

ABSTRACT

Cheque is losing its acceptance in Sri Lanka as a negotiable instrument due to the failure of the substantive and procedural laws governing the Sri Lankan legal framework on cheques to establish legal provisions with specificity, clarity on whether there is strict liability or otherwise, creating more ambiguity, having more space for judicial discretion, failure to have specific guidelines on notice of dishonour, lacking specificity on time limits, time period within which the drawer of a dishonoured and returned cheque needs to settle bearer upon being served with a due notice and if failed what consequences follow by way criminal punishment and as civil law obligations of being liable not only to pay the face value but also to an excessive penalty and being liable for a claim of special damages, lacking specific provisions of law pertaining to post-dated and open Cheques and their validity can be collectively seen as lacunas in Sri Lankan law on Cheques. Hence, this research is an in-depth study of Sri Lankan law on cheques limited to drawer's perspective embarking on a comparative study on selected advanced jurisdictions; India and United Kingdom using secondary research as the main methodology while primary research restricted to interviews focused on identifying the lacunas in Sri Lankan law on Cheques and the comparative developments in selected advanced jurisdictions with the view of recognising recommendations for law reforms. Hence, this research proceeds with making appropriate recommendations for appropriate and timely law reforms by updating, amending, revising existing laws or by bringing in new statutory provisions within Sri Lankan law in both substantive and procedural law elements so as to create much needed strict liability removing ambiguity and judicial discretion thereby attracting investor attention stimulating foreign direct investments while at the same time enhancing desire to accept cheques within the domestic economy achieving higher economic growth leading to sustainable economic development a dream fulfilled for our mother land bringing back the lost glory of being the 'Pearl of the Indian Ocean'.

Key Words: Cheques, Bills of Exchange, Debt Recovery, Strict Liability, Criminal law, Civil law