



### ANALYSIS

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1977, No. 20

### An Act to provide a simplified procedure for transferring securities

[28 August 1977]

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

**1. Short Title**—This Act may be cited as the Securities Transfer Act 1977.

**2. Interpretation**—In this Act, unless the context otherwise requires,—

“Authorised public securities dealer” means a person (including a body of persons, whether incorporated or not) for the time being approved by the Minister of Finance, by notice in the *Gazette*, as a public securities dealer for the purposes of this Act;

“Authorised transaction” means a sale, gift, or other disposition of securities in which each of the parties is, or is acting through the agency of,—

(a) A member of a stock exchange;

(b) A solicitor (as defined in section 2 of the Law Practitioners Act 1955) in practice on his own account;

(c) A chartered accountant in public practice (as defined in section 2 of the New Zealand Society of Accountants Act 1958);

(d) A trustee corporation (as defined in section 2 of the Trustee Act 1956);

(e) A trading bank (as defined in section 2 of the Reserve Bank of New Zealand Act 1964); or

(f) An authorised public securities dealer—acting in the ordinary course of his or its business as such:

“**Brokers transfer**” means a document in, or to the effect of, the form set out in the Second Schedule to this Act:

“**Company**” has the same meaning as in section 2 (1) of the Companies Act 1955, except that it also includes an overseas company, but does not include a company limited by guarantee, an unlimited company, or a flat or office owning company;

“**Company limited by guarantee**” has the meaning assigned to it by section 13 (2) (b) of the Companies Act 1955:

“**Debenture stock**” includes debentures that form part of a series of debentures secured by charges of equal priority:

“**Flat or office owning company**” has the same meaning as in section 2 (1) of the Companies Amendment Act 1964:

“**Overseas company**” has the same meaning as in section 2 (1) of the Companies Act 1955:

“**Registered**”, in relation to securities, means that the names of the holders thereof are entered in a register kept in New Zealand:

“**Securities**” means—

(a) Shares, debenture stock, bonds, or notes, issued by a company;

(b) Shares, debenture stock, bonds, or notes, that are issued by a body corporate (other than a company) and listed on a stock exchange;

(c) An interest in a unit trust (as defined in section 2 (1) of the Unit Trusts Act 1960);

(d) New Zealand Government securities (as defined in the New Zealand Loans Act 1953);

(e) Debentures or stock issued under the Local Authorities Loans Act 1956; or

(f) Any other securities that are from time to time declared by the Governor-General, by Order in Council, to be securities for the purposes of this Act—

that are transferable, fully paid up, and registered: “Securities transfer” means a document in, or to the effect of, the form set out in the First Schedule to this Act:

“Share” means a share in the share capital of a company, and includes stock, but does not include a labour share (as defined in section 2 (1) of the Companies Act 1955):

“Stock exchange” means a stock exchange registered under the Sharebrokers Act 1908:

“Stock exchange transaction” means a sale and purchase of securities in which each of the parties is, or is acting through the agency of, a member of a stock exchange acting in the ordinary course of his business as such:

“Unlimited company” has the meaning assigned to it by section 13 (2) (c) of the Companies Act 1955.

**3. Transfer of securities by securities transfer**—Securities (as defined in section 2 of this Act) sold, given, or otherwise disposed of in an authorised transaction may be transferred by means of a securities transfer that complies with both of the following requirements:

(a) Both parts of the transfer are duly completed:

(b) The transfer is executed, in New Zealand, by the transferor (whether or not it is also executed by the transferee).

**4. Transfer of securities by securities transfer and brokers transfer**—Securities (as defined in section 2 of this Act) sold in a stock exchange transaction may be transferred by means of—

(a) A securities transfer that complies with all the following requirements:

(i) Part I of the transfer is duly completed:

(ii) The transfer is executed, in New Zealand, by the transferor (whether or not it is also executed by the transferee) :

(iii) The transfer specifies securities that include the securities sold; together with

(b) A duly completed brokers transfer that specifies the securities sold.

**5. Attestation unnecessary**—The execution of a securities transfer need not be attested:

Provided that nothing in this section shall affect any enactment, rule of law, memorandum or articles of association, deed, or agreement, regulating the execution of documents by companies or other bodies corporate or by any particular company or body corporate.

**6. Securities and brokers transfers to be instruments of transfer for the purposes of other Acts, etc.**—(1) For the purposes of any enactment, memorandum or articles of association, deed, or agreement, that relates to the transfer of securities or to instruments (or memoranda) of transfer of securities,—

(a) A securities transfer to which section 3 of this Act applies shall be an instrument (or memorandum) of transfer of the securities specified therein:

(b) A securities transfer to which section 4 of this Act applies and a duly completed brokers transfer shall together be an instrument (or memorandum) of transfer of the securities specified in both transfers:

Provided that, for the purposes of the Stamp and Cheque Duties Act 1971, a duly completed brokers transfer by itself shall be deemed to be an instrument of conveyance of the securities specified therein; and, notwithstanding that Act, the securities transfer to which a brokers transfer relates need not be presented for stamping or stamped:

Provided also that, for the purposes of section 89 of the Companies Act 1955 (which relates to certification of transfers), a duly completed brokers transfer by itself shall be deemed to be an instrument of transfer of the securities specified therein.

(2) The First Schedule to the Stamp and Cheque Duties Act 1971 is hereby consequentially amended by adding the following item:

“1977, No. 20—The Securities Transfer Act 1977: Section 6  
(1) (b).”

**7. Registration may not be refused on ground that securities have been transferred under this Act—**Where securities have been transferred in accordance with section 3 or section 4 of this Act, no person shall refuse to register the transfer on the ground that the securities have been so transferred or that the securities have not been transferred by other means:

Provided that nothing in this section shall affect any right a person has to refuse to register a transfer of securities on any other ground.

**8. Effect of this Act on other Acts, etc.—**(1) Sections 3 to 7 of this Act shall have effect notwithstanding anything to the contrary in any enactment, rule of law, memorandum or articles of association, deed, or agreement:

Provided that—

- (a) Sections 3 to 7 of this Act shall be subject to section 430 of the Companies Act 1955 (which specifies special provisions as to the transfer of shares in mining companies):
- (b) No transfer of stock issued under the Local Authorities Loans Act 1956 or the New Zealand Loans Act 1953 shall be made under this Act while any stock certificate or certificate of title is outstanding in respect of the stock, unless the amount of the stock proposed to be transferred is equal to or less than the amount standing on the register and unaffected by the outstanding certificate or certificates:
- (c) Nothing in this Act shall in any way derogate from section 91 of the Stamp and Cheque Duties Act 1971:
- (d) Nothing in this Act shall affect the validity of any means of transferring securities otherwise than pursuant to this Act.

(2) The following enactments shall be read subject to the provisions of this Act:

- (a) Sections 82 and 84 of the Companies Act 1955:
- (b) Section 17 of the Unit Trusts Act 1960:
- (c) Section 30 (except subsection (4)) of the New Zealand Loans Act 1953:
- (d) Sections 60 and 74 (except subsection (4)) of the Local Authorities Loans Act 1956:

Provided that this subsection shall not limit the generality of any other provision of this Act.

**9. Power to alter forms**—(1) The Governor-General may from time to time, by Order in Council, alter, add to, or substitute a new form for, either of the forms set out in the First and Second Schedules to this Act.

(2) Any reference in this Act to a form in a Schedule to this Act shall be construed as a reference to that form with any alterations or additions made, or to any form substituted for that form, by any Order in Council for the time being in force under this section.

(3) An Order in Council made under this section shall not apply in respect of—

(a) Any securities transfer that has been executed by the transferor; or

(b) Any brokers transfer that has been duly completed—before the Order in Council comes into force; and any such securities transfer or brokers transfer shall have effect as if the Order in Council had not been made.

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**SCHEMES**

Section 2

**FIRST SCHEDULE****SECURITIES TRANSFER***Part 1*Identification No. (For stock  
exchange use only.)

PARTICULARS OF SECURITIES TRANSFERRED		Stamp of Transferor's Agent
FULL NAME OF ISSUER OF SECURITIES		
FULL DESCRIPTION OF SECURITIES		
NUMBER OR AMOUNT OF SECURITIES	Figures:  Words:	
		Date affixed

PARTICULARS OF REGISTERED HOLDER/S OF SECURITIES		
	Forenames	Surname
FULL NAME/S AND DESCRIPTION/S OF REGISTERED HOLDER/S <i>Show: Mr, Mrs, etc.</i>	1.  2.  3.  4.	
RECORDED ADDRESS		

*If the transfer is executed by a person (persons) other than the owner(s) insert full name(s) and capacity of the person(s) executing the transfer:*

I/We hereby transfer the securities described above to the person(s) named below or the persons named in the brokers transfers relating to the securities described above.

SIGNATURES OF TRANSFEROR/S AND DATE AND PLACE OF SIGNING									
1.	Signature	Place*	/	/	2.	Signature	Place*	/	/
3.	Signature	Place*	/	/	4.	Signature	Place*	/	/
LEAVE BLANK FOR REGISTRAR									

\* Transfer must be signed in New Zealand.

FIRST SCHEDULE—*continued**Part 2*

PARTICULARS OF TRANSFeree/S OF SECURITIES			
FULL NAME/S AND DESCRIPTION/S OF TRANSFeree/S <i>Show: Mr, Mrs, etc.</i>	Forenames	Surname	Description
	1.		
	2.		
	3.		
	4.		
FULL POSTAL ADDRESS TO BE RECORDED ON REGISTER	Postal zone:		
CONSIDERATION	<u>Figures:</u>  <u>Words:</u>		
<p>I/We confirm that the securities described above have been acquired in an authorised transaction (as defined in the Securities Transfer Act 1977) and I/We request that such entries be made in the register as are necessary to give effect to this transfer.</p>			
Stamp of Transferee's Agent			
Date affixed			

## Section 2

## SECOND SCHEDULE

## BROKERS TRANSFER

PARTICULARS OF SECURITIES TRANSFERRED		Securities Transfer Form Identification No.: <i>(For stock exchange use only.)</i>
FULL NAME OF ISSUER OF SECURITIES		
FULL DESCRIPTION OF SECURITIES		
NUMBER OR AMOUNT OF SECURITIES	Figures: Words:	
CONSIDERATION	Figures: Words:	

PARTICULARS OF REGISTERED HOLDER/S OF SECURITIES			
FULL NAME/S AND DESCRIPTION/S OF REGISTERED HOLDER/S <i>Show Mr, Mrs, etc.</i>	Forenames	Surname	Description
	1.		
	2.		
	3.		
	4.		
RECORDED ADDRESS			

LEAVE BLANK FOR REGISTRAR	
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SECOND SCHEDULE—*continued*

## PARTICULARS OF TRANSFEREE/S OF SECURITIES

FULL NAME/S AND DESCRIPTION/S OF TRANSFEREE/S <i>Show: Mr, Mrs, etc.</i>	Forenames	Surname	Description
	1.		
	2.		
	3.		
	4.		
FULL POSTAL ADDRESS TO BE RECORDED ON REGISTER.	Postal Zone:		

I/We confirm that the securities described above have been purchased in a stock exchange transaction (as defined in the Securities Transfer Act 1977) and I/We request that such entries be made in the register as are necessary to give effect to this transfer.

Stamp of Buying Agent

Date affixed

This Act is administered in the Department of Justice.