

indorsing such note, draft or bill, or affixing stamps of insufficient amount, shall thereby incur a penalty hereinafter imposed, and the duty payable on such instrument, or the duty by which the stamps affixed fall short of the proper amount, shall be doubled; stamps upon the paper being deemed to be affixed thereto for all the purposes of this Act; and any deficiency in the amount of the stamp on the paper may be made up by adhesive stamps.

Sec. 12. If any person in Canada makes, draws, accepts, endorses, signs, becomes a party to, or pays any promissory note, draft or bill of exchange, chargeable with duty under this Act, before the duty (or double duty as the case may be) has been paid, by affixing thereto the proper stamp or stamps, (or by making it on stamped paper or by both) such person shall thereby incur a penalty of one hundred dollars, and save only in the case of payment of double duty, as in the next section provided, such instrument shall be invalid and of no effect in law or in equity, and the acceptance, or payment, or protest thereof, shall be of no effect; and in suing for any such penalty, the fact that no part of the signature of the party charged with neglecting to affix the proper stamp or stamps, or his initials is or are written over the stamp or stamps affixed to any such instrument, or that no date, or a date that does not correspond with the time when the duty ought to have been paid, is written or marked on the stamp or stamps, shall be *prima facie* evidence that such party did not affix it or them as required by this Act; but no party to or holder of any such instrument shall incur any penalty by reason of the duty thereon not having been paid at the proper time, and by the proper party or parties, provided that at the time it came into his hands it had affixed to it stamps to the amount of the duty apparently payable upon it, that he had no knowledge that they were not affixed at the proper time, and by the proper party or parties, and that he pays the double or additional duty as in the next section provided, as soon as he acquires such knowledge.

Sec. 13. Any holder of such instrument, including banks and brokers, may pay double duty by affixing to such instrument a stamp or stamps to the amount thereof or to the amount of double the sum by which the stamps affixed fall short of the proper duty, and by writing his

initials on such stamp or stamps, and the date on which they were affixed; and where, in any suit or proceeding in law or equity, the validity of any such instrument is questioned by reason of the proper duty thereon not having been paid at all, or not paid by the proper party, or at the proper time, or of any formality as to the date or erasure of the stamps affixed having been omitted, or a wrong date placed thereon, and it appears that the holder thereof, when he became such holder, had no knowledge of such defects, such instrument shall be held to be legal and valid, if it shall appear that the holder thereof paid double duty, as in this section mentioned, so soon as he acquired such knowledge, even although such knowledge shall have been acquired only during such suit or proceeding; and if it shall appear in any such suit or proceeding to the satisfaction of the Court or Judge, as the case may be, that it was through mere error or mistake, and without any intention to violate the law on the part of the holder, that any such defect as aforesaid existed in relation to such instrument, then such instrument or any endorsement or transfer thereof, shall be held legal and valid, if the holder shall pay the double duty thereon as soon as he is aware of such error or mistake; but no party who ought to have paid duty thereon shall be released from the penalty by him incurred as aforesaid.

Sec. 14. The provisions whereby validity may be given to bills of exchange, drafts and promissory notes when drawn or made within Canada, by the payment of double duty thereon, shall for the same purposes and to the same effect, extend to such instruments when drawn or made without Canada but payable in Canada, when stamps to the amount of double duty upon such instruments shall be affixed and cancelled in the same mode as stamps in payment of double duty are affixed and cancelled to such instruments when made or drawn within Canada.

Sec. 15. It shall be sufficient in the case of any bill of exchange, draft or promissory note drawn or made without Canada but payable within Canada, in order to comply with the law, for any bank, broker, holder or party to such instrument, at the time of the acceptance, or endorsement thereof, to affix thereto and cancel the proper single stamps therefor; and the date of cancellation to be marked thereon shall be