

AUSTRALIAN CAPITAL TERRITORY

MARKETABLE SECURITIES TRANSFER ORDINANCE 1967

EXPLANATORY MEMORANDUM

No. 24 of 1967

The purpose of this Ordinance is to improve the system of transfer of ownership of securities, that is, shares and debentures, dealt with on stock exchanges.

The Ordinance prescribes a new form of transfer, which must be accepted by any company if completed in accordance with the Ordinance. Under the proposed new system, the transferor alone will have to sign the instrument of transfer. He may sign it in advance. The procedure will be controlled through the selling and buying brokers, who will stamp and certify the forms. The stamping of the transfer by a broker carries with it certain warranties and indemnities necessary for the protection of the parties and the company concerned.

The system is being introduced at the request of the Australian Associated Stock Exchanges, and uniform legislation will come into operation in all States and the Australian Capital Territory on 1 July, 1967.

The use of any other form of transfer sufficient for the purpose is not affected, and present forms of transfer will continue to be acceptable by companies. The present forms of transfer will therefore continue to be used for non-broker transactions.