

Section 1050.

In their meeting 12th. June 1920 the Commission of Translation has requested the French Committee to complete section 1050 of the Draft Code on Obligations, so that the words "documentary bill" be explained.

The following is the proposal of the Commission of Redaction.

1050. - The holder of a bill of exchange cannot be compelled to receive payment of it before maturity, except in case of a documentary bill.

"Documentary bill" means a bill of exchange which is transferred with, and cannot be transferred without, documents constituting evidence that goods which are in transit are pledged to secure either the payment of the bill on the date of its maturity or the acceptance by the drawee.

ILLUSTRATIONS. I. - A being the drawer and B the drawee, A has indorsed to C a bill of exchange the day of maturity of which is 31st. December 2464. B cannot compel C to receive payment before 31st. December 2464.

II. - A, a merchant in Bangkok, has sold to B living in Shanghai goods which he has sent from Bangkok to Shanghai and which are now in transit by sea.

A draws a bill of exchange on B and he goes to C, a banker, to discount this bill. C accepts but on the condition that the goods will be pledged to him as security.

As it is impossible to deliver to C the goods so pledged