

**Factors Act
(CHAPTER 386)**

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FACTORS ACT (CHAPTER 386)

(Original Enactment: 52 & 53 Vict., c. 45)

REVISED EDITION 1994

(20th May 1994)

An Act to amend and consolidate the Factors Acts.

[12th November 1993*]

* Date when this Act was made applicable by the Application of English Law Act (Cap. 7A).

Preliminary

Interpretation

1.—(1) For the purposes of this Act —

“document of title” includes any bill of lading, dock warrant, warehouse-keeper’s certificate, and warrant or order for the delivery of goods, and any other document used in the ordinary course of business as proof of the possession or control of goods, or authorising or purporting to authorise, either by endorsement or by delivery, the possessor of the document to transfer or receive goods thereby represented;

“goods” includes wares and merchandise;

“mercantile agent” means a mercantile agent having in the customary course of his business as such agent authority either to sell goods or to consign goods for the purpose of sale, or to buy goods, or to raise money on the security of goods;

“person” includes any body of persons corporate or unincorporate;

“pledge” includes any contract pledging, or giving a lien or security on, goods, whether in consideration of an original advance or of any further or continuing advance or of any pecuniary liability.

(2) A person shall be deemed to be in possession of goods or of the documents of title to goods, where the goods or documents are in the actual custody or are held by any other person subject to his control or for him or on his behalf.

Dispositions by Mercantile Agents

Powers of mercantile agent with respect to disposition of goods

2.—(1) Where a mercantile agent is, with the consent of the owner, in possession of goods or of the documents of title to goods, any sale, pledge, or other disposition of the goods, made by him when acting in the ordinary course of business of a mercantile agent, shall, subject to the provisions of this Act, be as valid as if he were expressly authorised by the owner of the goods to make the same:

Provided that the person taking under the disposition acts in good faith, and has not at the time of the disposition notice that the person making the disposition has no authority to make the same.

(2) Where a mercantile agent has, with the consent of the owner, been in possession of goods or of the documents of title to goods, any sale, pledge, or other disposition, which would have been valid if the consent had continued, shall be valid notwithstanding the determination of the consent:

Provided that the person taking under the disposition has not at the time thereof notice that the consent has been determined.

(3) Where a mercantile agent has obtained possession of any documents of title to goods by reason of his being or having been, with the consent of the owner, in possession of the goods represented thereby, or of any other documents of title to the goods, his possession of the first-mentioned documents shall, for the purposes of this Act, be deemed to be with the consent of the owner.