

Certification of shares

98. (1) The certification by a company of any instrument of transfer of shares in, or debentures of, the company shall 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 the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures.

(2) Where any person acts on the faith of a false certification by a company made negligently, the company shall be under the same liability to him or her as if the certification had been made fraudulently.

(3) For the purposes of this section—

(a) an instrument of transfer shall be deemed to be certificated if it bears the words “certificate lodged” or words to the like effect;

(b) the certification of an instrument of transfer shall be deemed to be 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 certificate transfers on the company's behalf or by any officer or employee either of the company or of a body corporate so authorised;

(c) a certification shall be deemed to be signed by any person if—

(i) it purports to be authenticated by his or her 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 or herself nor by any person authorised to use the signature or initials for the purpose of certifying transfers on the company's behalf.