

CHAPTER 70

THE CHATTELS TRANSFER ACT.

Arrangement of Sections.

Section

Interpretation.

1. Interpretation.
2. Attornment or agreement giving power of distress by way of security to be instrument within meaning of this Act.

Registration of instruments.

3. Registrar and area registrars.
4. Registration of an instrument to be notice to all persons.
5. Persons who may present an instrument for registration.
6. Mode of registration.
7. Limitation of time for registration.
8. Register book and index to be kept.
9. Registration fee, etc.
10. Central Register Book, etc.
11. Power to extend time and rectify omissions.

Searches and office copies.

12. Search of register book and instruments.
13. Office copies.

Effect of nonregistration, etc.

14. Attestation and registration.
15. Instruments not duly attested and registered to be void, etc.
16. Order and disposition.
17. Order of priority in case of two registered instruments.
18. Form of instrument.
19. Instrument to take effect from registration.
20. Instrument to have inventory of chattels.

21. Instrument not to affect after-acquired chattels.
22. Instrument subject to defeasance, etc.
23. Chattels acquired in substitution.
24. Instrument securing current account.
25. Saving of laws prescribing formalities as to execution of instruments or securing rights under the instruments.

Instruments comprising stock.

26. Stock to be described.
27. Stock to include increase of stock, etc.

Assignment of book and other debts.

28. Book debts.
29. Assignments of monies payable to suppliers of dairy produce.

Securities over crops.

30. Security may be given over crops.
31. Rights of landlord or mortgagee.

Securities over wool.

32. Security may be given over wool.
33. Wool securities not affected by sale, etc. of sheep.
34. Security may be given over wool of mortgaged sheep.
35. Further provision as to security given over wool.

Memorandum of satisfaction.

36. Filing of memorandum of satisfaction, etc.
37. Effect of filing a memorandum of satisfaction.
38. Public trustee may sign memorandum of satisfaction.
39. Registrar or area registrar may order memorandum of satisfaction to be filed.

Sales.

40. Sale of chattels with land.
41. Manner of exercising power to sell.

- 42. Grantor's interest in chattels may be sold in execution of judgment against him or her.
- 43. Interpleader process not affected by the Act.

Implied covenants, etc.

- 44. Covenants for title.
- 45. Covenants, etc. implied in instruments.
- 46. Meaning of abbreviated expressions.
- 47. Covenants to be several as well as joint.
- 48. Covenants to bind executors.
- 49. Covenants may be negatived or varied.

Transfers of instruments.

- 50. Form of transfer of instrument.
- 51. Registration of transfers.

Offences and penalties, etc.

- 52. Defrauding or attempting to defraud grantee.
- 53. Regulations.

Schedules

<i>First Schedule</i>	Registration of instruments.
<i>Second Schedule</i>	Covenants for title.
<i>Third Schedule</i>	Covenants, provisos and powers implied in instruments.
<i>Fourth Schedule</i>	Transfer of instruments.

CHAPTER 70

THE CHATTELS TRANSFER ACT.

Commencement: 12 January, 1978.

An Act to make provision relating to chattel securities and the transfer of chattels and for other purposes connected therewith.

Interpretation.

1. Interpretation.

In this Act, except where the context otherwise requires—

- (a) “chattels” means any movable property that can be completely transferred by delivery, and includes machinery, book debts, stock and the natural increase of stock as hereafter mentioned, crops and wool, but does not include—
 - (i) title deeds, choses in action or negotiable instruments;
 - (ii) shares and interests in the stock, funds or securities of any government or local authority;
 - (iii) shares and interests in the capital or property of any company or other corporate body; or
 - (iv) debentures and interest coupons issued by any government, local authority, company or other corporate body;
- (b) “crops” includes coffee berries, tea leaves, sisal leaves, sugarcane, cotton, hemp, hop, wheat, maize, wattle, barley, oat and grass (whether for hay or for grain), and all cereal and root crops, fruit and all other crops grown above or below the ground;
- (c) “executed” means signed by the grantor or his or her attorney;
- (d) “factory” or “workshop” means any premises on which any manual labour is exercised by way of trade or for purposes of gain in or about the making, altering, repairing, ornamenting, finishing or adapting for sale of any article or part of any article;
- (e) “grantee” means the party to an instrument to whom chattels referred to in the instrument, or any interest in the chattels, are granted or assigned by the instrument, or agreed so to be, and includes his or her executors, administrators and assigns, and in the case of a company or corporation, includes the successors and assigns of the company or corporation;
- (f) “grantor” means the party to an instrument who by the instrument

grants or assigns, or agrees to grant or assign, chattels referred to in the instrument, or any interest in the chattels, and includes his or her executors, administrators and assigns, and in the case of a company or corporation includes the successors and assigns of the company or corporation;

- (g) “instrument” means any instrument given to secure the payment of money or the performance of some obligation and includes any bill of sale, mortgage, lien, or any document that transfers or purports to transfer the property in or right to the possession of chattels, whether permanently or temporarily, whether absolutely or conditionally, and whether by way of sale, security, pledge, gift, settlement or lease, and also the following—

- (i) inventories of chattels with receipt thereto attached;
- (ii) receipts for purchase money of chattels;
- (iii) other assurance of chattels;
- (iv) declaration of trust without transfer;
- (v) powers of attorney, authorities, or licences to take possession of chattels as security for any debt;
- (vi) any agreement, whether intended to be followed by the execution of any other instrument or not, by which a right in equity to any chattels, or to any charge or security on or over the chattels, is conferred;

but does not include the following—

- (A) securities over, or leases of, fixtures (except trade machinery as hereafter defined, when mortgaged or charged apart from the land to which it is attached) when mortgaged, charged or leased in any mortgage, charge or lease of any freehold or leasehold interest in any land or building to which they are affixed, and whether or not the fixtures are specifically included in the mortgage, charge or lease by mention of the fixtures in separate words;
- (B) assignments for the benefit of the creditors of the person making the assignments;
- (C) transfers of or agreements to transfer instruments by way of security;
- (D) transfers or assignments of any ship or vessel or any share of a ship or vessel;
- (E) transfers of chattels in the ordinary course of business of any trade or calling;
- (F) debentures and interest coupons issued by any

- government or local authority;
- (G) bills of sale of chattels in any foreign parts, or at sea;
- (H) bills of lading, warehouse-keepers' certificates or warrants;
- (I) orders for the delivery of chattels, entries in auctioneers' books or any other document used in the ordinary course of business as proof of the possession or control of chattels, or authorising or purporting to authorise, either by endorsement or delivery, the possessor of the document to transfer or receive the chattels represented by the document;
- (J) debentures and interest coupons issued by any company or other corporate body and secured upon the capital stock or chattels of the company or other corporate body;
- (K) mortgages or charges granted or created by a company incorporated or registered under the Companies Act;
- (L) hire-purchase agreements;
- (h) "machinery" means the machinery used in or attached to any factory or workshop as hereafter defined, and machinery and plant used in connection with the production, preparation or manufacture of agricultural products, but does not include—
 - (i) the fixed motive powers, such as the waterwheels and steam and other engines and the steam boilers, donkey engines and other fixed appurtenances of the motive powers;
 - (ii) the fixed power machinery (such as the shafts, wheels, drums and their fixed appurtenances) for transmitting the action of the motive powers to the other machinery, fixed and loose; or
 - (iii) the pipes for steam, gas and water;
- (i) "public trustee" means the public trustee appointed under the Public Trustee Act;
- (j) "registrar" means the registrar appointed under section 3 and includes an assistant registrar;
- (k) "registration" means the filing of an instrument with schedules or inventories, or a true copy thereof, with the affidavit hereafter mentioned;
- (l) "stock" includes any sheep, goats, cattle, horses, pigs, poultry and any other living animals.

2. Attornment or agreement giving power of distress by way of security to be instrument within meaning of this Act.

(1) An attornment or agreement (not being a mining lease) by which a power of distress is given or agreed to be given by one person to another by way of security for any present, future or contingent debt or advance, and by which any rent is reserved or made payable as a means of providing for the payment of interest on that debt or advance, or otherwise for the purpose of such security only, shall be deemed to be an instrument within the meaning of this Act so far as regards any chattels which may be seized or taken under the power of distress.

(2) Where a mortgagee of any interest in land, after entering (under the powers contained or implied in the mortgage) into possession of the mortgaged land or into receipt of the rents and profits of that land, demises the land or any part of it to the mortgagor at a fair and reasonable rent, the instrument by which the demise is effected shall not be deemed to be an instrument within the meaning of this Act.

Registration of instruments.

3. Registrar and area registrars.

The Minister shall, for the purposes of this Act, appoint a registrar for the whole of Uganda and area registrars for each area.

4. Registration of an instrument to be notice to all persons.

All persons shall be deemed to have notice of an instrument and of the contents of the instrument when the instrument has been registered as provided by this Act.

5. Persons who may present an instrument for registration.

An instrument shall be presented for registration either by the grantor or grantee or by the agent of that person to the registrar or the area registrar, as the case may be, of the area where the chattels comprised in the instrument are wholly or in part situated.

6. Mode of registration.

Registration of an instrument shall be effected—

- (a) by filing the instrument and all schedules endorsed on, annexed to or referred to in the instrument; or
- (b) by filing a true copy of the instrument and the schedules and an affidavit in Form 1 of the First Schedule to this Act or to the like effect,

in the office of the registrar or the area registrar, as the case may be.

7. Limitation of time for registration.

(1) The period within which an instrument may be registered is twenty-one days from the day on which it is executed; except when the time for registering an instrument expires on a day on which the registrar's or area registrar's office is closed, the registration shall be valid if made on the next following day on which the office is open.

(2) If there are more grantors than one, the date of execution of an instrument shall be deemed to be the date of the execution by the grantor who last executes the instrument.

(3) The day on which an instrument is executed shall not be included in the period within which the instrument may be registered under subsection (1) although it may be registered on that day.

8. Register book and index to be kept.

- (1) The registrar or the area registrar, as the case may be, shall—
 - (a) cause every instrument registered in his or her office under this Act to be numbered;
 - (b) mark on every instrument so registered, or on the filed copy of the instrument, the date of registration and the number; and
 - (c) at the time of registration, enter, in a register to be kept for the purpose in his or her office, the particulars of the instrument as registered in Form 2 of the First Schedule to this Act.

(2) The registrar or the area registrar, as the case may be, shall keep an index of the names of grantors and grantees of instruments and shall refer in the index to the entries in the register book of the instruments given by each grantor.

(3) The index shall be arranged in divisions corresponding with the letters of the alphabet, so that all grantors and grantees whose surnames begin with the same letter (and no others) shall be comprised in one division, but the arrangement within each division need not be strictly alphabetical.

(4) Where the instrument describes the residence of the grantor to be in some place outside the area in which the registry is situated or where the instrument describes a part of the chattels enumerated in the instrument as being in some place outside that area, the registrar or the area registrar, as the case may be, shall forthwith and within three clear days after registration in the registry, and in accordance with the prescribed directions, transmit an abstract in the prescribed form of the contents of the instrument to the registrar or the area registrar, as the case may be, in whose area those places are situate, and, if those places are in more areas than one, to each such registrar or the area registrar, as the case may be.

(5) Every abstract so transmitted shall be filed, kept and indexed by the registrar or the area registrar, as the case may be, concerned.

(6) Any person may search, inspect, make extracts from and obtain copies of the abstract so registered in the like manner and upon the like terms as to payment or otherwise as in the case of instruments registered by the registrar or the area registrar, as the case may be.

9. Registration fee.

(1) Upon the registration of every instrument, there shall be paid to the registrar or the area registrar, as the case may be, the fee of one hundred shillings or such other fee as the Minister may, by regulations, prescribe.

(2) Upon the filing of any document other than those which are provided for under this Act, there shall be paid to the registrar or the area registrar, as the case may be, the fee of ten shillings for every folio of seventy-two words contained in the document.

10. Central Register Book, etc.

(1) The registrar shall keep a register to be called the Central Register Book in his or her office at Kampala, together with an index of the register, in the prescribed form.

(2) Within seven days after the last day of each month, every area registrar shall transmit to the registrar an abstract in the prescribed form of the contents of every instrument registered by him or her during the preceding month, and the registrar shall file the abstract in his or her office.

(3) The registrar shall cause the abstract received by him or her under subsection (2) to be entered in the Central Register Book.

11. Power to extend time and rectify omissions.

(1) If an application is made after the expiry of the time fixed under section 7, the registrar or the area registrar, as the case may be, on being satisfied that—

- (a) the omission to register an instrument within the time fixed under or according to the form required by this Act; or
- (b) the omission or misstatement in the register of the name, address or occupation of any person or of any other matter,

was accidental or due to inadvertence or any other sufficient reason, may, on the expiry of twenty-one days after the notice under subsection (3) has been published, rectify the omission or misstatement by—

- (c) extending the time for registration; or
- (d) the insertion in the register of the true name, address or occupation or any other matter,

on such terms and conditions as the registrar or the area registrar, as the case may be, may think fit.

(2) Any person aggrieved by an order made under subsection (1) may appeal to the High Court within sixty days of the order.

(3) Where an application is made under subsection (1), the registrar or the area registrar, as the case may be, shall cause notice of the application to be published in the Gazette and also shall cause notice to be served on the grantee in such manner as he or she may deem fit.

Searches and office copies.

12. Search of register book and instruments.

The register books and indexes hereinbefore provided for, and every instrument registered as aforesaid or the filed copy or abstract of the

instrument, may be searched and inspected by all persons during office hours upon payment of a fee of five shillings for every search against any one person.

13. Office copies.

Any person shall be entitled to have an office copy or an extract of or from any instrument with the schedules filed with it, or of or from the copy or abstract thereof registered or filed as aforesaid, and an office copy of any affidavit filed under this Act, on paying for it at the rate of two shillings for every folio of one hundred words contained in the copy, abstract or extract or, if he or she makes the copy, abstract or extract himself or herself, the registrar or area registrar, as the case may be, shall, upon satisfying himself or herself that the copy, abstract or extract is correctly made, certify it upon payment of a fee of twenty shillings for each instrument, abstract or extract therefrom, and of one shilling for every folio of one hundred words after the first ten folios.

Effect of nonregistration, etc.

14. Attestation and registration.

Every instrument shall be—

- (a) attested by at least one witness, who shall add to his or her signature his or her address and occupation; and
- (b) registered in the manner hereinbefore provided.

15. Instruments not duly attested and registered to be void, etc.

An instrument not duly attested or registered shall be void, except as against the grantor, in respect of the chattels comprised in the instrument.

16. Order and disposition.

Chattels comprised in an instrument which has been duly registered under this Act shall not be deemed to be in the possession, order or disposition of the grantor, within the meaning of the Bankruptcy Act.

17. Order of priority in case of two registered instruments.

In case of two or more instruments, comprising in whole or in part any of the

same chattels, they shall have priority in the order of the time of their registration respectively as regards those chattels.

18. Form of instrument.

Every instrument made under this Act may be in Form 3 of the First Schedule to this Act or to the like effect with such variations or modification of and additions to it as are expressed in the instrument.

19. Instrument to take effect from registration.

Every instrument shall be deemed to be made on the day on which it is executed, but shall take effect from the time of its registration.

20. Instrument to have inventory of chattels.

Every instrument shall contain or shall have endorsed on it or annexed to it one or more schedules containing such description of the chattels comprised in the instrument as is required by this Act, or if no description is so required, then such description as is reasonably sufficient to make the chattels capable of identification, and except as is expressly provided by this Act, shall give a good title only to the chattels so described and shall be void, except as against the grantor, in respect of the chattels not so described.

21. Instrument not to affect after-acquired chattels.

Except as is otherwise expressly provided in this Act, an instrument shall be void, except as against the grantor, in respect of any chattels specifically described in a schedule contained in, endorsed on or annexed to the instrument, of which the grantor was not the true owner at the time of the execution of the instrument.

22. Instrument subject to defeasance, etc.

(1) If an instrument is made or given subject to any defeasance, condition or declaration of trust not contained in the body of the instrument, the defeasance, condition or declaration of trust shall for the purposes of this Act be taken as part of the instrument, and shall be written on the same paper or parchment on which the instrument is written; otherwise the instrument shall be void, except as against the grantor, in respect of the chattels comprised in the instrument.

(2) In the case of a document securing the payment of the monies or of any part of the monies payable by virtue of an instrument, it shall not be necessary for the purposes of this section to write the document on the same paper or parchment so long as the date, the names of the parties to it and the nature of the security are set forth in the instrument or in some schedule to it.

23. Chattels acquired in substitution.

Nothing contained in section 20 or 21 shall prevent the parties to provide in the instrument that the grantor may acquire any chattels in substitution for all or any of the chattels described in a schedule to the instrument, and where such substitution is effected, the chattels so substituted shall be deemed to be chattels comprised in that schedule.

24. Instrument securing current account.

An instrument securing a current account shall continue in full force and effect notwithstanding that the grantor may, from time to time, be in credit on that account.

25. Saving of laws prescribing formalities as to execution of instruments or securing rights under the instruments.

Nothing in this Act shall be deemed to affect any law for the time being in force—

- (a) prescribing any formalities to be observed concerning the execution of instruments within the meaning of this Act; or
- (b) conferring or securing any rights or claims under or in respect of any such instrument.

Instruments comprising stock.

26. Stock to be described.

Where stock are comprised in any instrument, they shall be described or referred to in the instrument or in a schedule to it by some brand, earmark or other mark upon them or shall be so described or referred to by sex, age, name, colour or other mode of description as to be reasonably capable of identification; and the land or premises on which the stock are or are

intended to be depastured or kept shall be described or mentioned in the instrument or schedule.

27. Stock to include increase of stock, etc.

(1) An instrument comprising stock shall, unless the contrary is expressed in it, be deemed to include not only the stock comprised in the instrument as provided by section 26, but also the natural increase of that stock, and all stock of the class or classes described in the instrument, the property of the grantor, branded, earmarked, or marked as specified in the instrument, or which the grantor has covenanted or agreed by the instrument to so brand, earmark, or mark and which after the execution of the instrument are depasturing or are at, in or upon any lands or premises mentioned in the instrument or in a schedule to it, or any land and premises used and worked as part of the first-mentioned land and premises, whether or not the stock is removed from the land and premises.

(2) The grantee shall have the same legal property and right in all stock which by virtue of subsection (1) are deemed to be included in the instrument as he or she has in the stock described in the instrument or in the schedule to it.

Assignment of book and other debts.

28. Book debts.

(1) Book or other debts shall be deemed to be chattels situate in the place where the grantor of the instrument comprising them longest resided or carried on business during the six months immediately before the execution of the instrument.

(2) In every instrument comprising book or other debts, each debt shall be deemed to be a separate chattel, and shall be described in a schedule to the instrument by setting forth the name of the debtor, so far as is reasonably necessary to show by whom the debts are owing.

(3) Nothing in this section shall apply—

- (a) to any debt secured or charged on land;
- (b) to any floating security granted by a company registered under the Companies Act over the assets of such company if that security is registered in the manner required by that Act.

29. Assignments of monies payable to suppliers of dairy produce.

(1) Nothing in section 28 shall apply to any deed or agreement in writing purporting to assign to or to authorise the grantee to receive any monies due at the date of the deed or agreement or thereafter from time to time to become due to the grantor for or in respect of any milk, cream or butterfat supplied by the grantor to any butter, cheese or other factory for the manufacture of dairy products.

(2) Such a deed or agreement is not an instrument to which this Act applies.

Securities over crops.

30. Security may be given over crops.

An instrument may be granted over the crops described or referred to in the instrument or in a schedule to it then actually sown or growing or planted or to be sown or grown or planted in or upon the lands mentioned in the instrument, and shall entitle the grantee of the instrument to the whole of the crops mentioned in the instrument, not only while growing but afterwards when cut or separated from the soil, and whether stacked or stored on the land where they were grown or on any other land or premises, or whether the nature of the crop has been altered by a process of curing or manufacture.

31. Rights of landlord or mortgagee.

(1) No instrument shall prejudicially affect the rights of any landlord or mortgagee of any land on which the said crops are growing, unless the landlord or mortgagee has consented in writing to the instrument; but no instrument being duly registered shall be extinguished or prejudicially affected by any subsequent sale, lease, mortgage or other encumbrance of or upon the land described or referred to in the instrument or in any schedule to it.

(2) For the purposes of this section, “landlord” shall mean a person having an interest superior to that of the grantor.

Securities over wool.

32. Security may be given over wool.

An instrument may be granted over the wool of the next ensuing clip to be shorn from the sheep described or referred to in the instrument or in a schedule to it, then depasturing upon the lands mentioned in the instrument or in the schedule, and shall entitle the grantee of the instrument to the wool of such sheep, not only while growing but afterwards when shorn from the sheep, and wherever the wool may be.

33. Wool securities not affected by sale, etc. of sheep.

No subsequent sale, mortgage or other encumbrance of or affecting the sheep mentioned in any such instrument shall extinguish, suspend, impair or prejudicially affect that instrument if duly registered, or the rights of the grantee of the instrument to the wool specified or referred to in the instrument.

34. Security may be given over wool of mortgaged sheep.

The grantor of any instrument over sheep may, with the consent in writing of the grantee of the instrument, give to some third person a valid security on the next ensuing clip of the wool of such sheep.

35. Further provision as to security given over wool.

(1) If under any instrument comprising sheep, whether the instrument has been executed before or after the commencement of this Act, the grantee of the instrument shall from time to time be entitled to require the grantor to execute and give to the grantee an instrument over the wool growing, or to grow, upon the sheep for the time being subject to the instrument, or be entitled to require the grantor to deliver to the grantee the wool shorn from the sheep in each year during the continuance of the instrument, then and in such case, the grantee shall, during the subsistence of the registration of the first-mentioned instrument, be deemed, notwithstanding section 32, to possess a lien or security over each clip in the same degree and manner as if an instrument in respect of the wool had been actually executed by the grantor and registered under this Act, and that lien or security shall have the consequences mentioned in section 33.

(2) In every instrument comprising sheep, executed after the commencement of this Act, there shall be implied, unless the implication is expressly negatived, a covenant by the grantor to deliver to the grantee the wool shorn from such sheep in each year during the continuance of the instrument.

Memorandum of satisfaction.

36. Filing of memorandum of satisfaction, etc.

(1) Upon the production to the registrar or the area registrar, as the case may be, of a memorandum of satisfaction in Form 4 of the First Schedule to this Act, or to the like effect, signed by the grantee of the memorandum of satisfaction or his or her attorney, discharging the chattels comprised in an instrument or any specified part of an instrument from the monies secured by the instrument or any specified part of it, and on production of such instrument and on payment of a fee of one hundred shillings or such other fee as the Minister may by regulations, prescribe, the registrar or the area registrar, as the case may be, shall file the memorandum of satisfaction and make an entry of it, in the register book on the page where the instrument is registered.

(2) The execution of a memorandum of satisfaction shall be attested by at least one witness, who shall add to his or her signature his or her address and occupation and shall be verified by affidavit of that witness.

(3) The registrar or the area registrar, as the case may be, may, in his or her discretion dispense with the production of the instrument on proof by affidavit to his or her satisfaction that the instrument has been destroyed or cannot be found or cannot be produced.

(4) As soon as may be, but before the expiry of thirty days, the area registrar shall transmit to the registrar a copy of the memorandum of satisfaction filed under subsection (1).

37. Effect of filing a memorandum of satisfaction.

On and after the filing of a memorandum of satisfaction, the debt or charge created by the instrument shall be vacated to the extent specified in the memorandum, and the interest of the grantee of the chattels expressed to be discharged shall vest in the person for the time being entitled to the equity of

redemption therein, insofar as such interest is expressed by the memorandum of satisfaction to be determined, and subject to any lien or equity affecting the chattels.

38. Public trustee may sign memorandum of satisfaction.

(1) Where the grantee of an instrument is absent from Uganda and there is no person in Uganda authorised to discharge the instrument on his or her behalf at or after the date appointed for the payment of the monies secured by the instrument, the public trustee may receive the monies in trust for the person entitled to the monies.

(2) After the public trustee has received the monies, he or she shall apply to the High Court for permission to file the memorandum of satisfaction.

(3) On an application being made, a judge of the High Court shall cause notice of the application to be published in the Gazette and also shall cause the notice to be served on the grantor in such manner as he or she may deem fit.

(4) After making such inquiry as he or she may deem necessary, a judge of the High Court may permit the public trustee to file the memorandum of satisfaction, and upon the filing of the memorandum of satisfaction signed by the public trustee, it shall be as effectual as a memorandum of satisfaction signed by the person entitled to such monies.

(5) An application made to a judge of the High Court under subsection (3) shall be by chamber summons.

39. Registrar or area registrar may order memorandum of satisfaction to be filed, etc.

The registrar or the area registrar, as the case may be, may, on application made for that purpose, order a memorandum of satisfaction to be filed in respect of any instrument if it appears that the debt, if any, for which the instrument was given as security has been satisfied or discharged, or that the obligation for securing the performance of which the instrument was given has been performed; and thereupon, that order shall be entered in his or her book in the like manner as if the order were a memorandum of satisfaction within the meaning of section 36.

Sales.

40. Sale of chattels with land.

Chattels or any part of the chattels under this Act may be sold along with or separately from land, if any, mortgaged to secure payment of the same monies as are secured by any instrument under this Act.

41. Manner of exercising power to sell.

Where an instrument expressly or impliedly gives power to the grantee to sell all or any of the chattels comprised in it without applying to court, the sale shall be by public auction, unless the grantor and encumbrancers subsequent to the grantee, if any, consent to a sale by private treaty.

42. Grantor's interest in chattels may be sold in execution of judgment against him or her.

(1) Where legal process issues against the chattels of a judgment debtor for the execution of a judgment of any court, and the chattels, or any of them, are comprised in any instrument under this Act, the officer charged with the execution of the process may, in lieu of seizing and selling the chattels so comprised, sell the right, title and interest of the judgment debtor in the chattels.

(2) The purchaser of the right, title and interest of the chattels shall serve the grantee with a notice of the purchase; and on receiving the notice, the grantee may take possession of the chattels comprised in the instrument.

(3) A grantee so taking possession shall be deemed to hold the chattels in trust for the purchaser of the right, title and interest, subject to payment of all monies due under the instrument.

(4) If the chattels are afterwards sold under the power of sale expressed or implied in the instrument, and any surplus remains out of the proceeds of the sale after payment of all monies due under the instrument, the grantee shall on demand pay over that surplus to the purchaser of the right, title and interest.

(5) If the grantee does not pay over the surplus to the purchaser as

required by subsection (4), the purchaser may bring an action against him or her to recover the surplus, as money received for the use of the purchaser.

43. Interpleader process not affected by the Act.

Nothing in section 42 shall be deemed to affect the right of an execution creditor to test the validity of any instrument by interpleader process.

Implied covenants, etc.

44. Covenants for title.

There shall be implied in every instrument the covenants for title on the part of the grantor set forth in the Second Schedule to this Act, and the implied covenants shall have the same effect as if they were respectively set out at length in the instrument.

45. Covenants, etc. implied in instruments.

There shall be implied in every instrument the covenants, provisos, agreements and powers set out in the Third Schedule to this Act, or such of them as are applicable; and those implied covenants, provisos, agreements and powers shall, subject to any modifications of them expressed in the instrument, have the same effect as if they were respectively set out in the instrument at length.

46. Meaning of abbreviated expressions.

Such of the expressions defined in section 1 as are used in any instrument, or in any of the covenants, provisos, agreements or powers implied in an instrument by this Act, shall, unless the contrary is expressed in the instrument, or unless manifestly inconsistent with the context, have the meanings given to them in that section, and those meanings shall be implied in the instrument as if they were set out in the instrument.

47. Covenants to be several as well as joint.

Where there are two or more grantors or two or more grantees of any instrument, then, any covenants, conditions, provisos, agreements and powers expressed in the instrument, or implied in it by this Act, and imposing an obligation on the grantors or grantees, or enuring for the benefit of the

grantors or grantees, shall, except insofar as contrary intention appears, be deemed to impose the obligation, or confer the benefit, as the case may be, severally as well as jointly.

48. Covenants to bind executors.

Except insofar as the contrary intention appears, all covenants, conditions, provisos, agreements and powers expressed in any instrument, or implied in it by this Act, shall bind the executors, administrators and assigns of the person, or the successors and assigns of a company or corporation, upon whom the covenants, conditions, provisos, agreements and powers impose an obligation, and shall operate for the benefit of the executors, administrators and assigns of the person, or the successors and assigns of the company or corporation, for whose benefit they enure.

49. Covenants may be negatived or varied.

All or any of the covenants, provisos, conditions, agreements or powers set forth in the Second and Third Schedules to this Act may be negatived, modified or altered, or others may be added to them by express words in the instrument.

Transfers of instruments.

50. Form of transfer of instrument.

Every instrument may be transferred by a document in the form set out in the Fourth Schedule to this Act or to the like effect, and every transferee, his or her executors, administrators and assigns shall, in respect of the instrument transferred, have the same rights, powers and remedies, and be subject to the same obligations, as the transferor.

51. Registration of transfers.

Transfers of instruments may be registered at any time after the execution of the instrument in like manner as instruments are registered; and, in case two or more transfers of any one such instrument are executed, a registered transfer shall have priority over an unregistered transfer; and, in case two or more transfers of any one such instrument are registered, priority shall be given to those transfers in the order of their time of registration.

Offences and penalties, etc.

52. Defrauding or attempting to defraud grantee.

Every grantor of an instrument under this Act who, by sale or delivery without the consent of the grantee of any chattels comprised in or affected by the instrument, or by any other means, defrauds or attempts to defraud the grantee of the chattels or any part of the chattels, and thus or by any other means directly or indirectly defeats, invalidates or impairs the grantee's security over the chattels or attempts so to do, and every person who wilfully aids and abets any person in defrauding or attempting to defraud the grantee by defeating, invalidating or impairing the instrument or in attempting to do so, commits an offence and is liable to a term of imprisonment not exceeding six months or to a fine not exceeding two thousand shillings or to both.

53. Regulations.

The Minister may make regulations for carrying into effect the provisions of this Act.

SCHEDULES

First Schedule.

ss. 6, 8, 18, 36.

Registration of Instruments.

Form 1.

Affidavit.

The Chattels Transfer Act.

I, _____,
(full name of deponent)
of _____, Uganda,
(place of residence or business)
_____, make oath and say as follows—
(occupation)

1. The paper writing hereto annexed and marked “A” is a true copy of an instrument under the Chattels Transfer Act, and of every schedule or inventory endorsed on it or annexed to it or referred to in it, and of every attestation of the execution of it, as made and given and executed by _____
(full name of grantor)
2. The instrument was made and given by _____
(full name of grantor)
on the _____ day of _____, 20 ____.
3. I was present and saw _____
(full name of grantor)
duly execute the instrument on the _____ day of _____,
20 ____, at _____
(state place where instrument executed)
4. The grantor, _____,
(full name of grantor)
of _____ is
(place of residence)
_____.
(occupation)
(This may be varied to describe residence and date of instrument.)

5. The name subscribed to the instrument as that of the witness attesting its due execution by _____
(name of grantor)
is in the proper handwriting of me, the deponent.

6. I am _____ and reside at _____
(occupation)

(place of residence)

Signed

Sworn at _____ the _____ day of _____, 20 ____.

Before me _____
Signed

N.B.—If the grantor is absent from Uganda and executes the instrument by attorney, it shall be sufficient if the deponent states his or her belief as to the present address of the grantor. In the case of a company the registered office should be stated instead of the place of residence.

Where the original instrument is filed, the first paragraph of this affidavit should be struck out, and the second and third paragraphs will require some alterations.

Republic of Uganda

Form 2.

Register Book.

The Chattels Transfer Act.

[illegible]

Republic of Uganda

Form 3.

Instrument by Way of Security.

The Chattels Transfer Act.

I, _____,
of _____

(state residence and occupation)

being owner of the chattels mentioned in the schedule to this instrument
(where a schedule is necessary), in consideration of the sum of shs.
_____ lent and advanced to me by
_____ of

*(state residence and occupation) (or if consideration not an advance of
money, state any other consideration for which mortgage given)*
assign and transfer the chattels to _____

by way of mortgage to secure the payment of the sum of shs. _____ on
the _____ day of _____, 20 _____, with interest on that sum in
the meantime, and so long as the same or any part of it remains unpaid, at the
rate of shs. _____ percent per year by _____ payments on the _____
day of the months of _____ and _____ in each year.

In witness whereof _____
has hereunto subscribed his (or her) name, this _____ day of
_____, 20 _____.

Signed by the above-named
in the presence of:

(name, address and occupation of the witness)

Republic of Uganda

Form 4.

Memorandum of Satisfaction.

The Chattels Transfer Act.

I, _____, consent to a memorandum of satisfaction being written upon the instrument (or registered copy of the instrument) given for securing the sum of shs. _____ bearing the date of the _____ day of _____, 20 _____, and made between _____ and _____ and registered on the _____ day of _____, 20 _____ as no. _____ under the Chattels Transfer Act, the monies for which such instrument was given as a security having been satisfied.

Dated this _____ day of _____, 20 _____.

Grantee or assignee

Witness _____
(*residence and occupation*)

Second Schedule.

s. 44.

Covenants for title.

1. That the grantor has good right and full power to assign to the grantee the chattels purporting to be hereby assigned; and that they are free and clear from encumbrances other than such as are herein mentioned.
2. That the grantor will, at his or her own cost, do and execute all such acts, deeds, matters and things for the better assigning the chattels hereby assigned, or intended so to be, as by the grantee may from time to time be reasonably required.

Third Schedule.

s. 45.

Covenants, provisos and powers implied in instruments.

1. That the grantor will pay to the grantee the principal money and interest hereby secured, after the rate and at the time herein mentioned, without any deduction whatever.
2. That the grantor will also pay interest on any further advances that may be secured by this instrument, computed from the time of making the advances, respectively, at the rate and on the dates mentioned for the payment of interest in this instrument.
3. That the grantor will not, at any time while any monies remain owing on his or her security, do or allow any act or deed by which the chattels hereby assigned shall or may become prejudicially affected, and will at all times, while any monies remain owing on this security, duly pay all rents from time to time coming due in respect of any lands or premises on which any of the chattels hereby assigned are for the time being situate.
4. That the grantor will at all times, while any monies remain owing on this security, keep and maintain all and singular the chattels hereby assigned in the like good order and condition in which they are at the date of this instrument; and, if any of the chattels are damaged or destroyed, or cease to exist, will repair the damage, or replace the chattels so destroyed or ceasing to exist with other chattels of a like nature; and further will, if required so to do by the grantee, execute any instrument that may be necessary to give to the grantee security over chattels replacing the chattels which have been destroyed or have ceased to exist.

Provisos and agreements implied in instruments.

5. Provided always, and it is hereby declared and agreed, that until the grantor makes default in the payment of any of the monies hereby secured, or in the observance or performance of any covenant, condition or agreement herein expressed or implied, and on his or her part to be observed and performed, or until the grantor becomes bankrupt, or until execution is levied against the goods of the grantor and such execution is not stayed or satisfied within ten days, the grantor may retain possession and use of the chattels hereby assigned.

6. Provided further that the giving by the grantor to the grantee of any bill of exchange or promissory note for the whole or any part of the money hereby secured shall not, until that bill or note is honoured or met, be considered as payment of or on account of the monies secured by this instrument, or in any way affect or alter the rights or powers of the grantee by virtue of this instrument; and no promissory note or bill of exchange which before, at or at any time after the execution of this instrument may be given by the grantor to the grantee for the whole or any portion of the monies secured by this instrument, or the remedy thereon of the grantee or of the holder of this instrument, shall merge in the covenants herein expressed or implied.

Powers implied in instruments.

7. Provided always, and it is hereby declared and agreed, that if default is made by the grantor in payment of any of the principal or interest monies hereby covenanted to be paid on the day on which the monies ought to be paid according to the terms hereof, or in the observance or performance of any of the covenants, conditions or agreements herein expressed or implied, and on the grantor's part to be observed and performed or if the grantor becomes bankrupt, or if at any time execution is levied against the goods of the grantor that execution is not stayed or satisfied within ten days, then and in such case the grantee, either personally or by his or her agent or servants may immediately thereupon or at any time thereafter, without any further consent by the grantor, and without giving to the grantor any notice, or waiting any time, and notwithstanding any subsequent acceptance of any payment of any money due on this security, enter upon any lands or premises on which the chattels for the time being subject to this security may be, and take possession of the chattels, and sell or dispose of the chattels or any part of them by public auction, or if consent as required by section 41 of the Chattels Transfer Act has been obtained, then by private treaty, separately or together, in such lots and generally in such manner in every respect as the grantee deems expedient, with power to allow time for payment of purchase-money, or to buy in those chattels or any part of them at such auction and to rescind or vary the terms of any contract or sale, and to resell without being answerable for any loss or expense occasioned thereby, and to execute all such assurances and do all such things for giving effect to any such sale as may be necessary or proper; and the receipt of the grantee or his or her agent shall be a sufficient discharge to any purchaser at such sale for any of the purchase-money; and upon any sale purporting to be made in exercise of the powers herein expressed or implied, no purchaser shall be bound

to inquire as to the propriety or regularity of any such sale or as to whether it is improper or irregular.

And it is hereby declared and agreed that the grantee shall stand possessed of the proceeds of any such sale upon trust, after paying thereout the costs, charges and expenses of and incidental to such taking possession, sale and the preparation and registration of this instrument, to apply the proceeds in reduction of the monies then owing on the security of this instrument, including all monies herein covenanted to be paid, notwithstanding that the monies may not then have become due, or that any promissory notes or bills of exchange may then be current for the same, and to pay the balance to the grantor.

Powers, covenants and provisions to be implied in instruments over stock.

8. That during the continuance of this security, the grantee, his or her agents or servants, may from time to time, and at reasonable times for that purpose, enter into and upon the said lands or premises, or any other lands or premises on which the stock for the time being subject to this security are depasturing, for the purpose of viewing the state and condition of the stock; and that the grantor will, upon receiving seven days' previous notice in writing delivered to him or her personally or addressed to him or her through the ordinary course of post or otherwise at his or her last-known place of abode in Uganda, give, and afford to the grantee, his or her agents or servants, all reasonable assistance to enable the grantee, his or her agents or servants to view the stock accordingly.
9. That there are now depasturing upon the said lands and premises all the stock herein respectively mentioned as depasturing on those lands and premises. And that the grantor will not, during the continuance of this security, without first obtaining the grantee's consent in writing, further encumber the stock for the time being subject to this security, or change the general quality, character or description of the stock or remove the stock or any part of the stock except in the ordinary course of business, but no sale shall be made so as to reduce the number of the stock stated in this security.

And that the grantor will, during the continuance of this security, at the usual and convenient season for so doing, well and properly brand, earmark and mark with the brand, earmark and mark herein specified, all stock for the time being subject to this security, so that all such stock shall bear and continue to bear the brands, earmarks and marks herein specified.

And will not, without the leave in writing of the grantee, brand, earmark or mark, or permit to be branded, earmarked or marked any stock for the time being subject to this security with any brands, earmarks or marks, other than the brands, earmarks or marks herein specified.

And will at all times during the continuance of this security take, use and adopt all due and proper means for keeping and maintaining all stock now depasturing or that may during the continuance of this security be brought upon the said lands or premises or any part of the lands or premises, free from disease, and in clean and healthy condition. And will at all times during the continuance of this security pay and defray all expenses in and about the good and proper conduct and management of the said lands or premises and give efficient and proper assistance to assist in the said conduct and management. And will every year, on demand by the grantee, render and deliver to him or her a return or account in writing setting forth the number, ages and sexes of the stock for the time being subject to this security and the places where the stock are depasturing or kept.

10. That all stock belonging to the grantor, branded, earmarked or marked as aforesaid, or covenanted so to be, of which possession has been taken, under the power in that behalf herein contained, shall be subject to the same powers, provisions, declarations and agreements as are herein expressed or implied of and concerning the stock and increase of stock herein expressed to be assigned, and may be dealt with in the same manner in all respects as if the stock of which possession is taken as aforesaid had formed part of the stock hereby assigned; and that the grantor will, at his or her own cost and charges, do and execute all such deeds, matters and things as may be necessary, or as the grantee may think proper, for the further, better and more perfectly assigning and assuring to the grantee the stock, and increase of stock, and all and singular other premises hereby assigned or intended so to be, or the stock for the time being on the said lands or premises, and any stock branded, earmarked or marked as aforesaid, or covenanted so to be, of which possession has been taken as aforesaid, so that the same may be held by the grantee upon and for the same ends, intents and purposes, and with, under and subject to the same powers, provisos, agreements and declarations as are herein expressed or implied of and concerning the stock and premises herein expressed to be assigned. And will from time to time, and at all times during the continuance of this security, pay all and singular the fees and other outgoings and payments, and perform and observe all rules and regulations, and conditions which by the owner for the time being of the said stock or premises respectively

now are or shall become at any time hereafter due, payable, observable or performable respectively. And that in case the grantor fails or neglects to pay such fees and other outgoings and payments as aforesaid, or any of them, or any part of them, the grantee may make such payments respectively. And that the grantor will from time to time and at all times hereafter, on demand, pay or cause to be paid to the grantee all sums of money paid or advanced by the grantee in or towards such payment as aforesaid, with interest for the sums of money at the rate of 8 percent per year from the time or respective times when the sums of money were advanced or paid. And that in the meantime, and until such sums of money have been repaid with interest as aforesaid, the stock for the time being subject to this security shall stand charged and chargeable with the payment of the same in like manner as if the same had been principal monies secured by this instrument. That in case the grantee exercises any power of entry or taking possession vested in him or her hereunder, then he or she or any person or persons appointed by him or her for the purpose may continue in possession of the said stock and of the lands or premises on which the stock are depasturing or kept until the sale thereof, and manage, conduct and carry on the said lands and stock, and employ servants and assistants, and provide all necessary stores in that behalf in all respects as the grantor could do if such power had not been exercised; and the grantee for any such purpose shall be entitled without any interference by the grantor to use all branding, earmarking, marking and other implements and plant on or used in connection with the said lands or premises; and, further, that the costs, charges, and expenses of so doing, from the time of such entry and taking possession until the sale and delivery of the said stock and premises to any purchaser thereof, shall, together with interest thereon after the rate aforesaid, until payment, be a charge upon the stock for the time being subject to this security.

Power to be implied in instruments over crops.

11. If the grantor does not pay to the grantee the monies hereby secured, with interest and commission thereof as herein mentioned, at the time herein mentioned for payment of the same, the crops hereby assigned shall be gathered, carried away and made marketable either by the grantor or by the grantee at the option of the grantee, but in either case at the expense of the grantor, and shall (if gathered by the grantor) be delivered by the grantor to the grantee or his or her order at the place of delivery herein mentioned (or, if no such place is mentioned in the instrument, at such place as the grantee directs); and the grantee may either sell the crops in Uganda in one or more lots by public auction or

if consent as required by section 41 of the Chattels Transfer Act has been obtained, then by private treaty, or partly in the one way and partly in the other, and upon such terms and conditions as to credit and otherwise as he or she thinks fit, or may cause the crops to be shipped or exported to any place or places out of Uganda, to be sold by his or her agents in the manner and on the terms aforesaid, without being responsible for any loss or deficiency occasioned either by the shipment of the crops or by any sale or sales of the crops, whether in Uganda or elsewhere, or by the act, neglect or default of any agent, broker or other person; and may from the proceeds pay himself or herself the monies hereby secured, and any rent payable to any landlord, and any monies payable to any mortgagee or other person that he or she may be compelled to pay in order to protect his or her security over the crops, and all costs, mercantile and other charges and expenses incurred in and about the harvesting, sale, shipment and carrying away of the crops, and the storage and freight of the crops, or on any other account connected with the realisation thereof, and shall pay over the balance, if any, to the grantor.

Power to be implied in instrument over wool.

12. If the grantor does not pay to the grantee the monies hereby secured, with interest and commission on the monies as herein mentioned, at the time herein mentioned for payment of the same, the flock of sheep mentioned in this instrument, and the increase of that flock, and all other sheep which if this instrument were an instrument by way of security over sheep would be included in it, shall be shorn either by the grantor, or by the grantee, at the option of the grantee, but in either case at the expense of the grantor, at the usual and proper season for so doing; and the wool of those sheep shall with all convenient speed be properly sorted and packed in good bales, marked with the proper brand of the wool, and shall be delivered by the grantor to the grantee or his or her order at the place of delivery herein mentioned (or, if no such place is mentioned in the instrument, at such place as the grantee directs); and the grantee may either sell the wool in Uganda, in one or more lots, by public auction or if consent as required by section 41 of the Chattels Transfer Act has been obtained by private treaty, or partly in the one way and partly in the other, and upon such terms and conditions as to credit and otherwise as he or she thinks fit, or may cause the wool to be shipped or exported to any place or places out of Uganda, to be sold by his or her agents in the manner and on the terms aforesaid, without being responsible for any loss or deficiency occasioned either by the shipment of the wool or by any sale or sales of it, whether in Uganda or elsewhere, or by the act, neglect or default

of any agent, broker or other person; and may from the proceeds pay himself or herself the monies hereby secured, and any rent payable to any landlord, and any monies payable to any mortgagee or other person that he or she may be compelled to pay in order to protect his or her security over the said wool, and all costs, mercantile and other charges and expenses incurred in and about the shearing of the said sheep, and the packing, carrying away, sale and shipment of the said wool, or on any other account connected with the realisation thereof, and shall pay over the balance, if any, to the grantor.

Fourth Schedule.

s. 50.

Transfer of Instruments.

I, _____, of

(state residence and occupation of transferor)

the grantee of the instrument registered in the office of the registrar/area registrar _____ as no. _____, under the Chattels Transfer Act, do in consideration of _____, transfer to

(state consideration)

_____ of

_____ all my rights, title, estate

(state residence and occupation of transferee)

and interest in and to the chattels comprised in the instrument.

As witness my hand this _____ day of _____, 20 ____.

Transferor

Signed by the transferor in the presence of

(residence and occupation)

History: Decree 11/1976; S.I. 33/1976; Decree 2/1978; S.I. 11/1978.

Cross References

Bankruptcy Act, Cap. 67.

Companies Act, Cap. 110.

Public Trustee Act, Cap. 161.
