

554.8402 Assurance that indorsement or instruction is effective.

1. An issuer may require the following assurance that each necessary indorsement or each instruction is genuine and authorized:

a. in all cases, a guaranty of the signature of the person making an indorsement or originating an instruction including, in the case of an instruction, reasonable assurance of identity;

b. if the indorsement is made or the instruction is originated by an agent, appropriate assurance of actual authority to sign;

c. if the indorsement is made or the instruction is originated by a fiduciary pursuant to [section 554.8107, subsection 1](#), paragraph “d” or “e”, appropriate evidence of appointment or incumbency;

d. if there is more than one fiduciary, reasonable assurance that all who are required to sign have done so; and

e. if the indorsement is made or the instruction is originated by a person not covered by another provision of [this subsection](#), assurance appropriate to the case corresponding as nearly as may be to the provisions of [this subsection](#).

2. An issuer may elect to require reasonable assurance beyond that specified in [this section](#).

3. In [this section](#):

a. “*Guaranty of the signature*” means a guaranty signed by or on behalf of a person reasonably believed by the issuer to be responsible. An issuer may adopt standards with respect to responsibility if they are not manifestly unreasonable.

b. “*Appropriate evidence of appointment or incumbency*” means:

(1) in the case of a fiduciary appointed or qualified by a court, a certificate issued by or under the direction or supervision of the court or an officer thereof and dated within sixty days before the date of presentation for transfer; or

(2) in any other case, a copy of a document showing the appointment or a certificate issued by or on behalf of a person reasonably believed by an issuer to be responsible or, in the absence of that document or certificate, other evidence the issuer reasonably considers appropriate.

[C66, 71, 73, 75, 77, 79, 81, §554.8402]

[86 Acts, ch 1047, §1](#); [89 Acts, ch 113, §38](#); [96 Acts, ch 1138, §42, 84](#)

Referred to in [§554.8401](#)