears beside the maker’s name. ...

_Honduras, C. Com. (1940) art. 624._ ... Promissory notes (vales o pagarés) not drawn to order will be deemed simple promises to pay, subject to the “common” law (derecho común) or the mercantile law, according to their nature.
Mexico, Ley General de Títulos y Operaciones de Crédito (1932) art. 171. If the promissory note (pagaré) does not mention the date of its maturity, it will be considered payable on demand; if it does not indicate the place of payment, the domicile of the person signing it will be held as such.

Nicaragua, C. Com. (1916) art. 677. An instrument in which any of the particulars indicated in the preceding article has been omitted, will have no value as a promissory note (pagaré a la orden), except in the cases determined in the following paragraphs:

A promissory note (pagaré a la orden) in which the maturity is not indicated, will be deemed payable on demand.

Unless specially indicated, it will be deemed that the place of creation of the instrument is the place of payment and at the same time the domicile of the maker.

A promissory note (pagaré a la orden) in which the place of creation is not indicated, will be deemed signed in the place which appears beside the maker’s name.

Id., art. 704. . . . Omission of protest for nonpayment does not impair the rights of the holder against the original debtor (deudor primitivo) or his sureties.

Promissory notes (vales o pagarés) which are not to order will be governed in all respects by the provisions of the “common” law (derecho común) except the provisions of article 925 C (of the Civil Code).

Paraguay, C. Com. (1903) art. 740. . . . If they (promissory notes) are not drawn to order, they will not be deemed commercial paper, but simple promises to pay, subject to the civil law (ley civil).

Peru, C. Com. (1902) art. 521. Promissory notes (vales o pagarés) not drawn to order, nor to bearer, will be deemed simple promises to pay, subject to the “common” law (derecho común) or to the mercantile law, according to their nature.

Uruguay, C. Com. (1866) art. 933. If promissory notes (vales, pagarés) are drawn to bearer, they will be transferable by mere delivery, and the holder will exercise the same rights as if they were drawn in his individual name.

. . . If they (promissory notes) are not drawn to order, they will not be deemed commercial paper, but simple promises to pay, subject to the civil law (ley civil), and transferable in the manner provided in the title on the transfer of non-endorsable credits.
In the present study, the expression “extension clauses” has been used to designate those legal provisions contained in most of the negotiable instruments statutes, by which certain provisions governing bills of exchange are extended to cover promissory notes. These clauses may take any one of three forms. They may be general, that is, the statute may contain a blanket provision whereby the rules which have been created for bills are extended to cover notes. They may take the form of a general extension with express exceptions of subjects which are not to apply to promissory notes, and, finally, they may adopt a system of express extensions, specifying which sections or articles regulating bills of exchange may be applied to promissory notes.

1. Countries following the system of general extension. The three countries which have previously been designated as the Argentine group form the present class. They are Argentina, Paraguay, and Uruguay. Their provisions are very much alike, and are contained in two articles. The first states that notes which contain obligations to pay a certain amount in a fixed term to a particular person, if drawn to order, will be considered bills of exchange.\(^{59}\) The succeeding article then states that all rules which have been established in the preceding title for bills of exchange will serve equally for promissory notes and other commercial paper, so long as they are applicable.\(^{60}\) It might be said that this system should not be called one of general extension since the article has a saving clause, but this designation has been used in order to differentiate it from the group in which the extension is qualified by a series of express exceptions.

2. Countries following the system of general extension with express exceptions. This group is comprised of the following nations: Cuba, Peru, Honduras, Bolivia, Brazil, Canada, Costa Rica, and El Salvador. Of these, Cuba, Honduras, and Peru have almost identical provisions, with some slight variations.\(^{61}\) The Cuban Code states that

\(^{59}\) Arg.—C. Com., art. 740.
Parag.—C. Com., art. 740.
Urug.—C. Com., art. 933.

\(^{60}\) Arg.—C. Com., art. 741.
Parag.—C. Com., art. 741.
Urug.—C. Com., art. 934.

\(^{61}\) In addition, Nicaragua, in article 678 of its Code of Commerce, has followed the system of express extensions established by the Hague Uniform Regulation, and it has also retained its former provision, making express exceptions (art. 704, par. 1).
promissory notes to order and which arise from mercantile transactions will produce the same obligations and effects as bills of exchange except with regard to acceptance, which applies only to the latter.\textsuperscript{62} The Code of Honduras further provides that the right of the holder to sue the maker or endorser, when there is no protest for nonpayment, is also excepted.\textsuperscript{68} The latter clause is not to be found in either the Peruvian or the Cuban Code. The Peruvian provision omits the phrase "which arise from mercantile transactions," which the other two nations include, and thereby places all promissory notes "to order" in the same category.\textsuperscript{64} The Bolivian article on the subject is similar in that it excepts acceptance from the extension, but it supplements this exception by providing that the holder cannot demand acceptance in any case, and that he cannot sue the maker or endorser until he has protested the note for nonpayment.\textsuperscript{65} In addition to this extension clause which, with certain exceptions, applies the bills of exchange rules to promissory notes, the codes of Bolivia, Cuba, Honduras and Peru also provide a specific article with regard to endorsement.\textsuperscript{66} This provision is to the effect that endorsements on promissory notes should be made in the same form as those on bills of exchange. The Bolivian Code goes on to say that all requisites provided for bills in case of protest or for reimbursement because of non-payment, are also to be observed by the holders of promissory notes.

The Brazilian law, in addition to excepting from extension the articles dealing with acceptance, also excepts the rules relating to bills in a set.\textsuperscript{67} With regard to discrepancies in the statement of the amount payable, the Brazilian law has adopted specific measures rather than extending to this subject those established for bills of exchange. According to the Brazilian provision, where there are differences in the indications of the sum of money to be paid, that which has been written out in the text of the note shall be deemed to be the true amount payable, but where the indications of the amount written out in the

\textsuperscript{62} Cuba—C. Com., art. 532.
\textsuperscript{63} Hon.—C. Com., art. 624.
\textsuperscript{64} Peru—C. Com., art. 521.
\textsuperscript{65} Bol.—C. Merc., art. 468; cf. art. 462.
\textsuperscript{66} Bol.—C. Merc., art. 468; cf. art. 464.
\textsuperscript{67} Bra.—Dec. 2044, art. 56.
text are different from each other, the instrument will not be considered a promissory note. 68

El Salvador extends to promissory notes all rules relating to bills of exchange except those dealing with acceptance, whatever the operation from which the notes arose or the profession or occupation of the persons intervening therein. 69 The Canadian statute specifies that provisions of the law as to bills of exchange and relating to (a) presentment for acceptance, (b) acceptance, (c) acceptance supra protest, and (d) bills in a set, do not apply to promissory notes. 70 The law of Costa Rica contains exceptions (a), (b), and (d), and adds acceptance by intervention and requirement of protest. 71

Of the eight countries which form this group, only Brazil, Canada, and Costa Rica state that the extensions are to be made with the necessary modifications. Canada and Costa Rica further provide that such extension is subject to the provisions of the part or title dealing specifically with promissory notes.

3. Countries following the system of specifically extending express provisions. The countries which comprise this class may be grouped into three categories: those which follow the French Commercial Code, Chile, the Dominican Republic, and Haiti; those which adhere to the system of the Hague Uniform Regulation, Ecuador, Guatemala, Nicaragua, and Venezuela; and Mexico, which has evolved a provision of its own.

The provisions of the countries following the French Commercial Code are very much alike in this respect. 72 The only variations are introduced by Chile, which enlarges its provision to cover the rules of bills of exchange with regard to prescription. The Chilean Code then proceeds to state that all these rules shall be applicable to promissory notes “to order,” whatever the operation from which they arose and without prejudice to the special rules in the title regulating promissory

68 Bra.—Dec. 2044, art. 54, § 3.
The provision relating to bills of exchange is as follows:
Where there is a difference between the amount written in numbers and that which is written out in letters in the text of the bill, the latter will always be considered as the true one and such difference will not prejudice the bill. Where the indications of the sum of money contained in the text are different, the document will not be a bill of exchange. Id., art. 5.
69 El Sal.—C. Com., art. 463.
70 Can.—B.E.A., s. 186, ss. 1 and 3.
71 C. R.—L. Cam., art. 181.
72 Chile—C. Com., art. 769.
Dom.—C. Com., art. 187.
Haiti—C. Com., art. 184.
notes. The prejudice clause also exists in the codes of the Dominican Republic and Haiti but refers only to three specific cases.\(^78\)

Among the countries following the system of extensions of the Hague Uniform Regulation, Guatemala alone has omitted certain of the sections to be extended. The rules on bills of exchange with regard to legal holidays, computation of limits of time and prohibition of days of grace, conflicts of law, and domicile, are not applied to promissory notes by the Guatemalan Code as they are in Ecuador and Nicaragua.\(^74\) There are some slight variations in the terms used in the legislation of the latter country on this point. Nicaragua uses the word “actions” (acciones) for nonpayment, rather than “recourse” (recursos), which Ecuador and Guatemala employ, and furthermore speaks of “domiciled bills,” whereas Ecuador merely states that the rules concerning the domicile of bills of exchange are applicable to promissory notes. As indicated above, Guatemala makes no provision in this respect. One variation among the legislations of these nations should be noted, due, as suggested above, to their independent translations of the Hague Regulation. The Regulation prescribes that certain enumerated provisions relating to bills of exchange apply to promissory notes insofar as they are not inconsistent with the nature of such instruments. The French version uses the word titres. In Ecuador, the word “documents” (documentos) is used, and the Guatemalan provisions employ the word “obligations” (obligaciones), but the Nicaraguan Code uses capítulo, perhaps misled by a literal translation of the French word titre as meaning a title of the law.

Although Venezuela has not followed the system of the Uniform Regulation in its entirety, it has to a large extent followed the same general outline, and so it may well be included in the present group. Its provision extends to promissory notes those sections on bills of exchange which deal with endorsement, aval, date of maturity, protest, payment, payment by intervention, prescription, and those concerned with the period allowed for presentment, collection, and protest.\(^75\)

The Mexican statute is also very similar to the Uniform Regulation, but since it is much more detailed and explicit, it seems advisable to place it in a separate category. Mexico follows the pattern of express extension, but rather than naming the sections which are ex-

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\(^73\) Dom.—C. Com., arts. 636, 637, 638.
Haiti—C. Com., arts. 623, 624, 625.
\(^74\) Ec.—Ley de 5. XII. 1925, art. 79.
Guat.—C. Com., art. 678. See also note 61, supra.
\(^75\) Ven.—C. Com., art. 467.
tended, together with the numbers of the respective articles, as in the Hague Uniform Regulation, it merely lists the numbers of the articles dealing with bills of exchange which are extended to cover promissory notes.\textsuperscript{76} Enumeration and comparison of the various topics falling within this provision are outside the scope of the present work.

Panama, Colombia, and the United States make no specific provision for extension, since their statutes are drafted from a different point of view and follow a completely different analysis, including general provisions for negotiable instruments, applicable to promissory notes as well as to other negotiable paper.

The legislation extending provisions relating to bills of exchange to promissory notes is as follows:

Argentina, C. Com. (1889) art. 740. Promissory notes (\textit{vales, pagarés}) or other documents which contain obligations to pay a certain amount at a fixed term to a determinate person, if drawn to order will be considered as bills of exchange. \ldots

\textit{Id.}, art. 741. Everything prescribed in the preceding title with respect to bills of exchange will serve equally as a rule for promissory notes (\textit{vales, billetes o pagarés}) insofar as it is applicable.

Bolivia, C. Merc. (1834) art. 468; cf. art. 462. Every promissory note (\textit{pagaré a la orden}) will produce the same obligations and effects as bills of exchange except with regard to acceptance; consequently, the holder cannot demand it (acceptance) in any case, nor can he sue (\textit{repetir contra}) the maker or endorsers until after he has made protest for non-payment.

\textit{Id.}, art. 468; cf. art. 464. Endorsements on promissory notes (\textit{pagarés a la orden}) are to be made in the same form as those on bills of exchange; and all requisites established for the latter in cases of protest and reimbursement for non-payment are also to be observed by the holders of promissory notes (\textit{pagarés a la orden}).

Brazil, Decreto 2044 (1908) art. 56. All the provisions of Title I of this law except those which refer to acceptance and to bills in a set (\textit{duplicatas}) are, with the necessary modifications, applicable to promissory notes. \ldots

\textit{Id.}, art. 54, \S\ 3. Where the indications of the sum of money differ, that which has been written out in the text of the note shall be deemed the true amount payable.

Where the indications of the amount of money stated in the text differ, the instrument will not be a promissory note.

Canada, Bills of Exchange Act (1927) s. 186. "Subject to the provisions of this Part, and except as by this section provided, the provisions of this Act relating to bills of exchange apply, with the necessary modifications, to promissory notes...

"3. The provisions of this Act as to bills relating to
(a) presentment for acceptance;
(b) acceptance;
(c) acceptance supra protest;
(d) bills in a set;
do not apply to notes."

Chile, C. Com. (1865) art. 769. All provisions relative to maturity, endorsement, joint liability, aval, payment by intervention, protest, rights and obligations of the holder, re-exchange, interest, and prescription of bills of exchange, are applicable to... promissory notes (pagarées a la orden) whatever the operation from which they arose, without prejudice to the special rules of this title.

Costa Rica, Ley de Cambio (1902) art. 181. In addition to the preceding provisions, promissory notes (vales o pagarés a la orden) will be subject to those governing bills of exchange, with the necessary modifications. But the provisions for bills referring to presentment for acceptance, acceptance, acceptance by intervention, the issue for various copies, and the requirement of protest, will not be applied to promissory notes (vales).

Cuba, C. Com. (1886) art. 532... Promissory notes (vales o pagarés) also to order, which arise from commercial operations, will produce the same obligations and effects as bills of exchange, except for acceptance, which applies only to the latter.

Id., art. 553. Endorsements on... promissory notes (pagarés a la orden) must be in the same form as those on bills.

Dominican Republic, C. Com. (1884) art. 187. All provisions relative to bills of exchange and concerning maturity, endorsement, joint liability, aval, payment, payment by intervention, protest, the obligations and rights of the holder, re-exchange or interest, are applicable to promissory notes (pagarés a la orden), without prejudice to the provisions relative to the cases anticipated by articles 636, 637, 638.

Ecuador, Ley, 5. XII. 1925, art. 79. Insofar as not incompatible with the nature of this document, the provisions on bills of exchange which refer to:
Endorsement (arts. 10–19);
*Aval* (arts. 29 and 31);
Maturity (arts. 32–36);
Payment (arts. 37–41);
Recourse for non-payment (arts. 42–49, 51–53);
Payment by intervention (arts. 54, 58–62);
Bills in a set (arts. 66–67);
 Forgery and alterations (arts. 68 and 69);
Prescription (arts. 70 and 71);
Holidays, computation of terms and prohibition of days of grace (arts. 72 and 73);
Conflicts of laws (arts. 74–76);
are applicable to promissory notes (*pagaré*).

The provisions concerning domicile (arts. 4 and 28), stipulation of interest (art. 8), differences in the statement with respect to the sum to be paid (art. 6), the consequences of the signature of an incompetent (art. 7) or a person acting without authority or who exceeds his authority (art. 8), are also applicable to promissory notes (*pagaré*).

*El Salvador, C. Com. (1904) art. 463.* Promissory notes (*vales o pagarés a la orden*), whatever the operations from which they arise or the profession of the persons who intervene therein, are mercantile documents and subject to the rules governing bills of exchange, except those relative to acceptance.

*Guatemala, C. Com. (1942) art. 776.* Insofar as they are not incompatible with the nature of this obligation, the provisions on bills of exchange and concerning endorsement, *aval*, maturity, payment, recourse for non-payment, payment by intervention, bills in a set (*copia*s), prescription, stipulation of interest, different statements relative to the amount which must be paid, and consequences of signature by an incompetent or a person who acts without authority or exceeds the authority he has, are applicable to promissory notes (*pagaré*).

*Haiti, C. Com. (1826) art. 184.* All provisions relative to bills of exchange and concerning:

- Maturity,
- Endorsement,
- Joint liability,
- *Aval*,
- Payment,
- Payment by intervention,
- Protest,
- Duties and rights of the holder,
Re-exchange or interest, are applicable to promissory notes (*billets à ordre*), without prejudice to the provisions relative to the cases specified by articles 623, 624, 625 of the present Code.

_Honduras, C. Com. (1940) art: 624..._ Promissory notes (*vales y pagarés*) also to order, which arise from commercial operations will produce the same obligations and effects as bills of exchange, except for acceptance, which applies only to the latter, and the right of the holder to sue the maker or endorsers, so long as there is no protest for non-payment.

_Id., art. 625._ Endorsements on promissory notes (*pagarés y vales*) to order must be made in the same form as those on bills of exchange.

_Mexico, Ley General de Títulos y Operaciones de Crédito (1932) art. 174._ Articles 77, final paragraph, 79, 80, 81, 85, 86, 88, 90, 109 to 116, 126 to 132, 139, 140, 142, 143, second, third, and fourth paragraphs, 144, second and third paragraphs, 148, 149, 150, fractions II and III, 151 to 162, and 164 to 169, are applicable to promissory notes, where pertinent (*en lo conducente*).

For the effects of article 152, the value of the note (*pagaré*) will include interest due thereon; discount on a promissory note not yet matured will be computed at the rate of interest agreed therein, or in the absence of such agreement at the legal rate; and interest on default shall be computed at the rate agreed to; in the absence of such stipulation, at the rate of interest fixed in the document, and in the absence of both, at the legal rate.

_Nicaragua, C. Com. (1916) art. 678._ Insofar as not incompatible with the nature of this chapter, the provisions relative to bills of exchange and concerning:

Endorsement (arts. 609 and 618);
_Aval* (arts. 628 and 630);
Maturity (arts. 631 and 635);
Payment (arts. 636 and 640);
Actions for non-payment (arts. 641, 648, 650, 652);
Payment by intervention (arts. 653, 657, 661);
Bills in a set (*copias*) (arts. 665 and 666);
Forgeries and alterations (arts. 667 and 668);
Prescription (arts. 669 and 670);
Holidays, computation of terms, and prohibition of days of grace (arts. 671 and 672);
Conflicts of laws (arts. 673 and 675);
will be applicable to promissory notes (*pagaré a la orden*).
The provisions concerning domiciled bills (arts. 603 and 625), stipulation of interest (art. 604), differences in statements relative to the amount which must be paid (art. 605), the consequences of the signature of an incompetent (art. 606) or a person acting without authority or exceeding his powers (art. 607), shall also be applicable to promissory notes (pagaré a la orden).

Id., art. 704. Promissory notes (vales y pagarés) to order are mercantile documents and are subject to the rules governing bills of exchange, except those relative to acceptance.

Paraguay, C. Com. (1903) art. 740. Promissory notes (vales, pagarés) or other documents which contain obligations to pay a certain amount at a fixed term will be considered as bills of exchange.

Id., art. 741. Everything prescribed in the preceding title with respect to bills of exchange will serve equally as a rule for promissory notes (vales, billetes o pagarés) insofar as it is applicable.

Peru, C. Com. (1902) art. 521. Promissory notes (vales o pagarés) to order will produce the same obligations and effects as bills, except for acceptance, which applies only to the latter.

Id., art. 522. Endorsements on promissory notes (pagarés) to order must be made like those on bills.

Uruguay, C. Com. (1866) art. 933. Promissory notes (vales, pagarés) or other documents which contain obligations to pay a certain amount at a fixed term to a determinate person, being to order, will be considered as bills of exchange.

Id., art. 934. Everything that has been established in the preceding title with respect to bills, will serve equally as a rule for promissory notes (vales, billetes, pagarés), and conformes de plaza which are payable to order, and other commercial paper, insofar as it is applicable.

Venezuela, C. Com. (1942) art. 467. The provisions on bills of exchange to which the preceding article refers, concerning:

The terms at which they mature.
Endorsement.
Terms for presentment, collection, or protest.
Aval.
Payment.
Payment by intervention.
Protest.
Prescription.

are applicable to promissory notes (pagarés a la orden).
V

EXTENT OF THE OBLIGATION OF THE MAKER

Among the nations making express provisions with respect to the extent of the obligation of the maker of a promissory note, three have done so in almost the same manner. Ecuador, Guatemala, and Nicaragua simply state that the maker of a promissory note is bound in the same manner as the acceptor of a bill of exchange. Ecuador, Guatemala, and Nicaragua simply state that the maker of a promissory note is bound in the same manner as the acceptor of a bill of exchange. Brazil and Canada have made this matter a part of their extension clauses, and thus the particular provision is prefaced by the clause “In the application of such provisions,” which has reference to those provisions dealing with bills of exchange which by extension have been made to cover promissory notes. Furthermore, Brazil does not use the term “bound” to explain the extent of the maker’s obligation but states that the maker shall be equivalent (equivarado) to the acceptor of a bill, while Canada employs the phrase “shall be deemed to correspond” for the same purpose. The Canadian statute then provides that the first endorser of a note shall be deemed to correspond to the drawer of an accepted bill payable to drawer’s order, a provision which does not appear in any of the other legislations under consideration. In an earlier section the Canadian law provides other obligations for the maker, stating that by making the note he engages to pay it according to its tenor and is precluded from denying to a holder in due course the existence of the payee and his then capacity to endorse; the Negotiable Instruments Law of the United States has a similar provision, repeated in the corresponding legislation of Panama and Colombia.

Mexico also has a definite provision with regard to the extent of the maker’s obligation, this stipulation forming part of the extension article. As in Canada and Brazil, the maker is deemed to correspond to the acceptor of a bill, but the cases provided in articles 168 and 169, where the maker is equivalent to the drawer, are excepted.

77 Ec.—L. de 5. XII. 1925, art. 80.

Guat.—C. Com., art. 777.
Nic.—C. Com., art. 679.

78 Bra.—Dec. 2044, art. 56.
Can.—B.E.A., s. 185.

79 Can.—B.E.A., s. 185.

80 U.S.—N.I.L., s. 60.
Pan.—Ley 52 de 1917, art. 60.
Col.—Ley 46 de 1923, art. 62.

81 U.S.—N.I.L., s. 60.
Pan.—Ley 52 de 1917, art. 60.
Col.—Ley 46 de 1923, art. 62.
The extent of the obligation of the maker in the several countries is as follows:

Brazil, Decreto 2044 (1908) art. 56. . . . In the application of such provisions, the maker of a promissory note is equivalent (equiparado) to the acceptor of a bill of exchange.

Canada, Bills of Exchange Act. (1927) s. 185. “The maker of a promissory note, by making it,

“(a) engages that he will pay it according to its tenor;

“(b) is precluded from denying to a holder in due course the existence of the payee and his then capacity to endorse.”

Id., s. 186, ss. 2. “In the application of such provisions the maker of a note shall be deemed to correspond with the acceptor of a bill, and the first endorser of a note shall be deemed to correspond with the drawer of an accepted bill payable to drawer’s order.”

Colombia, Ley 46 de 1923, art. 62. The maker of a negotiable instrument by making it binds himself to pay its value according to its literal tenor and admits the existence of the payee and his capacity to endorse it at the time of issue.

Ecuador, Ley, 5. XII. 1925, art. 80. The maker of a promissory note (pagare) is bound in the same manner as the acceptor of a bill of exchange . . . .

Guatemala, C. Com. (1942) art. 777. The maker of a promissory note (pagare) is bound in the same manner as one who accepts a bill of exchange.

Mexico, Ley General de Títulos y Operaciones de Crédito (1932) art. 174 . . . . The maker of a promissory note (pagare) will be considered as an acceptor for the effects of the provisions above enumerated, except in the case of articles 168 and 169, where he will be equivalent to the drawer.

Nicaragua, C. Com. (1916) art. 697. The maker of a promissory note (pagare) to order is bound in the same manner as the acceptor of a bill of exchange . . . .

Panama, Ley 52 de 1917, art. 60. The maker of a negotiable document by making it engages to make payment according to the tenor of the same, and admits the existence of the person named in the document to whom payment is to be made as well as his capacity to endorse it at the time of issue.

United States, Negotiable Instruments Law (1896) s. 60. “The maker of a negotiable instrument by making it engages that he will
pay it according to its tenor, and admits the existence of the payee and his then capacity to endorse.”

VI

Notes Payable a Certain Term from Sight

Ecuador, Guatemala, Nicaragua, and Mexico are the only American nations having specific provisions for notes payable a certain term from sight. The first three nations follow the Hague Uniform Regulation, and contain only slight variations in language. The Mexican provision, while very similar, in its first sentence defines the term within which such notes must be presented, while the other nations refer back to the term provided for bills of exchange. The Mexican statute then states that this presentment will only have the effect of fixing the date of maturity, and will be proved according to the terms of the final paragraph of article 82 (visa, or protest). Ecuador, Guatemala, and Nicaragua, on the other hand, state that the limit of time runs from the date of the visa signed by the maker on the note, and the maker’s refusal to give his visa with the date thereon must be authenticated by a protest, the date of which shall determine the point of departure for the limit of time from sight.

The provisions on this topic are as follows:

Ecuador, Ley, 5. XII. 1925, art. 80. ... Promissory notes (pagares) payable a certain term from sight must be presented for the visa of the maker within the term fixed by article 22. The limit of time runs from the date of the visa, signed by the maker on the promissory note (pagare). The refusal of the maker to give his visa with the date thereon must be authenticated by means of protest (art. 24), the date of which will serve as the point of departure for the limit of time from sight.

Guatemala, C. Com. (1942) art. 777. ... Obligations payable a certain term from sight must be presented to the maker so that he may stamp his visa (visto bueno) thereon, within the terms fixed by article 652. The limit of time runs from the date of the visa signed on the note by the maker. If the maker refuses to give his visa with date, the act may be proved by means of a protest, from the date of which the limit of time from sight is computed.

83 Ec.—L. de 5. XII. 1925, art. 80.
Guat.—C. Com., art. 777.
Nic.—C. Com., art. 679.
Mexico, Ley General de Títulos y Operaciones de Crédito (1932) art. 172. Promissory notes (pagarés) demandable a certain term from sight must be presented within six months following their date. Presentation will only have the effect of fixing the date of maturity and will be proved according to the terms of article 82.

Nicaragua, C. Com. (1916) art. 679. . . . Promissory notes (pagarés) to order payable a certain term from sight must be presented for the visa of the maker within the terms fixed by article 621. The limit of time from sight will begin to run from the date of the visa (nota de vista) signed by the maker on the promissory note (pagaré). Refusal by the maker to affix a dated visa on the promissory note must be authenticated by a protest (art. 623), the date of which will serve as a point of departure for the limit of time from sight.

VII

MISCELLANEOUS PROVISIONS

In addition to the foregoing legislation on promissory notes, certain countries have enacted additional provisions which, since they have little relation to each other, are here presented without further analysis.

Bolivia, C. Merc. (1834) art. 466. When a libranza payable within the country has been protested, the holder may sue the librancista or the endorsers, within the term corresponding to the distance, in accordance with the computation defined in article 377. If the libranza was to be paid abroad, the term will begin to run from the day that the first mail could have arrived with the protest at the place of residence of the person whom the holder is suing.

Id., art. 470. Endorsers of promissory notes (pagarés) to order are included in the sanction provided in article 466; and whenever the holder allows the term therein designated to lapse, he will have recourse only against the direct debtor (deudor directo) on the promissory note (vale).

Id., art. 472. The holder of a promissory note (pagaré) to order cannot refuse (excusare) to receive such amounts as the debtor may offer prior to or at maturity, such amounts to be noted on the back of the instrument, thereby discharging in that amount the obligation of the parties liable; but not on this account can he omit protest of the remainder (residuo).

Brazil, Decreto 2044 (1908) art. 55. A promissory note may be drawn payable:
I. On sight;
II. On a certain day;
III. At a certain term from date.

Paragraph (parágrafo único). The time of payment must be precise and single (única) for all of the amount owed.

*Canada, Bills of Exchange Act (1927)* s. 180. "Where a note payable on demand has been endorsed, it must be presented for payment within a reasonable time of the endorsement.

"2. In determining what is a reasonable time, regard shall be had to the nature of the instrument, the usage of trade, and the facts of the particular case."

*Id., s. 181.* "If a promissory note payable on demand, which has been endorsed, is not presented for payment within a reasonable time the endorser is discharged: Provided that if it has, with the assent of the endorser, been delivered as a collateral or continuing security it need not be presented for payment so long as it is held as such security."

*Id., s. 182.* "Where a promissory note is in the body of the text of it made payable at a particular place, it must be presented for payment at that place.

"2. In such case the maker is not discharged by the omission to present the note for payment on the day that it matures; but if any suit or action is instituted thereon against him before presentation, the costs thereof shall be in the discretion of the court.

"3. If no place of payment is specified in the body of the note, presentment for payment is not necessary in order to render the maker liable."

*Id., s. 183.* "Presentment for payment is necessary in order to render the endorser of a note liable.

"2. Where a note is in the body of it made payable at a particular place, presentment at that place is necessary in order to render an endorser liable.

"3. When a place of payment is indicated by way of memorandum only, presentment at that place is sufficient to render the endorser liable, but a presentment to the maker elsewhere, if sufficient in other respects, shall also suffice."
Id., s. 187. "Where a foreign note is dishonoured, protest thereof is unnecessary, except for the preservation of the liabilities of endorsers."

Chile, C. Com. (1865) art. 770. Negotiation of . . . promissory notes (pagarés) to order endorsed in blank by any of the prior owners does not render the holder thereof who negotiates them without adding his signature liable for their payment, except in the case of a convention to the contrary.

Id., art. 774. The holder of a libranza protested for non-payment must demand the value and costs thereof from the librancista or endorsers, at his election, within three months computed from the date of the protest, if it is payable within the territory of the Republic.

If it is payable in a foreign country (plaza extranjera) the claim must be made within the proper term, without missing land or maritime mail, for the protest to arrive at the domicile of the librancista or endorser from whom reimbursement is demanded. . . .

Id., art. 779. The provisions contained in paragraphs 1 and 2 of article 774, are applicable to commercial promissory notes (pagarées comerciales) to order.

When the period of three months indicated by said article has expired, the endorsers are free from all liability, but the holder retains his entire right (derecho íntegro) to demand the value of the note (vale) and costs from the direct debtor (deudor directo).

Id., art. 780. The holder of a promissory note (pagaré) to order may receive part of the total amount under protest and demand payment of the unpaid part (parte insoluta) from the direct debtor (deudor directo) or any of the endorsers.

Id., art 781. A domiciled promissory note (pagaré a domicilio) presupposes the existence of the contract of exchange.

Dominican Republic, C. Com. (1884) art. 636. When bills of exchange are deemed to be simple promises, according to the provisions of article 112, or when promissory notes (pagarés) to order contain only the signatures of non-merchants, and do not arise from commercial, trade, exchange, banking, or brokerage transactions (no tengan por causa operaciones de comercio, tráfico, cambio, banca o corretaje), the court shall be obliged to remand the parties to the civil jurisdiction, if the defendant so demands.

Id., art. 637. When such bills of exchange and promissory notes (pagarés) to order contain at the same time signatures of merchants and non-merchants, the commercial tribunal will have jurisdiction (conocerá del asunto).
Id., art. 638. The following will not be within the jurisdiction (no serán de la competencia) of commercial tribunals: Actions attempted against an owner or farmer (propietario o cultivador), for the sale of good (efectos) resulting from his harvest, or actions attempted against a merchant for payment for goods or merchandise bought for his own private use. Nevertheless, promissory notes (pagares) signed by a merchant are deemed to be made for the purpose of his trade; and those made by tellers, paymasters, collectors (receptores, pagadores, perceptores), and other administrators of public funds are presumed to have been made for the purposes of their office (gestión) when no other cause is stated therein.

Guatemala, C. Com. (1942) art. 763. . . Negotiation of . . . promissory notes (pagares) to order endorsed in blank by any of the prior owners does not render the holder thereof who negotiates them without adding his signature, liable for their payment, except in the case of a convention to the contrary.

Id., art. 775. . . Promissory notes (pagares) which have been introduced in mercantile practice under the name of quedanes shall not be recognized.

Consequently, such documents shall have no legal value (valor en juicio.)

Haiti, C. Com. (1826) art. 623. When bills of exchange are deemed simple promises, or when promissory notes (billets à ordre) contain only the signatures of non-merchants, and they do not arise from (n'auront pas pour occasion) commercial operations, the commercial court will be obliged to remand (renvoyer) the parties to the civil tribunal, if the defendant so demands.

Id., art. 624. When such bills of exchange and promissory notes (billets à ordre) contain at the same time signatures by merchants and non-merchants, the commercial tribunal will have jurisdiction (en connaître); but the tribunal may not order the imprisonment for debt (contraint par corps) of non-merchant parties unless they are at the time engaged in commercial, trade, exchange, banking, or brokerage operations (opérations de commerce, trafic, change, banque ou courtage.)

Mexico, Ley General de Títulos y Operaciones de Crédito (1932) art. 173. A domiciled promissory note (pagaré domiciliado) must be presented for payment to the person indicated as domiciliary, and in the absence of a designated domiciliary, to the maker himself, at the place indicated as domicile.

Protest for non-payment must be made at the domicile fixed by the
document, and its omission, whenever the person who is to pay is not the maker himself, will result in the lapse (caducidad) of actions on the note (pagare) which the holder had against the endorsers and against the maker. Except in this case, the holder is not under obligation, in order to maintain his actions and rights against the maker, either to present the promissory note (pagare) at maturity or to protest it for non-payment.

Nicaragua, C. Com. (1916) art. 705. Quédanes between merchants and for commercial operations are deemed to be documents of mercantile deposit (depósito mercantil), even though this circumstance may not be expressed therein.

Without these requisites, quédanes stating that the money or goods to which they refer are left under title for deposit are simple promissory notes (pagares) to order, unless they have been issued by a credit institution or when the certainty of the deposit can be proved by other legal means.

Venezuela, C. Com. (1942) art. 469. The holder of a promissory note (pagare) protested for non-payment has the right to collect from the parties liable:
  The value of the obligation.
  Interest from the date of the protest.
  The costs of protest.
  Interest on such costs from the date of judicial demand.
  Judicial costs that he may have paid.