

instalment of capital shall be deemed to have been paid by the vendor 14 days prior to the date so fixed for payment.

- (ii) Where the balance of capital owing in respect of a share is payable by calls and not on predetermined dates, then each such call shall be deemed to have been paid by the vendor on the day upon which such call is advised by the company to the Association (or upon the day following the advising of such call by the Association to exchanges) or upon such other date as the executive shall fix.

REGISTER OF SALES

114. *Record of Sales*—Each exchange shall keep a record of all sales made at official call meetings which record shall be read over at the conclusion of each such meeting and shall in the case of dispute be binding upon the members of the exchange.

DELIVERY AND SETTLEMENT

115. *Where Transferee's Name to be Supplied*—Where a name is required to be inserted in a transfer the buyer shall supply the transferee's name immediately upon request by the seller provided that the buyer shall be under no obligation to supply such name until the expiration of 72 hours from the time of sale and, in the case of time bargains, until three days before the date for completion. Request for such name shall be made only upon days upon which the exchange is open.

Where no name is required to be inserted in the transfer or no transfer is required then the seller may deliver and demand settlement upon the first day the exchange is open after the day of sale.

116. *When Seller May Deliver*—Where a name is required to be inserted in the transfer the seller:

- (i) May deliver in the name supplied immediately such name is supplied but not upon the day of sale.
- (ii) May deliver in the name of the buying broker upon the expiration of 72 hours from the time of sale if within the said 72 hours request as aforesaid has been made and not complied with and may deliver immediately on such request as aforesaid not being complied with if made after the expiration of the said 72 hours.

117. *Seller May Require Settlement for Cash, etc.*—The seller shall be entitled to require settlement for cash or marked cheque or bank cheque or through a bank, upon delivery of documents save that a seller is not so entitled unless he delivers in accordance with these rules and before 1 p.m. in each case on a day when the exchange is open.

Where the buyer carries on business at a distance from the seller the seller may draw on the buyer on sight with documents attached for presentment not earlier than the seller is entitled to deliver in accordance with the preceding rules.

118. *Default by Buyer—Rights of Seller*—(i) Where delivery has been tendered by the seller in accordance with these rules and the buyer has not paid or tendered the price in settlement the seller may give notice to the buyer demanding settlement immediately.

(ii) Any notice as aforesaid delivered after 4 p.m. shall be deemed to be delivered upon the day next following upon which the buyer's exchange is open.

(iii) In the event of the buyer failing to settle upon the day upon which such notice shall be given or deemed to be given then upon the day next following upon which such notice is delivered or deemed to be delivered the seller may at his option cancel the contract or without further notice to the buyer resell the subject-matter thereof through the chairman of the seller's exchange.

(iv) Such last-mentioned chairman may thereupon resell and after deducting expenses shall pay to the seller the proceeds, and shall certify to the loss upon resale whereupon the buyer shall pay to the seller the amount so certified.

119. *Default by Seller—Rights of Buyer—Prompt or immediate delivery defined*—Save where the contract otherwise provides the seller shall be deemed to have contracted to deliver not later than the tenth day after the day of sale and in the case of securities upon an overseas register then not later than the twenty-first day. In each case such day is referred to in these rules as the due date. Where the due date falls upon a day upon which the exchange is closed then in each case the due date shall be upon the day next upon which the exchange is open. Prompt or immediate delivery shall mean delivery within 24 hours from time of sale.

120. *Buying in Procedure*—(i) Where the seller has not tendered delivery in accordance with these rules the buyer may at any time after 1 p.m. upon the due date or the date for completion of time bargains give notice in writing or by telegram to the seller demanding delivery immediately.

(ii) Any notice as aforesaid delivered after 4 p.m. shall be deemed to be delivered upon the day next following upon which the seller's exchange is open.

(iii) *Naming the Seller*—On and after the day next following the day upon which such notice is delivered or deemed to be delivered as aforesaid the buyer may without further notice to the seller name the seller.

(iv) In order to name the seller a broker shall in the case where the broker named is a member of the same exchange,

name the seller at an official call meeting of such exchange and in the case where the seller is a member of another exchange he shall require the secretary of his own exchange officially to advise the secretary of the seller's exchange by telegram that the seller has been named, by whom he has been named, and the transaction in respect of which he has been named and such last-mentioned secretary shall immediately advise such seller that he will be named at the next official call of his exchange and shall name him accordingly.

(v) *Passing on Name*—Any broker so named as a seller failing to deliver may, without notice, similarly name any other broker whether such other broker be a member of the same exchange or not either as to the full amount of the securities originally named or any part thereof and any broker so named in succession shall have a similar right. Where the broker named is a member of another exchange it shall be the duty of the secretary of the exchange in which a member of another exchange is named to forward by telegram to the secretary of the exchange whose member is named the name of the broker so named and the names of all brokers named in the same transaction and a particular account of the securities in respect of which any broker is named and a like duty shall fall upon the secretary of the exchange where a member of such exchange has been named in succession.

(vi) *Chairman Buying In*—Where any broker is named and fails to name any other broker or fails to name any other broker as to part of the securities in respect of which he is named the chairman of such broker's exchange may buy against such broker the securities in respect of which he is named or the part thereof in respect of which the broker has failed to name any other broker.

(vii) *Delivery*—If such chairman buys as aforesaid he shall deliver to the chairman of the ultimate buyer's exchange the securities so purchased upon receipt of the amount for which the ultimate buyer bought and in the case where the ultimate buyer is a member of the first-mentioned chairman's exchange the chairman shall deliver to the ultimate buyer upon receipt of the moneys as aforesaid.

(viii) *Settlement*—Upon receipt of the moneys as aforesaid the chairman receiving the same shall as far as they will extend use the same in adjustment of the differences. For this purpose such chairman shall obtain and shall be entitled to demand the necessary information from any exchange of which members are concerned in the transaction. All moneys available from time to time shall be distributed ratably to those members thereto entitled.

(ix) *Deficiency*—If the moneys received are deficient for this purpose the chairman shall demand from the seller ultimately named the deficiency and to the extent to which moneys are so recovered distribute the same to adjust the difference between brokers connected with the transaction.

(x) *Surplus*—Any surplus after adjustment of differences and payment of the chairman's expenses in connection with the transaction shall be the property of the seller ultimately named.

(xi) *Buying in Separate Lots*—The chairman purchasing securities as aforesaid may purchase in one or more lots at such time or times as he thinks fit.

(xii) *No Relief of Liability*—Nothing in this rule shall relieve any member from the liability to the member with whom he has immediately contracted save in so far as such liability is satisfied by the adjustment of differences and save as provided in paragraph (xv) hereof.

(xiii) *Delivery Before Chairman Buys*—If the ultimate seller has delivered before the chairman has bought in in accordance with this rule and the chairman has had notice thereof the chairman shall not proceed further in accordance therewith. If the chairman has bought in in accordance with this rule in whole or in part then the ultimate seller shall not be entitled to deliver save to the extent that the chairman has not bought in.

(xiv) *Time Limit—Defaulter*—If the chairman required to buy in by this rule has not bought in at the expiration of three days from the date first upon which he is to buy in the ultimate buyer may require the President of the Association to fix a cash price as the basis for settlement of the transaction. In such case such chairman in accordance with these rules entitled shall adjust the transaction between all parties thereto with money demanded from the original seller for that purpose in a like manner to the adjustment where such chairman actually buys in under this rule, provided that the President shall not be required to or empowered to fix a price as aforesaid if the said chairman reports that the seller is in default. A seller shall be deemed to be in default if the said chairman is of opinion that the seller is not sufficiently financial to recoup the chairman forthwith for loss upon shares which such chairman is required to buy in.

(xv) *Transaction Cancelled*—Where the said chairman notifies that the original seller is in default he shall cancel the transaction in relation to the securities in respect of which such seller is so declared in default which cancellation shall be operative as between all members in the transaction and shall be endorsed by all the exchanges whose members are concerned.

121. *Separate Transfers*—(i) The seller shall deliver separate transfers representing the total number of shares in the sale where the buyer at the time of supplying the transferee's name in accordance with these rules supplies separate names with the amount to be transferred to each and also where (in the case where no name is required) the buyer requests