
CHAPTER 157**VALIDATION OF GRATUITOUS CONVEYANCES****ARRANGEMENT OF SECTIONS**

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CHAPTER 157

VALIDATION OF GRATUITOUS CONVEYANCES

An Act to validate and confirm conveyances by companies of real and personal property which have been made without any or any adequate consideration passing to the companies making such conveyances. *23 of 1966*

[Commencement 12th July, 1966]

1. This Act may be cited as the Validation of Gratuitous Conveyances Act. Short title.

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

“company” means a company incorporated under the Companies Act or registered under the Companies Act; Ch. 308.

“conveyance” includes a lease, mortgage and any other instrument purporting to effect the transfer of any estate or interest in real or personal property from a company to any person.

3. Subject to the provisions of this section and of section 5 of this Act, no conveyance heretofore or hereafter made by a company shall be or be deemed to be or ever to have been *ultra vires* that company by reason only that there was or is no or no adequate consideration passing to such company in respect of such conveyance; and no title to any real or personal property shall be or be deemed to be or ever to have been in any respect invalid or defective by reason only that any such conveyance was *ultra vires* as aforesaid: Validates certain gratuitous conveyances.

Provided that nothing in this section shall be deemed to validate a conveyance for no or no adequate consideration in any case in which such a transaction is expressly prohibited by the terms of the Memorandum or Articles of Association of the company in force at the time of making the conveyance.

4. Subject to the provisions of section 5 of this Act, any right or claim adverse to the grantee under any such conveyance as is referred to in and validated by the Extinguishes certain adverse claims.

provisions of section 3 of this Act, or to his successors in title, which may have arisen or become vested in any person, whether directly or indirectly, by reason of any such lack of consideration or inadequate consideration is hereby extinguished.

Saving for *bona fide* purchaser for value and in case of fraud.

5. (1) Nothing in this Act shall be construed to validate any conveyance to the prejudice of the estate or interest in the property to which it relates of a *bona fide* purchaser for value of any such estate or interest without notice of any conveyance which but for this subsection would be validated by section 3 of this Act, or the successors in title of such purchaser.

(2) Nothing in this Act shall be construed to affect or restrict the power conferred by any law upon any court to set aside or declare void any conveyance made with intent to defraud the company making such conveyance or any shareholder in such company or any creditor or other person entitled whether directly or indirectly to any rights in or against any such company.

Act to apply to the Crown.

6. This Act shall bind the Crown.