



Companies Act 1985

1985 CHAPTER 6

PART V

SHARE CAPITAL, ITS INCREASE, MAINTENANCE AND REDUCTION

CHAPTER VIII

MISCELLANEOUS PROVISIONS ABOUT SHARES AND DEBENTURES

Share and debenture certificates, transfers and warrants

182 Nature, transfer and numbering of shares.

- (1) The shares or other interest of any member in a company—
 - (a) are personal estate or, in Scotland, moveable property and are not in the nature of real estate or heritage,
 - (b) are transferable in manner provided by the company's articles, but subject to the ^{M1}Stock Transfer Act 1963 (which enables securities of certain descriptions to be transferred by a simple process) [^{F1}and to regulations made under section 207 of the Companies Act 1989 (which enable title to securities to be evidenced and transferred without a written instrument).]^{F2}and to regulations made under section 207 of the Companies Act 1989 (which enable title to securities to be evidenced and transferred without a written instrument).]
- (2) Each share in a company having a share capital shall be distinguished by its appropriate number; except that, if at any time all the issued shares in a company, or all the issued shares in it of a particular class, are fully paid up and rank *pari passu* for all purposes, none of those shares need thereafter have a distinguishing number so long as it remains fully paid up and ranks *pari passu* for all purposes with all shares of the same class for the time being issued and fully paid up.

Status: Point in time view as at 01/12/2001.

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985,
 Cross Heading: Share and debenture certificates, transfers and warrants. (See end of Document for details)*

Textual Amendments

- F1** Words in s. 182(1)(b) inserted (26.11.2001) by S.I. 2001/3755, reg. 51, **Sch. 7 Pt. I para. 7** (with regs. 39, 45)
- F2** Words in s. 182(1)(b) inserted (19.12.1995) by S.I. 1995/3272, **reg. 40(1)**

Modifications etc. (not altering text)

- C1** S. 182(1)(b) excluded (12.2.1992) by S.I. 1992/225, **reg. 18(2)(a)**.

Marginal Citations

- M1** 1963 c. 18.

183 Transfer and registration.

- (1) It is not lawful for a company to register a transfer of shares in or debentures of the company unless a proper instrument of transfer has been delivered to it, or the transfer is an exempt transfer within the ^{M2}Stock Transfer Act 1982 [^{F3}or is in accordance with regulations made under section 207 of the Companies Act 1989.]

This applies notwithstanding anything in the company's articles.

- (2) Subsection (1) does not prejudice any power of the company to register as shareholder or debenture holder a person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.
- (3) A transfer of the share or other interest of a deceased member of a company made by his personal representative, although the personal representative is not himself a member of the company, is as valid as if he had been such a member at the time of the execution of the instrument of transfer.
- (4) On the application of the transferor of any share or interest in a company, the company shall enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for the entry were made by the transferee.
- (5) If a company refuses to register a transfer of shares or debentures, the company shall, within 2 months after the date on which the transfer was lodged with it, send to the transferee notice of the refusal.
- (6) If default is made in complying with subsection (5), the company and every officer of it who is in default is liable to a fine and, for continued contravention, to a daily default fine.

Textual Amendments

- F3** Words in s. 183(1) inserted (26.11.2001) by S.I. 2001/3755, reg. 51, **Sch. 7 Pt. I para. 8** (with regs. 39, 45)

Modifications etc. (not altering text)

- C2** S. 183 excluded (12.2.1992) by S.I. 1992/225, **reg. 18(2)(a)**.
- C3** S. 183(1) modified (1.12.2001) by 2000 c. 8, s. **112(6)(7)(a)**; S.I. 2001/3538, **art. 2(1)**
- C4** S. 183(4) excluded (26.11.2001) by S.I. 2001/3755, **reg. 38(7)** (with regs. 39, 45)
- C5** S. 183(5) applied (with modifications) (26.11.2001) by S.I. 2001/3755, **reg. 27(8)(9)**(with regs. 39, 45)

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S. 183(5) applied (with modifications) (26.11.2001) by S.I. 2001/3755, **reg. 28(8)(9)** (with regs. 39, 45)

C6 S. 183(5) applied (with modifications) (19.12.1995) by S.I. 1995/3272, reg. 23(8)

C7 S. 183(6) applied (26.11.2001) by virtue of S.I. 2001/3755, **reg. 32(9)** (with regs. 39, 45)

S. 183(6) applied (26.11.2001) by S.I. 2001/3755, **reg. 33(1)** (with regs. 39, 45)

S. 183(6) applied (26.11.2001) by S.I. 2001/3755, **reg. 42(12)** (with regs. 39, 45)

Marginal Citations

M2 1982 c. 41.

184 Certification of transfers.

- (1) The certification by a company of any instrument of transfer of any shares in, or debentures of, the company is to be taken as a representation by the company to any person acting on the faith of the certification that there have been produced to the company such documents as on their face show a prima facie title to the shares or debentures in the transferor named in the instrument.

However, the certification is not to be taken as a representation that the transferor has any title to the shares or debentures.

- (2) Where a person acts on the faith of a false certification by a company made negligently, the company is under the same liability to him as if the certification had been made fraudulently.
- (3) For purposes of this section—
- (a) an instrument of transfer is deemed certificated if it bears the words “certificate lodged” (or words to the like effect);
 - (b) the certification of an instrument of transfer is deemed made by a company if—
 - (i) the person issuing the instrument is a person authorised to issue certificated instruments of transfer on the company’s behalf, and
 - (ii) the certification is signed by a person authorised to certify transfers on the company’s behalf or by an officer or servant either of the company or of a body corporate so authorised;
 - (c) a certification is deemed signed by a person if—
 - (i) it purports to be authenticated by his signature or initials (whether handwritten or not), and
 - (ii) it is not shown that the signature or initials was or were placed there neither by himself nor by a person authorised to use the signature or initials for the purpose of certifying transfers on the company’s behalf.

185 Duty of company as to issue of certificates.

- (1) Subject to the following provisions, every company shall—
- (a) within 2 months after the allotment of any of its shares, debentures or debenture stock, and
 - (b) within 2 months after the date on which a transfer of any such shares, debentures or debenture stock is lodged with the company,

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complete and have ready for delivery the certificates of all shares, the debentures and the certificates of all debenture stock allotted or transferred (unless the conditions of issue of the shares, debentures or debenture stock otherwise provide).

- (2) For this purpose, “transfer” means a transfer duly stamped and otherwise valid, or an exempt transfer within the ^{M3}Stock Transfer Act 1982, and does not include such a transfer as the company is for any reason entitled to refuse to register and does not register.
- (3) Subsection (1) does not apply in the case of a transfer to any person where, by virtue of regulations under section 3 of ^{M4}the Stock Transfer Act 1982, he is not entitled to a certificate or other document of or evidencing title in respect of the securities transferred; but if in such a case the transferee—
- (a) subsequently becomes entitled to such a certificate or other document by virtue of any provision of those regulations, and
 - (b) gives notice in writing of that fact to the company,
- this section has effect as if the reference in subsection (1)(b) to the date of the lodging of the transfer were a reference to the date of the notice.
- [^{F4}(4) Subsection (4A) applies in relation to a company—
- (a) of which shares or debentures are allotted to a financial institution,
 - (b) of which debenture stock is allotted to a financial institution, or
 - (c) with which a transfer for transferring shares, debentures or debenture stock to a financial institution is lodged.
- (4A) The company is not required, in consequence of that allotment or transfer, to comply with subsection (1).
- (4B) “Financial institution” means—
- (a) a recognised clearing house acting in relation to a recognised investment exchange; or
 - (b) a nominee of—
 - (i) a recognised clearing house acting in that way; or
 - (ii) a recognised investment exchange.
- (4C) No person may be a nominee for the purposes of this section unless he is a person designated for those purposes in the rules of the recognised investment exchange in question.
- (4D) Expressions used in subsections (4B) and (4C) have the same meaning as in Part 18 of the Financial Services and Markets Act 2000.]
- (5) If default is made in complying with subsection (1), the company and every officer of it who is in default is liable to a fine and, for continued contravention, to a daily default fine.
- (6) If a company on which a notice has been served requiring it to make good any default in complying with subsection (1) fails to make good the default within 10 days after service of the notice, the court may, on the application of the person entitled to have the certificates or the debentures delivered to him, exercise the power of the following subsection.
- (7) The court may make an order directing the company and any officer of it to make good the default within such time as may be specified in the order; and the order may

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provide that all costs of and incidental to the application shall be borne by the company or by an officer of it responsible for the default.

Textual Amendments

F4 S. 185(4)-(4D) substituted (1.12.2001) for s. 185(4) by S.I. 2001/3649, **art. 7**

Modifications etc. (not altering text)

C8 S. 185 excluded (12.2.1992) by S.I. 1992/225, **reg. 48(1)**.

C9 S. 185 applied (with modifications) (22.2.2008) by The Northern Rock plc Transfer Order 2008 (S.I. 2008/432), **art. 3(7)**

C10 S. 185(1)(b) applied (with modifications) (26.11.2001) by S.I. 2001/3755, **reg. 32(8)** (with regs. 39, 45)

S. 185(1)(b) applied (with modifications) (26.11.2001) by S.I. 2001/3755, **reg. 42(5)(6)** (with regs. 39, 45)

C11 S. 185(1)(b) applied (with modifications) (19.12.1995) by S.I. 1995/3272, **reg. 26(3)**

Marginal Citations

M3 1982 c. 41.

M4 1982 c. 41.

[^{F5}186 Certificate to be evidence of title.

[A certificate under the common seal of the company . . . ^{F7} specifying any shares held ^{F6}(1)] by a member is—

- (a) in England and Wales, prima facie evidence, and
- (b) in Scotland, sufficient evidence unless the contrary is shown, of his title to the shares.]

[(2) Without prejudice to subsection (1), as respects Scotland a certificate specifying any shares held by a member and subscribed by the company in accordance with the Requirements of Writing (Scotland) Act 1995 is, unless the contrary is shown, sufficient evidence of his title to the shares.]

Textual Amendments

F5 S. 186 substituted by Companies Act 1989 (c. 40, SIF 27), ss. 130(7), 213(2), **Sch. 17 para. 5**

F6 S. 186(1) re numbered (S.) (1.8.1995) by 1995 c. 7, ss. 14(1), 15(2), **Sch. 4 para. 55** (with ss. 9(3)(5) (7), 13, 14(3))

F7 Words repealed by Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 (c. 40, SIF 27), s. 74(1)(2), **Sch. 8 para. 33(4), Sch. 9**

Modifications etc. (not altering text)

C12 S. 186 excluded (26.11.2001) by S.I. 2001/3755, **reg. 38(3)(a)** (with regs. 39, 45)

C13 S. 186 applied with modifications by S.I. 1985/680, regs. 4–6, **Sch.**

S. 186 excluded (12.2.1992) by S.I. 1992/225, **reg. 48(2)**.

187 Evidence of grant of probate or confirmation as executor.

The production to a company of any document which is by law sufficient evidence of probate of the will, or letters of administration of the estate, or confirmation as

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executor, of a deceased person having been granted to some person shall be accepted by the company as sufficient evidence of the grant.

This has effect notwithstanding anything in the company's articles.

[^{F8}188 Issue and effect of share warrant to bearer.

- (1) A company limited by shares may, if so authorised by its articles, issue with respect to any fully paid shares a warrant (“a share warrant”) stating that the bearer of the warrant is entitled to the shares specified in it.
- (2) A share warrant issued under the company's common seal [^{F9}(or, in the case of a company registered in Scotland, subscribed in accordance with the Requirements of Writing (Scotland) Act 1995)] . . . ^{F10}entitles the bearer to the shares specified in it; and the shares may be transferred by delivery of the warrant.
- (3) A company which issues a share warrant may, if so authorised by its articles, provide (by coupons or otherwise) for the payment of the future dividends on the shares included in the warrant.]

Textual Amendments

- F8** S. 188 substituted by [Companies Act 1989 \(c. 40, SIF 27\)](#), ss. 130(7), 213(2), **Sch. 17 para. 6**
- F9** Words in s. 188(2) inserted (S.) (1.8.1995) by [1995 c. 7, ss. 14\(1\), 15\(2\)](#), **Sch. 4 para. 56** (with ss. 9(3)(5)(7), 13, 14(3))
- F10** Words repealed by [Law Reform \(Miscellaneous Provisions\) \(Scotland\) Act 1990 \(c. 40, SIF 27\)](#), s. 74(1)(2), **Sch. 8 para. 33(5)**, **Sch. 9**

189 Offences in connection with share warrants (Scotland).

- (1) If in Scotland a person—
 - (a) with intent to defraud, forges or alters, or offers, utters, disposes of, or puts off, knowing the same to be forged or altered, any share warrant or coupon, or any document purporting to be a share warrant or coupon, issued in pursuance of this Act; or
 - (b) by means of any such forged or altered share warrant, coupon, or document, purporting as aforesaid, demands or endeavours to obtain or receive any share or interest in any company under this Act, or to receive any dividend or money payable in respect thereof, knowing the warrant, coupon, or document to be forged or altered;
 he is on conviction thereof liable to imprisonment or a fine, or both.
- (2) If in Scotland a person without lawful authority or excuse (proof whereof lies on him) —
 - (a) engraves or makes on any plate, wood, stone, or other material, any share warrant or coupon purporting to be—
 - (i) a share warrant or coupon issued or made by any particular company in pursuance of this Act; or
 - (ii) a blank share warrant or coupon so issued or made; or
 - (iii) a part of such a share warrant or coupon; or

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- (b) uses any such plate, wood, stone, or other material, for the making or printing of any such share warrant or coupon, or of any such blank share warrant or coupon, or any part thereof respectively; or
 - (c) knowingly has in his custody or possession any such plate, wood, stone, or other material;
- he is on conviction thereof liable to imprisonment or a fine, or both.

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