Laos Legislative Drafting Programme

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CHECKS

Comments on bill — and how addresses causes of behavior of 4 PCs we have identified.

1. Language = too complicated for Lao business people, since one cause of failure to deposit money = use checks = ignorance of law, must write laws in simple form — or (alternatively), summarize in simple form & publicize?

2. Art 6 — can payable = definite, the check states will be void in another currency

   How does this relate to divertsation of kip? Obviously code = problem for a Lao (man) paying sum to foreign investor?

3. Given Arts 6, 7 = too complicated for ordinary judge to fully understand ???

   Note: all three = (responses) in other countries to causes of peoples' failure to use checks. Those 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 employees and judges must be able to decide—quickly & efficiently—include:

Art. 24 [right of holder & 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 amount criminal court judge have capacity to decide it? (as written=hard to read, very complex)

Note=many conditions (Art 26–Art55) as to grounds on which may protest non-payment of check—go thru articles to see how "clear" conditions are

Sect. 3

Art. 56 [time payable—whom holder may hold, responsible "liable" for check + interest]; it various poses, ways payments can be mad (partially, fully), in specified currency on check.

6. Art. 65—Does Lao banks now require crossing checks (in US, yes, do not; it grew up in US for historical reasons—afer crossed can only be deposited in account of person to who it is addressed; but in US, just say Ok for cash, can draw cash otherwise put in acct)
C) Nothing in this discussion on how it will be implemented so that will go thru criminal law courts for a year given the circumstances will ensure enforcement.

eg: Protests re non-payment go to special commercial law court where judges trained can quickly assess violations; set limits on time of case if (with appeal)

eg: To prevent bank employees from requiring all employees take a short course (i.e. drug) to understand law/must cases in every bank take more extended course so can handle complex cases quickly