

Abstract

Incomplete instrument is an institution in practice quite often used, but which raises a number of issues stemming mainly from its fragmentary legislation. The aim of my work is primarily to explore related issues, to confront conflicting views of theorists, to deal with the mismatch between theory and conclusions of the courts and in a case I find such to add my own opinion in a contentious area. The result should be a comprehensive presentation of incomplete instrument including the benefits and risks which this certainly interesting institute holds.

Admissibility of incomplete instrument has been controversial issue for a long time. Especially the business practice established the existence of deeds that are not rightful Bills of Exchange or other securities as they don't contain all the particulars required by law, yet give its owner confidence that, if effort is made, they can be transformed into the proper Bills of Exchange. These documents are called Incomplete instruments.

If we search for the essence of incomplete instrument, then it can be relatively easily determined even from its very name of which can be seen that this is a deed containing white spaces intended for later additions. Incomplete instrument is a precursor of future Bills. It is a deliberate deed issued in incomplete form, from which can be transformed by later additions made ideally in accordance with the agreement, into the proper Bill of Exchange. It means that in the case of Blank Bill we can't talk about the actual Bill, but her fetus, or developmental stage.

Czech legislation on Blank Bills, which is based on Geneva treaty is very brief. Only Article 10 of Law on Bills of Exchange and Cheques refers to the issue of incomplete Bills, but it applies in accordance with Article 77 (2) even for the promissory notes. Many questions are left to the theory and case law. The actual view of the sufficiency of the extent of legislation is not unified. Some authors consider the extent to be exhaustive, others call for legislation on the related areas, such as e.g. the legislation on filling.

Blank Bill of Exchange is a perfect embryo Bill, but must contain certain characteristics so it can be from a legal point of view taken as a Blank Bill. Above all it is a deed bearing the signature of the future drawee, issued in incomplete form as a result of the will of parties that negotiated the manner of its completion. Other features include determining the future Bill; to remove doubt, it is recommended to use directly the expression

“Bill”. Finally, by filling in the white spaces, the Blank Bill changes its quality and becomes a perfect security, i.e. Bill of Exchange.

As I mentioned earlier, one of the conceptual characters of Blank Bill is its deliberate incompleteness. Only after unilateral application of law, consisted in adding the missing requirements, becomes a Blank Bill proper Bill of Exchange with effects *ex tunc*. Its owner is not entitled to add anything of his own will, but should fill in gaps as agreed with the drawee or drawees signed on the Bill. This right is called filling right. Its essence lies in the authority of the owner to unilaterally transform the embryo of the future Bill into the proper Bill of Exchange by typing data into the blanks for this purpose. If we analyze the consequences of failure to complete the agreement on filling the Blank Bill, then we can conclude that it doesn't cause invalidity of the Bill, but "only" establishes objection of non-contractual additions. The provisions of Article 10 of Law on Bills of Exchange and Cheques, however, provides the owner of Bill with protection, when leaving the drawee to object and subsequently proved that its completion is in conflict with the Agreement.

In everyday life, Blank Bill is often used as hedging Institute. Its popularity and prevalence is particularly flexible in the ways and reasons for filling, which can hide. There is no doubt that it is an advantage especially in favor of the Bill creditor, whether because of the possibility of unilateral completion without a cooperation of drawee, easy transferability, or the possibility of relatively quick adjudication of claim in court. By contrast, drawee shouldn't forget formality of legislation on Bills of Exchange and be very careful to whom and for what reasons provide with a Blank Bill.