

Topic \Rightarrow Features of Negotiable Instruments

- ① Easily Transferable: A negotiable instrument is easily and freely transferable. There are no formalities or much paperwork involved in such a transfer. The ownership of an instrument can transfer simply by delivery or by a valid endorsement.
- ② Must be in writing: All negotiable instrument must be in writing. This includes handwritten notes, printed, engraved, typed etc.
- ③ Time of Payment must be certain: If the order is to pay when convenient then such an order is not a negotiable instrument. Here the time period has to be certain even if it is not a specific date. For Ex - It is acceptable if the time of payment is linked with the death of a specific individual. As death is a certain event.
- ④ Payee also must be certain: The person to whom the payment is to be made must be a specific person or persons. Also, there can be more than one payee for a negotiable instrument. And "person" includes artificial persons as well, like body corporates, trade unions, chairman, secretary etc.