

INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 259.

*Marketable Securities.*

GENERAL ANNOTATION.

ADMINISTRATION.

As at 13 February 1976 (the date of gazettal of the most comprehensive allocation of responsibilities to Ministers and Departments at about the effective date), while the administration of this Chapter was not specifically vested in any Minister, it appears from the determinations of functions of Departments, and from the fact that the administration of the *Companies Act* was (in general) vested in the Minister for Justice, that the administration of this Chapter also was vested in the Minister for Justice.

The Chapter does not refer to "the Minister", "the Departmental Head" or "the Department".

TABLE OF CONTENTS.

	<i>Page.</i>
<i>Marketable Securities Act</i> .....	3
Regulations .....	—
Subsidiary Legislation .....	—
Appendix—	
Source of Act.	



INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 259.

*Marketable Securities Act.*

ARRANGEMENT OF SECTIONS.

1. Interpretation—  
    “broker”  
    “legal representative”  
    “prescribed instrument”.
2. Effect of Act.
3. Forms of prescribed instruments.
4. Descriptions in prescribed instruments.
5. Due execution of prescribed instruments.
6. Stamping and certification by broker.
7. Assumption as to prescribed instrument.
8. Wrongful certification.
9. Regulations.

SCHEDULES.

SCHEDULE 1.

FORM A.—Security Transfer Form.

FORM B.—Broker's Transfer Form.

SCHEDULE 2.—Acceptance of Securities—for Completion by Transferees of Securities with an Uncalled Liability.

SCHEDULE 3.

FORM A.—Security Renunciation Form.

FORM B.—Broker's Renunciation Form.

SCHEDULE 4.—Acceptance of Rights—for Completion by Buyer(s) of Rights when Application Money Not Payable in Full.



INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 259.

***Marketable Securities Act.***

Being an Act to make certain provision with respect to instruments of transfer of marketable securities, and for related purposes, to be incorporated and read as one with the *Companies Act*.

**1. Interpretation.**

In this Act, unless the contrary intention appears—

“broker” means a person, firm or corporation who or which is a stockbroker, or a stockbroker’s agent—

(a) who is carrying on business as such in the country; and

(b) who is, or the principal or employer of whom is, a member of a stock exchange prescribed for the purposes of this definition;

“legal representative” means the executor, original or by representation, or administrator of the estate of a deceased holder of marketable securities;

“prescribed instrument” means an instrument in the form of, or to the effect of, an instrument referred to in Section 3.

**2. Effect of Act.**

(1) This Act has effect in relation to the transfer of any marketable securities to which this Act applies notwithstanding anything to the contrary in any enactment or instrument relating to the transfer of those securities.

(2) This Act does not affect—

(a) any right to refuse to register a person as the holder of any securities on any ground other than the form in which those securities purport to be transferred to him; or

(b) any enactment or rule of law regulating the execution of documents by companies or other corporations.

(3) A trustee or legal representative may, notwithstanding any law or the provisions of the instrument (if any) creating the trust, in good faith act or pay money under or in pursuance of this Act.

**3. Forms of prescribed instruments.**

(1) Subject to Subsection (3), a duly completed instrument in or to the effect of Form A or Form B in Schedule 1, constitutes, for the purposes of Section 103 of the *Companies Act*, a proper instrument of transfer of fully paid marketable securities.

(2) Subject to Subsection (4), a duly completed instrument in or to the effect of Form A or Form B in Schedule 1 endorsed with or accompanied by an instrument in or to the effect of the form in Schedule 2, constitutes for the purposes of Section 103 of the *Companies Act*, a proper instrument of transfer of marketable securities with an uncalled liability.

(3) An instrument in or to the effect of Form A or Form B in Schedule 3 constitutes a proper instrument of transfer of rights in respect of marketable securities when the application money is payable in full on application.

(4) A duly completed instrument in or to the effect of Form A or Form B in Schedule 3, endorsed with or accompanied by an instrument in or to the effect of the form in Schedule 4, constitutes a proper instrument of transfer of rights in respect of marketable securities when the application money is not payable in full on application.

**4. Description in prescribed instruments.**

Notwithstanding anything in—

- (a) the memorandum or articles of association of a corporation; or
- (b) the terms or conditions on which any marketable securities are created or issued,

it is not necessary in an instrument of transfer of marketable securities—

- (c) to state the occupations of the transferee and transferor; or
- (d) to have the signatures of the transferee and transferor witnessed.

**5. Due execution of prescribed instruments.**

Notwithstanding anything in—

- (a) the memorandum or articles of association of a corporation; or
- (b) the terms or conditions on which any marketable securities are created or issued,

but without prejudice to any other form of transfer or mode of execution permitted by law, a prescribed instrument shall be deemed to have been duly executed by the transferee if it—

- (c) states the full name and address of the transferee; and
- (d) bears the stamp of the transferee's broker.

**6. Stamping and certification by broker.**

(1) When a marketable security is sold by a broker on behalf of the transferor, the prescribed instrument shall bear his stamp and a certificate expressed in the words: "Validity of Documents Certified".

(2) By stamping and certification in accordance with Subsection (1), the transferor's broker warrants that the transferor—

- (a) is the registered proprietor of the marketable security in question; and
- (b) is entitled or authorized to sell or dispose of it.

(3) By virtue of the warranty under Subsection (2), the transferor's broker indemnifies—

- (a) the corporation whose marketable security is the subject of the prescribed instrument; and
- (b) the transferee; and
- (c) the transferee's broker,

against any loss or damage arising from any forged or unauthorized signature of the transferor.

**7. Assumption as to prescribed instrument.**

Where a prescribed instrument that bears either or both of the stamps or the certificate referred to in Section 5 or 6 is presented to a corporation for registration, the corporation is entitled, in the absence of knowledge to the contrary, to assume without inquiry that the

stamps and certificate that the prescribed instrument bears are the stamps and certificate of the transferor's broker and the transferee's broker respectively.

**8. Wrongful certification.**

A broker who certifies under this Act a prescribed instrument that does not relate to a sale and purchase made in the ordinary course of business of the broker for a consideration of not less than the unencumbered value of the marketable security is guilty of an offence.

Penalty: A fine not exceeding K1 000.00.

**9. Regulations.**

The Head of State, acting on advice, may make regulations, not inconsistent with this Act, prescribing all matters that by this Act are required or permitted to be prescribed, or that are necessary or convenient to be prescribed for carrying out or giving effect to this Act.

SCHEDULES.

SCHEDULE 1.

PAPUA NEW GUINEA.  
*Marketable Securities Act.*

Sec. 3(1).

FORM A.

SECURITY TRANSFER FORM.

Marking Stamp.

PART 1.

Full Name of Company.

Description of Securities. Quantity.	Class.	If not fully paid, paid to		Register.
		Words.	Figures.	
Transfer Identification Number.				
Full Name(s) of Transferor(s).	Surname(s) Given Name(s) <i>(Please use block letters.)</i>			<i>(Broker's Stamp and date).</i> Date of Sale.

Selling Broker certifies—  
(i) Validity of Documents.  
(ii) Stamp Duty (if applicable) has been or will be paid.

I/We authorize the transfer of the above securities out of the name(s) in Part 1 to the person(s) named in Part 2 or to the several persons named in Part 2 of Broker's Transfer Forms relating to the above securities. I/We have no notice of revocation of the Power of Attorney under which this Transfer is signed.

Marketable Securities

PART 2.

Transferor(s) sign here.

Date Signed.

Part 2. Transferee(s) Full Names(s) Mr. Mrs. Miss

Surname(s)

Given Name(s)

Address

State.

(Please use block letters.)

Please enter the above securities on the

Buying Broker certifies—

(i) That the securities set out in Part 1 having been purchased in the ordinary course of business are to be registered in the name(s) of the Person(s) or Corporation(s) set out in Part 2.

(ii) Stamp Duty (if applicable) has been or will be paid—

and requests that such entries be made in the register as are necessary to give effect to this transfer.

(Broker's Stamp and date)

Date of Purchase.

Register.

Sec. 3(1).

FORM B.

BROKER'S TRANSFER FORM.

Marking Stamp.

PART 1.

Full Name of Company.

Description of Securities.

Class.

If not fully paid, paid to

Register.

Quantity.

Words.

Figures.

Selling Broker certifies—

(i) That the Security Transfer Form relating to the securities set out above has been lodged at the company's office.

(ii) Stamp Duty (if applicable) has been or will be paid.

Transfer Identification Number.

Full Name(s) of

Surname(s).

Transferor(s).

Given Name(s).

(Please use block letters.)

(Broker's Stamp and date).

Date of Sale.

PART 2.

Transferee(s) Full Name(s)

Mr. Mrs. Miss

Surname(s).

Given Name(s).

Address.

State.

(Please use block letters.)

Buying Broker certifies—

(i) That the securities set out in Part 1 having been purchased in the ordinary course of business are to be registered in the name(s) of the Person(s) or Corporation(s) set out in Part 2.

(ii) Stamp Duty (if applicable) has been or will be paid—

and requests that such entries be made in the register as are necessary to give effect to this transfer.

(Broker's Stamp and date).

Date of Purchase.

Register.

Please enter the above securities on the



SCHEDULE 2.

PAPUA NEW GUINEA.  
Marketable Securities Act.

Sec. 3(2).

ACCEPTANCE OF SECURITIES—FOR COMPLETION BY TRANSFEREES OF SECURITIES  
WITH AN UNCALLED LIABILITY.

To \_\_\_\_\_ (Name of company whose securities are involved),  
I/We \_\_\_\_\_ of \_\_\_\_\_ being the transferee(s) of \_\_\_\_\_ (Quantity)  
the person(s) named as such in Security Transfer Form/Broker's Transfer Form\*  
dated \_\_\_\_\_ 19 \_\_\_\_\_, and being of the full age of 21 years.

ACKNOWLEDGE AND AGREE to accept the securities subject to the several conditions on  
which the transferor to me/us of the securities held at the time of the signing of the Security Transfer  
Form.

(Transferee's Signature).

Dated \_\_\_\_\_, 19 \_\_\_\_\_.

\*Strike out whichever is inapplicable.

SCHEDULE 3.

PAPUA NEW GUINEA.  
Marketable Securities Act.

Sec. 3(3).

FORM A.

SECURITY RENUNCIATION FORM.

Marking Stamp.

PART 1.

Full Name of Company.

Description of Rights.	Quantity.	Words.	Figures.	Register.
Transfer Identification Number.			Selling Broker certifies— (i) Validity of Documents. (ii) Stamp Duty (if applicable) has been or will be paid.	
Full Name(s) of Renouncer(s).		Surname(s) Given Name(s)	(Broker's Stamp and date.)	
		(Please use block letters.)		Date of Sale.

I/We renounce the above Rights in favour of the person(s) named in Part 2 or to the several  
persons named in Part 2 of the Broker's Renunciation Forms relating to the above Rights. I/We have  
no notice of revocation of the Power of Attorney under which this renunciation is signed.  
Renouncer(s) sign here.  
Date signed

**Marketable Securities**

PART 2.

PART 2.

Nominee(s) Full Name(s).

Mr.  
Mrs.  
Miss.

Surname(s)

Given Name(s).

Address.

State.

Buying Broker certifies—

(i) That the rights set out in Part 1 having been purchased in the ordinary course of business are to be registered in the name(s) of the Person(s) or Corporation(s) set out in Part 2.

(ii) Stamp Duty (if applicable) has been or will be paid— and requests that such entries be made in the register as are necessary to give effect to this transfer.

*(Please use block letters)*

*(Broker's Stamp and date.)*

Application Money of \_\_\_\_\_ is attached.

Date of Purchase.

Please enter the above Securities on the

Register.

Sec. 3(3).

FORM B.

BROKER'S RENUNCIATION FORM.

Marking Stamp.

PART 1.

Full Name of Company.

Description of Rights.

Register.

Quantity.

Words.

Figures.

Selling Broker certifies—

(i) That the Security Renunciation Form relating to the rights set out above has been lodged at the company's office.

(ii) Stamp Duty (if applicable) has been or will be paid.

Transfer Identification Number.

Full Name(s) of

Surname(s).

Renouncer(s).

Given Name(s).

*(Please use block letters.)*

*(Broker's Stamp and Date.)*

Date of Sale.

**Marketable Securities**

Ch. No. 259

PART 2

Nominee(s) Full  
Names(s).

Mr.  
Mrs.  
Miss.

Surname(s).

Given name(s).

Address.

State.

(Please use block letters.)

Buying Broker certifies—

(i) That the rights set out in Part 1 above having been purchased in the ordinary course of business are to be registered in the name(s) of the Person(s) or Corporation(s) set out in Part 2.

(ii) Stamp Duty (if applicable) has been or will be paid— and requests that such entries be made in the register as are necessary to give effect to this transfer.

(Broker's Stamp and date.)

Application Money of \_\_\_\_\_ is attached.

Date of Purchase.

Please enter the above securities on the \_\_\_\_\_

Register.

SCHEDULE 4.

PAPUA NEW GUINEA.  
**Marketable Securities Act.**

Sec. 3(4).

ACCEPTANCE OF RIGHTS—FOR COMPLETION BY BUYER(S) OF RIGHTS WHEN APPLICATION MONEY NOT PAYABLE IN FULL.

To \_\_\_\_\_ (Name of company whose rights are involved.)  
I/We \_\_\_\_\_ of \_\_\_\_\_ being the buyer(s) of \_\_\_\_\_ (Quantity)  
the person(s) named as nominee(s) in the Security Renunciation Form/Broker's Renunciation Form\* (Description of Rights) an uncalled liability of \_\_\_\_\_ per unit and being  
dated \_\_\_\_\_, 19\_\_\_\_, and being of the full age of 21 years.

ACKNOWLEDGE AND AGREE to accept the rights subject to the several conditions stated in the company's Letter of Entitlement dated \_\_\_\_\_ 19\_\_\_\_.

(Nominee's Signature).

Dated \_\_\_\_\_ 19\_\_\_\_.

\*Strike out which is inapplicable.



INDEPENDENT STATE OF PAPUA NEW GUINEA.

CHAPTER NO. 259.

*Marketable Securities.*

APPENDIX.

SOURCE OF THE MARKETABLE SECURITIES ACT.

Part A.—Previous Legislation.

*Marketable Securities Act 1966* (No. 37 of 1966).

Part B.—Cross References.

Section, etc., in Revised Edition.	Previous Reference. <sup>1</sup>
1	4
2	10
3	5
4	6
5	7
6	8
7	9
8	11
9	12
Schedules—	Schedules—
Schedule 1—	First Schedule—
Form A	Form A
Form B	Form B
Schedule 2	Second Schedule
Schedule 3—	Third Schedule—
Form A	Form A
Form B	Form B
Schedule 4	Fourth Schedule

<sup>1</sup> Unless otherwise indicated, references are to the Act set out in Part A.

