



HM Treasury

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11 October 2018

Dear Mr Fry

Ref: FOI2018/15634

Freedom of Information Act 2000: bills of exchange

Thank you for your enquiry of 13 September 2018 in response to our letter dated 11 September 2018 (our reference: FOI2018/14190).

You asked the following:

"Thank you for confirming that stamp duty was abolished by Finance Act 1970.

I am disappointed that you hold no further information as to the validity of transfer by endorsement other than a link that shows me nothing, do you have the precise section and link, which would be most helpful?"

A Freedom of Information (FOI) request must describe the specific recorded information sought. We believe that the terms of your enquiry do not constitute a valid request for recorded information within the meaning of section 8(1)(c) of the FOI Act, as it is not a request for specific information. We are therefore responding outside the FOI Act.

The link we provided in our letter of 11 September was to all UK legislation. However, we can advise you that Rules around Bills of Exchange, Cheques, and Promissory Notes can be found in the Bills of Exchange Act 1882, which is publicly available at:

<http://www.legislation.gov.uk/ukpga/Vict/45-46/61?view=plain>

However, it may be helpful if I explain the rules around banknotes and legal tender more generally.

Banknotes are payable in Pound Sterling to the bearer on demand. In England and Wales it is not legal for anyone other than the Bank of England to issue banknotes. The Bank of England is publicly owned by HM Treasury and the Bank's monopoly right to issue banknotes with legal tender status in England and Wales derives from both the Bank Charter Act 1844 (section 10-11) and the Currency and Bank Notes Act 1954 (section 1).

Any person may issue their own form of currency. However, it will not be legal tender. Legal tender has a very narrow and technical meaning in the settlement of debts. It means that a debtor cannot successfully be sued for non-payment if he pays into court in legal tender.

It does not mean that any ordinary transaction has to take place in legal tender or only within the amount denominated by the legislation. Both parties are free to agree to accept any form of payment whether legal tender or otherwise according to their wishes.

This and further information on what constitutes legal tender can be found on the Bank of England's website at:

<http://edu.bankofengland.co.uk/knowledgebank/what-is-legal-tender/>

If you have any queries about this letter, please contact us. Please quote the reference number above in any future communications.

Yours sincerely

Information Rights Unit

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Email: foirequests@hmtreasury.gov.uk

It would assist our review if you set out which aspects of the reply concern you and why you are dissatisfied.

If you are not content with the outcome of the review, you may apply directly to the Information Commissioner for a decision. Generally, the Commissioner will not make a decision unless you have exhausted the complaints procedure provided by HM Treasury which is outlined above.

The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF (or via their website at: <https://ico.org.uk>).