

SCHEDULE 4

Regulation 52

SHARE TRANSFERS

General

1. The instrument of incorporation of a company may contain provision as to share transfers in respect of any matter for which provision is not made in these Regulations or FSA rules.
2. Where any shares are transferred to the company, the company must cancel those shares.

Transfer of registered shares

3.—(1) Where a transfer of shares is made by the person (if any) who is designated in the company's instrument of incorporation for the purposes of this paragraph, the company may not register the transfer unless such evidence as the company may require to prove that the transfer has taken place has been delivered to the company.

- (2) Where for any reason a person ceases to be designated for the purposes of this paragraph –
 - (a) any shares held by that person which are not disposed of on or before his ceasing to be so designated are to be deemed to be the subject of a new transfer to him which takes effect immediately after he ceases to be so designated; and
 - (b) the company must make such adjustments to the register as are necessary to reflect his change of circumstances.

4.—(1) Except in the case of any transfer of shares referred to in paragraph 3, the company may not register any transfer unless the transfer documents relating to that transfer have been delivered to the company.

(2) No share certificate has to be delivered by virtue of sub-paragraph (1) in any case where shares are transferred by a nominee of a recognised investment exchange who is designated for the purposes of regulation 47(5) in the rules of the investment exchange in question.

(3) In these Regulations "transfer documents", in relation to any transfer of registered shares, means –

- (a) a stock transfer within the meaning of the Stock Transfer Act (Northern Ireland) 1963⁽¹⁾ which complies with the requirements of that Act as to the execution and contents of a stock transfer or such other instrument of transfer as is authorised by, and completed and executed in accordance with any requirements in, the company's instrument of incorporation;
- (b) except in a case falling within paragraph (2) or (3) of regulation 47, a share certificate relating to the shares in question;
- (c) in a case falling within paragraph (2) of regulation 47, such other evidence of title to those shares as is required by the instrument of incorporation of the company; and
- (d) such other evidence (if any) as the company may require to prove the right of the transferor to transfer the shares in question.

5. In the case of any transfer of shares which meets the requirements of paragraph 3 or 4, the company must –

- (a) register the transfer; and

(1) 1963 c. 24 (N.I.)

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- (b) where the name of the transferee is not already entered on the register, enter that name on the register.

6.—(1) A company may, before the end of the period of 21 days commencing with the date of receipt of the transfer documents relating to any transfer of shares, refuse to register the transfer if –

- (a) there exists a minimum requirement as to the number or value of shares that must be held by any shareholder of the company and the transfer would result in either the transferor or transferee holding less than the required minimum; or
- (b) the transfer would result in a contravention of any provision of the company’s instrument of incorporation or would produce a result inconsistent with any provision of the company’s prospectus.

(2) A company must give the transferee written notice of any refusal to register a transfer of shares.

(3) Nothing in these Regulations requires a company to register a transfer or give notice to any person of a refusal to register a transfer where registering the transfer or giving the notice would result in a contravention of any provision of law (including any law that is for the time being in force in a country or territory outside the United Kingdom).

7.—(1) Where, in respect of any transfer of shares, the company certifies that it has received the transfer documents referred to in paragraph 4(3)(b) or (c) (as the case may be), that certification is to be taken as a representation by the company to any person acting on the faith of the certification that there has been produced to the company such evidence as on its face shows a prima facie title to the shares in the transferor named in the instrument of transfer.

(2) For the purposes of sub-paragraph (1), a certification is made by a company if the instrument of transfer –

- (a) bears the words “certificate lodged” (or words to the like effect); and
- (b) is signed by a person acting under authority (whether express or implied) given by the company to issue and sign such certifications.

(3) A certification under sub-paragraph (1) is not to be taken as a representation that the transferor has any title to the shares in question.

(4) Where a person acts on the faith of a false certification by a company which is made negligently or fraudulently, the company is liable to pay to that person any damages sustained by him.

Transfer of bearer shares

8. A transfer of title to any bearer share in a company is effected by the transfer from one person to another of the instrument mentioned in regulation 48 which relates to that share.

9. Where the holder of bearer shares proposes to transfer to another person a number of shares which is less than the number specified in the instrument relating to those shares, he may only do so if he surrenders the instrument to the company and obtains a new instrument specifying the number of shares to be transferred.

Miscellaneous

10. Nothing in the preceding provisions of this Schedule prejudices any power of the company to register as shareholder any person to whom the right to any shares in the company has been transmitted by operation of law.

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11. A transfer of registered shares that are held by a deceased person at the time of his death which is made by his personal representative is as valid as if the personal representative had been the holder of the shares at the time of the execution of the instrument of transfer.

12. On the death of any one of the joint holders of any shares, the survivor is to be the only person recognised by the company as having any title to or any interest in those shares.