



Using the Company Seal

What is the Company Seal?

The company seal (also called the common seal or the corporate seal) is a device for stamping the name of a company on paper. Every company incorporated in Jamaica is required to have one and it is usual that upon incorporation, a company will have a seal bearing the full name of the company made.

A company whose business requires or comprises the transaction of business outside of Jamaica may also have an official seal for use in territories outside of Jamaica. This seal must be an exact copy of the seal used in Jamaica with the addition of every territory where it is to be used.

What is the effect of its use?

Once the company seal is affixed to a document in keeping with the articles of incorporation, the company will be bound as against a person dealing with it in good faith. Although the person dealing with the company is required to look at the articles of incorporation to see whether the document has been executed in the prescribed manner, he is not required to ensure that there were no irregularities in the affixing of the seal.

It is therefore important for the seal to be kept in the safe custody of an officer of the company when it is not in use and a record kept of all documents to which it has been affixed.

Who can affix the seal?

The articles of incorporation of the Company usually make provision as to how the seal may be affixed. The standard provision as set out in Article 119 of Table A in the First Schedule of the Companies Act is that:

“...the seal, ... shall only be used by the authority of the directors or of a committee of the directors authorized in that behalf, and every instrument to which the seal shall be affixed shall be signed by a director and shall be countersigned by the secretary or by a second director or by some other person appointed by the directors for the purpose”

When is it necessary to use the Company Seal?

The Companies Act contains several provisions related to the use of the seal.

The seal of the company is necessary for certain contracts. Companies Act Section 28 (1) (a) provides that:

“a contract which if made by private persons would by law required to be in writing and if made according to the law of Jamaica to be under seal, may be made on behalf of the company in writing under the common seal of the company”

Contracts required by private persons to be under seal are those made without valuable consideration and these contracts are usually deeds. Conveyances of land, leases, assignments and surrenders of leases, assignments of ships and shares in ships, and transfers of shares in companies must also in most cases be under seal.

The company seal must also be affixed to a document which empowers any person, either generally or in respect of any specified matter to execute deeds on behalf of the company outside of Jamaica.

A share certificate issued by the Company to a shareholder should also bear the company seal

The use of the seal does not appear to be necessary for any other type of contract or document.

Do note that authentication of documents or proceedings by the company do not need to be under seal.

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