



Companies Act 1989

1989 CHAPTER 40

PART IX

TRANSFER OF SECURITIES

207 Transfer of Securities

- (1) The Secretary of State may make provision by regulations for enabling title to securities to be evidenced and transferred without a written instrument.

In this section—

- (a) “securities” means shares, stock, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services Act 1986 and other securities of any description;
- (b) references to title to securities include any legal or equitable interest in securities; and
- (c) references to a transfer of title include a transfer by way of security.
- (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 shall contain such safeguards as appear to the Secretary of State 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 new procedures make provision with respect to the rights and obligations of persons in relation to securities dealt with under the procedures.

But the regulations shall be framed so as to secure that the rights and obligations in relation to securities dealt with under the new procedures correspond, so far as practicable, with those which would arise apart from any regulations under this section.

Status: This is the original version (as it was originally enacted).

- (5) The regulations may include such supplementary, incidental and transitional provisions as appear to the Secretary of State to be necessary or expedient.

In particular, provision may be made 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 new procedures—
- (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 the new procedures.
- (7) The regulations may for the purposes mentioned above—
- (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 Secretary of State to delegate to any person willing and able to discharge them any functions of his under the regulations.
- (8) The regulations may make different provision for different cases.
- (9) Regulations under this section shall be made by statutory instrument; and no such regulations shall be made unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament.