



# Companies Act 2006

## 2006 CHAPTER 46

### PART 21

#### CERTIFICATION AND TRANSFER OF SECURITIES

#### CHAPTER 2

##### EVIDENCING AND TRANSFER OF TITLE TO SECURITIES WITHOUT WRITTEN INSTRUMENT

##### *Introductory*

#### **783 Scope of this Chapter**

In this Chapter—

- (a) “securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 (c. 8) and other securities of any description;
- (b) references to title to securities include any legal or equitable interest in securities;
- (c) references to a transfer of title include a transfer by way of security;
- (d) references to transfer without a written instrument include, in relation to bearer securities, transfer without delivery.

#### **784 Power to make regulations**

- (1) The power to make regulations under this Chapter is exercisable by the Treasury and the Secretary of State, either jointly or concurrently.
- (2) References in this Chapter to the authority having power to make regulations shall accordingly be read as references to both or either of them, as the case may require.
- (3) Regulations under this Chapter are subject to affirmative resolution procedure.

*Status: Point in time view as at 26/05/2015.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Chapter 2. (See end of Document for details)*

### Commencement Information

- II** S. 784 wholly in force at 6.4.2008; s. 784 not in force at Royal Assent, see s. 1300; s. 784 in force for specified purposes at 20.1.2007 by S.I. 2006/3428, **art. 3(3)** (subject to **art. 5, Sch. 1** and with **arts. 6, 8, Sch. 5**); s. 784 in force at 6.4.2008 by S.I. 2007/3495, **art. 3(1)(i)** (with savings in **arts. 7, 12**, subject to transitional adaptations in **Sch. 1 para. 13** and with savings in **Sch. 4 paras. 30-31**)

### *Powers exercisable*

#### **785 Provision enabling procedures for evidencing and transferring title**

- (1) Provision may be made by regulations for enabling title to securities to be evidenced and transferred without a written instrument.
- (2) The regulations may make provision—
  - (a) for procedures for recording and transferring title to securities, and
  - (b) for the regulation of those procedures and the persons responsible for or involved in their operation.
- (3) The regulations must contain such safeguards as appear to the authority making the regulations appropriate for the protection of investors and for ensuring that competition is not restricted, distorted or prevented.
- (4) The regulations may, for the purpose of enabling or facilitating the operation of the procedures provided for by the regulations, make provision with respect to the rights and obligations of persons in relation to securities dealt with under the procedures.
- (5) The regulations may include provision for the purpose of giving effect to—
  - (a) the transmission of title to securities by operation of law;
  - (b) any restriction on the transfer of title to securities arising by virtue of the provisions of any enactment or instrument, court order or agreement;
  - (c) any power conferred by any such provision on a person to deal with securities on behalf of the person entitled.
- (6) The regulations may make provision with respect to the persons responsible for the operation of the procedures provided for by the regulations—
  - (a) as to the consequences of their insolvency or incapacity, or
  - (b) as to the transfer from them to other persons of their functions in relation to those procedures.
- [<sup>F1</sup>(7) The regulations may confer functions on any person, including—
  - (a) the function of giving guidance or issuing a code of practice in relation to any provision made by the regulations, and
  - (b) the function of making rules for the purposes of any provision made by the regulations.
- (8) The regulations may, in prescribed cases, confer immunity from liability in damages.]

*Status: Point in time view as at 26/05/2015.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Chapter 2. (See end of Document for details)*

### Textual Amendments

- F1** S. 785(7)(8) inserted (24.1.2013 for specified purposes; 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), [ss. 112, 122\(3\)](#) (with [Sch. 20](#)); [S.I. 2013/113](#), [art. 2\(1\)\(b\)](#), [Sch. Pt. 2](#); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)

### Commencement Information

- I2** S. 785 wholly in force at 6.4.2008; s. 785 not in force at Royal Assent, see s. 1300; s. 785 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), [art. 3\(3\)](#) (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 785 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(i\)](#) (with savings in [arts. 7, 12](#), subject to transitional adaptations in [Sch. 1 para. 13](#) and with savings in [Sch. 4 paras. 30-31](#))

## 786 Provision enabling or requiring arrangements to be adopted

- (1) Regulations under this Chapter may make provision—
  - (a) enabling the members of a company or of any designated class of companies to adopt, by ordinary resolution, arrangements under which title to securities is required to be evidenced or transferred (or both) without a written instrument; or
  - (b) requiring companies, or any designated class of companies, to adopt such arrangements.
- (2) The regulations may make such provision—
  - (a) in respect of all securities issued by a company, or
  - (b) in respect of all securities of a specified description.
- (3) The arrangements provided for by regulations making such provision as is mentioned in subsection (1)—
  - (a) must not be such that a person who but for the arrangements would be entitled to have his name entered in the company's register of members ceases to be so entitled, and
  - (b) must be such that a person who but for the arrangements would be entitled to exercise any rights in respect of the securities continues to be able effectively to control the exercise of those rights.
- (4) The regulations may—
  - (a) prohibit the issue of any certificate by the company in respect of the issue or transfer of securities,
  - (b) require the provision by the company to holders of securities of statements (at specified intervals or on specified occasions) of the securities held in their name, and
  - (c) make provision as to the matters of which any such certificate or statement is, or is not, evidence.
- (5) In this section—
  - (a) references to a designated class of companies are to a class designated in the regulations or by order under section 787; and
  - (b) “specified” means specified in the regulations.

*Status: Point in time view as at 26/05/2015.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Chapter 2. (See end of Document for details)*

#### Commencement Information

- I3** S. 786 wholly in force at 6.4.2008; s. 786 not in force at Royal Assent, see s. 1300; s. 786 in force for specified purposes at 20.1.2007 by S.I. 2006/3428, **art. 3(3)** (subject to **art. 5, Sch. 1** and with **arts. 6, 8, Sch. 5**); s. 786 in force at 6.4.2008 by S.I. 2007/3495, **art. 3(1)(i)** (with savings in **arts. 7, 12**, subject to transitional adaptations in **Sch. 1 para. 13** and with savings in **Sch. 4 paras. 30-31**)

### 787 Provision enabling or requiring arrangements to be adopted: order-making powers

- (1) The authority having power to make regulations under this Chapter may by order—
- (a) designate classes of companies for the purposes of section 786 (provision enabling or requiring arrangements to be adopted);
  - (b) provide that, in relation to securities of a specified description—
    - (i) in a designated class of companies, or
    - (ii) in a specified company or class of companies,
 specified provisions of regulations made under this Chapter by virtue of that section either do not apply or apply subject to specified modifications.
- (2) In subsection (1) “specified” means specified in the order.
- (3) An order under this section is subject to negative resolution procedure.

#### Commencement Information

- I4** S. 787 wholly in force at 6.4.2008; s. 787 not in force at Royal Assent, see s. 1300; s. 787 in force for specified purposes at 20.1.2007 by S.I. 2006/3428, **art. 3(3)** (subject to **art. 5, Sch. 1** and with **arts. 6, 8, Sch. 5**); s. 787 in force at 6.4.2008 by S.I. 2007/3495, **art. 3(1)(i)** (with savings in **arts. 7, 12**, subject to transitional adaptations in **Sch. 1 para. 13** and with savings in **Sch. 4 paras. 30-31**)

### *Supplementary*

### 788 Provision that may be included in regulations

Regulations under this Chapter may—

- (a) modify or exclude any provision of any enactment or instrument, or any rule of law;
- (b) apply, with such modifications as may be appropriate, the provisions of any enactment or instrument (including provisions creating criminal offences);
- (c) require the payment of fees, or enable persons to require the payment of fees, of such amounts as may be specified in the regulations or determined in accordance with them;
- (d) empower the authority making the regulations to delegate to any person willing and able to discharge them any functions of the authority under the regulations.

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*Status: Point in time view as at 26/05/2015.*

*Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Chapter 2. (See end of Document for details)*

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#### **Commencement Information**

- I5** S. 788 wholly in force at 6.4.2008; s. 788 not in force at Royal Assent, see s. 1300; s. 788 in force for specified purposes at 20.1.2007 by S.I. 2006/3428, **art. 3(3)** (subject to **art. 5**, **Sch. 1** and with **arts. 6, 8**, **Sch. 5**); s. 788 in force at 6.4.2008 by S.I. 2007/3495, **art. 3(1)(i)** (with savings in **arts. 7, 12**, subject to transitional adaptations in **Sch. 1 para. 13** and with savings in **Sch. 4 paras. 30-31**)

#### **789 Duty to consult**

Before making—

- (a) regulations under this Chapter, or
- (b) any order under section 787,

the authority having power to make regulations under this Chapter must carry out such consultation as appears to it to be appropriate.

#### **790 Resolutions to be forwarded to registrar**

Chapter 3 of Part 3 (resolutions affecting a company's constitution) applies to a resolution passed by virtue of regulations under this Chapter.

**Status:**

Point in time view as at 26/05/2015.

**Changes to legislation:**

There are currently no known outstanding effects for the Companies Act 2006, Chapter 2.