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STATUTORY INSTRUMENTS

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**1995 No. 3272**

**The Uncertificated Securities Regulations 1995**

**PART III**

**PARTICIPATING ISSUERS**

*Conversions and new issues*

**Conversion of securities into certificated form**

**26.**—(1) A participating issuer shall not change a unit of a participating security from uncertificated to certificated form except—

- (a) where permitted by the rules made and practices instituted by an Operator in order to comply with paragraphs 13, 19(b) or (c) of Schedule 1; or
- (b) following receipt of an Operator-instruction requiring the conversion into certificated form of uncertificated units of a participating security registered in the name of a system-member; or
- (c) subject to regulation 23, following receipt of an Operator-instruction requiring the registration of a transfer of title to uncertificated units of a security to a person who is not a system-member; or
- (d) on the registration, in accordance with regulation 35(2), of an offeror who is not a system-member as holder of the units of the security referred to in that regulation.

(2) In the circumstances specified in paragraph (1)(b) to (d) a participating issuer shall—

- (a) record on the register of securities that the units of the security are held in certificated form; 16
- (b) where a certificate can be issued for the security, issue a certificate in respect of the units of the security to the relevant person; and
- (c) notify the Operator that the units are no longer held in uncertificated form.

(3) Subsection (1)(b) of section 185 of the 1985 Act shall apply in the circumstances specified in paragraph (1)(b) to (d) in relation to the issue of a certificate by a participating issuer pursuant to paragraph (2)(b) as it applies in relation to the completion and having ready for delivery by a company of share certificates, debentures or certificates of debenture stock; and in that subsection as it so applies the reference to the date on which a transfer was lodged with the company shall be a reference to the date on which the participating issuer received the relevant Operator-instruction or, where relevant, the date on which the participating issuer registered the offeror as holding the units of the security referred to in regulation 35(2).

(4) Such sanctions as apply to a company and its officers in the event of a default in complying with that section shall apply to a participating issuer and his officers in the event of a default in complying with paragraph (2) in accordance with the requirements laid down in paragraph (3).

### **Conversion of securities into uncertificated form**

27.—(1) A participating issuer shall not change a unit of a participating security from certificated form to uncertificated form except in the circumstances specified in paragraph (2).

(2) The circumstances referred to in paragraph (1) are—

(a) where the unit of the participating security is held by a system-member, that the participating issuer has received—

(i) a request in writing in the form required by the rules made and practices instituted by an Operator in order to comply with paragraph 13 of Schedule 1 to register the system-member as holding the unit in uncertificated form; and

(ii) subject to paragraph (4), the certificate relating to the certificated unit which is to be converted into uncertificated form;

(b) where the unit of the participating security is to be registered on a register of securities in the name of a system-member following a transfer of the unit to him from a person other than the nominee of a recognised investment exchange, that the participating issuer—

(i) subject to paragraph (3), has received by means of the Operator-system a proper instrument of transfer in favour of the system-member relating to the unit to be transferred;

(ii) subject to paragraph (4), has received by means of the Operator-system the certificate relating to the certificated unit which is to be transferred and converted into uncertificated form; and

(iii) may accept by virtue of the rules made and practices instituted by an Operator in order to comply with paragraph 13 of Schedule 1 that the system-member to whom the unit is to be transferred wishes to hold it in uncertificated form; and

(c) where the unit of the participating security is to be registered on a register of securities in the name of a system-member following a transfer of the unit to him from a nominee of a recognised investment exchange, that the participating issuer—

(i) has received a proper instrument of transfer in favour of the system-member from the nominee relating to the unit to be transferred; and

(ii) may accept by virtue of the rules made and practices instituted by an Operator in order to comply with paragraph 13 of Schedule 1 that the system-member to whom the unit is to be transferred wishes to hold it in uncertificated form.

(3) The requirement in paragraph (2)(b)(i) that the participating issuer shall have received an instrument of transfer relating to the unit of the participating security shall not apply in a case where for a transfer of a unit of that security no instrument of transfer is required.

(4) The requirements in paragraphs (2)(a)(ii) and (2)(b)(ii) that the participating issuer shall have received a certificate relating to the unit of the participating security shall not apply in a case where the system-member or transferor (as the case may be) does not have a certificate in respect of the unit to be converted into uncertificated form because no certificate has yet been issued to him.

(5) In the circumstances specified in paragraph (2)(a), on receipt of the request referred to in paragraph (2)(a)(i) and (except where paragraph (4) applies) the certificate referred to in paragraph (2)(a)(ii), the participating issuer shall, within two months—

(a) enter on the register of securities that the system-member holds the unit in uncertificated form; and

(b) send the Operator an issuer-instruction informing him of the entry on the relevant register of securities.

(6) In the circumstances specified in paragraph (2)(b), on receipt of the instrument of transfer referred to in paragraph (2)(b)(i) (except where paragraph (3) applies) and the certificate referred to in paragraph (2)(b)(ii) (except where paragraph (4) applies), the participating issuer shall—

- (a) upon recording that the system-member holds the unit, enter on the register of securities that he holds the unit in uncertificated form; and
- (b) within 2 months thereafter, send the Operator an issuer-instruction informing him of the entry on the register of securities.

(7) In the circumstances specified in paragraph (2)(c), on receipt of the instrument of transfer referred to in paragraph (2)(c)(i), the participating issuer shall—

- (a) upon recording that the system-member holds the unit, enter on the register of securities that he holds the unit in uncertificated form; and
- (b) within 2 months thereafter, send the Operator an issuer-instruction informing him of the entry on the register of securities.

(8) Such sanctions as apply to a company in the event of a default by it in complying with subsection (5) of section 183 of the 1985 Act shall apply to a participating issuer in the event of a default by him in complying with paragraph (5), (6) or (7).

(9) In this regulation “recognised investment exchange” has the same meaning as in the 1986 Act.

#### **New issues in uncertificated form**

**28.**—(1) A participating issuer may issue units of a participating security in uncertificated form to a person if, and only if, that person is a system-member.

(2) For the purposes of calculating the number of new units to which a system-member is entitled a participating issuer may treat a system-member’s holdings of certificated and uncertificated units of a security as if they were separate holdings.

(3) On the issue in uncertificated form of new units of a participating security, the participating issuer shall by issuer-instruction notify the Operator of the persons to whom the uncertificated units of a security have been issued and of the number of such units issued to each of those persons.