



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

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- (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

Status: This is the original version (as it was originally enacted).

- (ii) the certification is signed by a person authorised to certificate 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 certificating transfers on the company's behalf.