Laos Legislative Drafting Programme

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CHECKS

Comments on bill - and how it addresses causes of bank employee failure:

1. Language too complicated for Lao business people - since cause of failure to deposit money & use checks is ignorance of law, must write laws in simple form - or alternatively summarize in simple form or public rec &

2. Art 6 - c: sum payable = definite, the check states will be paid in another currency

How does this relate to evaluation of kip?

Obviously old = problem for a Lao business paying sum to foreign investor (??)

3. Given Arts 9, 16 - f is too complicated for ordinary judge to fully understand ???

Note: all these = responses in other countries to causes of people's failure to use checks. They have not occurred in Lao PDR, will likely do so some time

4. See #1 above: do bank employees fully understand all conditions of Art 6 - or is their lack of knowledge likely to cause delay in passage?

(If so - should law require banks to educate employees - or that at least one pass an examination that shows can deal with all issues raised ??)
5. Issues which both bank employee and judge must be able to decide—quickly and efficiently—include:

Art 24... the rights of holder are protected holder.

They will have the opportunity to judge; but do they have the capacity? What process exists to help them? How prove Capacity? Process?

ie if look at law as guide to judge in deciding dispute, does average criminal court judge have capacity to decide it? (as written=hard to read, very complex)

Note=many conditions (Art 26-Art 55) as to grounds on which may protest non-payment of check—go thru articles to see how “clear” conditions are

Sect. 3

Art 56 Amount payable—whom holder may hold responsible “liable” for check + interest; it various poss.

Ways payment can be made (partially, after set in specified currency on check). 

6. Art 65—Does Lao banks now require crossing checks (in US, say, do not; it grew up in UK for historical reasons—a bank crossed can only be deposed in act of person to whom it is addressed, but in US, just say “Cheque for cash” can draw cash otherwise put in act)
Nothing in Gill discuss how it will be implemented - so still will go thru criminal law courts - 4 mo to a year, given 200 circumstances, and discusses how will ensure enforcement

e.g. Protests re non-payment go to special commercial law cz special tribunals, where judges trained can quickly assess violation, set limits on time of case in ct (w/t appeal)

(e.g. delayed service)

eg To prevent bank employee entry, require all es take a short course (pre-drug) to understand law/must cases j see in every bank take more extended course so can handle complex cases quickly