



# Forged Transfers Act 1891

1891 CHAPTER 43 54 and 55 Vict

## 1 Power to make compensation for losses from forged transfer.

(1) Where a company or local authority issue or have issued shares, stock, or securities transferable by an instrument in writing [<sup>F1</sup>or by an exempt transfer, within the meaning of the Stock Transfer Act 1982] or by an entry in any books or register kept by or on behalf of the company or local authority, they shall have power to make compensation by a cash payment out of their funds for any loss arising from a transfer of any such shares, stock, or securities, in pursuance of a [<sup>F2</sup>forged instrument] or of a transfer under a forged power of attorney, <sup>F3</sup>... [<sup>F4</sup> whether the person receiving such compensation, or any person through whom he claims, has or has not paid any fee or otherwise contributed to any fund out of which the compensation is paid].

[<sup>F5</sup>(1A) In subsection (1) above “instrument” has the same meaning as in Part I of the Forgery and Counterfeiting Act 1981.]

(2) Any company or local authority may, if they think fit, provide, either by fees not exceeding the rate of [<sup>F6</sup>5p.] on every one hundred pounds transferred [<sup>F7</sup>with a minimum charge equal to that for twenty-five pounds] to be paid by the transferee upon the entry of the transfer in the books of the company or local authority, or by insurance, reservation of capital, accumulation of income, or in any other manner which they may resolve upon, a fund to meet claims for such compensation.

(3) For the purpose of providing such compensation any company may borrow on the security of their property, and any local authority may borrow with the like consent and on the like security and subject to the like conditions as to repayment by means of instalments or the provision of a sinking fund and otherwise as in the case of the securities in respect of which compensation is to be provided, but any money so borrowed by a local authority shall be repaid within a term not longer than five years. Any expenses incurred by a local authority in making compensation, or in the repayment of, or the payment of interest on, or otherwise in connexion with, any loan raised as aforesaid, shall, except so far as they may be met by such fees as aforesaid, be paid out of the [<sup>F8</sup>revenues] on which the security in respect of which compensation is to be made is charged.

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*Changes to legislation: There are currently no known outstanding effects for the Forged Transfers Act 1891, Section 1. (See end of Document for details)*

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- (4) Any such company or local authority may impose such reasonable restrictions on the transfer of their shares, stock, or securities, or with respect to powers of attorney for the transfer thereof, as they may consider requisite for guarding against losses arising from forgery.
- (5) Where a company or local authority compensate a person under this Act for any loss arising from forgery, the company or local authority shall, without prejudice to any other rights or remedies, have the same rights and remedies against the person liable for the loss as the person compensated would have had.

#### Textual Amendments

- F1** Words inserted by [Stock Transfer Act 1982 \(c. 41, SIF 69\)](#), ss. 3, 6(2), **Sch. 2 para. 1(1)(a)**
- F2** Words substituted by [Stock Transfer Act 1982 \(c. 41, SIF 69\)](#), ss. 3, 6(2), **Sch. 2 para. 1(1)(b)**
- F3** Words in s. 1(1) repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), **Sch. 1 Pt. 9** Group 6
- F4** Words added by [Forged Transfers Act 1892 \(c. 36\)](#), **s. 2**
- F5** S. 1(1A) added by [Stock Transfer Act 1982 \(c. 41, SIF 69\)](#), ss. 3, 6(2), **Sch. 2 para. 2**
- F6** Words substituted by virtue of [Decimal Currency Act 1969 \(c. 19\)](#), **s. 10(1)**
- F7** Words inserted by [Forged Transfers Act 1892 \(c. 36\)](#), **s. 3**
- F8** Word substituted by [S.I. 1990/1285](#), art. 2, **Sch. Pt. I**, para. 1

#### Modifications etc. (not altering text)

- C1** S. 1 amended by [Forged Transfers Act 1892 \(c. 36\)](#), **s. 4**
- C2** S. 1(1)(2)(4)(5) extended by [S.I. 1955/1752 \(1955 I, p. 778\)](#), reg. 41(2), and [1957/2228 \(1957 I, p. 801\)](#), reg. 32(3)

**Changes to legislation:**

There are currently no known outstanding effects for the Forged Transfers Act 1891, Section 1.