

CAYMAN ISLANDS



MERCANTILE LAW

(1997 Revision)

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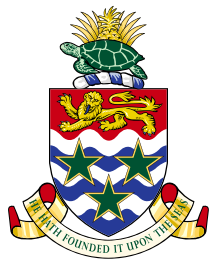
Originally enacted (as the Mercantile Law (Amendment) Law)-

Cap. 97-1st January, 1964

Revised this 9th day of September, 1997.



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Arrangement of Sections

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CAYMAN ISLANDS**MERCANTILE LAW**
(1997 Revision)

ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Law may be cited as the *Mercantile Law (1997 Revision)*.

Consideration for guarantee

2. No special promise, to be made by any person to answer for the debt, default or miscarriage of another person, being in writing, and signed by the party to be charged therewith or some other person by him thereunto lawfully authorised, shall be deemed invalid to support an action, suit or other proceeding to charge the person by whom such promise shall have been made, by reason only that the consideration for such promise does not appear in writing or by necessary inference from a written document.

Guarantee to a firm to cease on a change in firm

3. No promise to answer for the debt, default or miscarriage of another made to a firm consisting of two or more persons or to a single person trading under the name of a firm, and no promise to answer for the debt, default or miscarriage of a firm consisting of two or more persons or of a single person trading under the name of a firm, shall be binding on the person making such promise in respect of anything done or omitted to be done after a change shall have taken place in any one or more of the persons constituting the firm or in the person trading under the name of a firm, unless the intention of the parties, that such promise shall continue to be binding notwithstanding such change, shall appear either by express stipulation or by necessary implication from the nature of the firm or otherwise.

Surety entitled to assignment of securities

4. Every person who, being surety for the debt or duty of another, or being liable with another for any debt or duty, shall pay such debt or perform such duty, shall be entitled to have assigned to him or to a trustee for him, every judgment, specialty or other security which shall be held by the creditor in respect of such debt or duty, whether such judgment, specialty or other security, shall or shall not be deemed at law to have been satisfied by the payment of the debt or performance of the duty, and such person shall be entitled to stand in the place of the creditor, and to use all the remedies, and, if need be and upon a proper indemnity, to use the name of the creditor in any action or other proceeding at law or in equity, in order to obtain from the principal debtor or any co-surety, co-contractor or co-debtor, indemnification for the advances made and loss sustained by the person who shall have so paid such debt or performed such duty, and such payment or performance so made by such surety shall not be pleadable in bar of any such action or other proceeding by him:

Provided, that no co-surety, co-contractor or co-debtor shall be entitled to recover from any other co-surety, co-contractor or co-debtor, by such means, more than the just proportion to which, as between those parties themselves, such last-mentioned person shall be justly liable.

Debts of infants

5. No action shall be maintained whereby to charge any person upon any promise made after full age to pay any debt contracted during infancy or upon any ratification after full age of any promise or simple contract made during infancy, unless such promise or ratification is made by some writing signed by the party to be charged therewith.



Action on representation, etc.

6. No action shall be brought, whereby to charge any person upon or by reason of any representation or assurance made or given concerning or relating to the character, conduct, credit, ability, trade or dealings of any other person, to the intent or purpose that such other person may obtain credit, money or goods thereupon, unless such representation or assurance is made in writing, signed by the party to be charged therewith.

Stamps

7. No memorandum or other writing made necessary by sections 5 and 6 shall be deemed to be an agreement within the meaning of the *Stamp Duty Law (1995 Revision)*.

Abolition of consignee's lien

8. No lien or charge shall be deemed to arise by operation or implication of law, by way of factors' or consignees' lien or otherwise, upon any pen, plantation or land or on the live or dead stock thereon or belonging to the same or on the crops or produce thereof, in respect of moneys or stores advanced or supplied to the proprietor thereof or to any other person, for the cultivation or carrying on of the same or otherwise or of any services rendered to such proprietor or other person in or about the cultivation or management of the same or the disposal of the produce thereof.

Instruments of lien to be executed, etc., as mortgages

9. Any instrument conferring any lien or charge upon any land, upon the stock thereon or belonging thereto or upon the crops or produce thereof, in favour of the consignee thereof or of any other person in respect of any moneys, stores or services as aforesaid, whether already or to be hereafter advanced, supplied or rendered, shall be duly executed by the parties whose estates or interests are intended to be charged or affected, stamped with the stamp duty payable on a mortgage and recorded in the Office of the Public Recorder within the time applicable to an instrument of that nature, and shall then, as against any conveyance, mortgage, charge or other instrument conferring any lien or charge upon the same land, stock, crops or produce, take effect according to priority of record.

**Publication in revised form authorised by the Governor in Council this 9th day of
September, 1997.**

Carmena H. Parsons
Clerk of Executive Council

