



Dormant Assets Act 2022

2022 CHAPTER 5

PART 1

THE DORMANT ASSETS SCHEME

Introduction

1 The dormant assets scheme: overview

- (1) The applicable provisions of this Act and the Dormant Bank and Building Society Accounts Act 2008 (in this Act referred to as “the 2008 Act”) establish the dormant assets scheme for dealing with certain dormant assets.
- (2) The applicable provisions are—
 - (a) this Part and sections 22 to 25 below (so far as relating to this Part), and
 - (b) in the 2008 Act, section 1 and sections 4 and 6 to 10 (so far as relating to section 1).
- (3) The common features of the scheme as it applies to assets of a particular description are that—
 - (a) an institution transfers to an authorised reclaim fund, with its consent, an amount owing to a person which is dormant,
 - (b) the transfer extinguishes the right the person has in relation to the amount owing, and
 - (c) that right is replaced by a right against the reclaim fund to payment of the amount specified in the applicable provision.

For the specific provisions applicable to the various assets within the scope of the scheme see section 1 of the 2008 Act and sections 2, 5, 8, 12 and 14 below.

- (4) In subsection (3)(a) “amount owing” includes an amount available to be paid as benefits under a personal pension scheme (see section 6(1)(c) and (3)).

Status: This is the original version (as it was originally enacted).

- (5) The purpose of the dormant assets scheme is to enable an authorised reclaim fund, from time to time, to release funds derived from transfers to it for distribution in accordance with Part 2 of the 2008 Act (distribution of dormant assets money for meeting expenditure with a social or environmental purpose), while ensuring that the reclaim fund is able to meet its obligations as they arise.
- (6) The assets within the scope of the scheme are—
- (a) bank and building society assets, namely rights against banks and building societies to payment of account balances (see the provisions of the 2008 Act specified in subsection (2)(b) above);
 - (b) long-term insurance assets, namely rights against insurance institutions to payment of any eligible insurance proceeds (see sections 2 to 4);
 - (c) pension assets, namely rights against pension institutions to payment of (or to elect how to receive) any eligible pension benefits (see sections 5 to 7);
 - (d) investment assets, namely rights against investment institutions to payment of any eligible amounts owing by virtue of collective scheme investments (see sections 8 to 11);
 - (e) client money assets, namely rights against investment institutions to payment of any eligible client money (see sections 12 and 13);
 - (f) securities assets, namely rights to payment of any eligible proceeds or distribution relating to shares in traded public companies (see sections 14 to 16).
- (7) The dormant assets scheme supersedes the general scheme for dormant bank and building society accounts under Part 1 of the 2008 Act, but this does not affect—
- (a) the continued operation of that general scheme in relation to amounts transferred as mentioned in section 1 of the 2008 Act before the coming into force of this section, or
 - (b) the continued operation of the provisions constituting that general scheme as part of the dormant assets scheme.
- (8) The dormant assets scheme does not apply in relation to—
- (a) transfers to an authorised reclaim fund of the agreed proportion of the balance of a dormant bank or building society account under the alternative scheme for smaller institutions (see section 2 of the 2008 Act and the other provisions of Part 1 of that Act so far as relating to section 2);
 - (b) transfers to an authorised reclaim fund of unwanted assets (see section 21 below).
- (9) It is immaterial for the purposes of any provision of this Act or Part 1 of the 2008 Act whether activities of an institution referred to in the provision are carried out directly by the institution or by another person acting on its behalf.
- (10) In this Part—
- (a) any reference to an amount owing (or payable) to a person includes a reference to an amount which is not immediately payable to the person only because it is necessary for a request for payment to be made or for the person's entitlement to payment to be verified, and
 - (b) any reference to the right to payment of an amount owing (or payable) includes, in the case of an amount described in paragraph (a), the right to request payment of the amount.

Long-term insurance assets

2 Transfer of eligible insurance proceeds to reclaim fund

- (1) This section applies where—
 - (a) an insurance institution transfers to an authorised reclaim fund dormant eligible insurance proceeds owing to a person, and
 - (b) the reclaim fund consents to the transfer.
- (2) On the transfer of the eligible insurance proceeds—
 - (a) a person to whom the proceeds are payable immediately before the transfer ceases to have any right against any insurance institution to payment of the proceeds, but
 - (b) that person acquires against the reclaim fund whatever right to payment of the proceeds the person would have had against the institution if the transfer had not happened.
- (3) In this Act “insurance institution”, in relation to any eligible insurance proceeds, means (subject to subsection (4)) a person who—
 - (a) under Part 4A of FSMA 2000 has permission to perform a regulated activity for the purposes of FSMA 2000 by virtue of article 10(2) of the RAO 2001 (carrying out a contract of insurance as principal),
 - (b) owes the proceeds in the course of, or in connection with, that regulated activity, and
 - (c) has its head office or an establishment in the United Kingdom.
- (4) “Insurance institution” does not include—
 - (a) a mutual insurer, or
 - (b) a person who is specified, or is within a class of persons specified, by an order under section 38 of FSMA 2000 (exemption orders).

3 “Eligible insurance proceeds”

- (1) In this Act “eligible insurance proceeds” are (subject to subsections (2) and (3)) the cash proceeds of a contract of long-term insurance, after the appropriate adjustments have been made for such things as interest due and fees and charges payable.
- (2) A contract is excluded from subsection (1) if it is—
 - (a) a with-profits policy,
 - (b) an industrial assurance policy, or
 - (c) a policy that is the subject of a trust.
- (3) Proceeds of a contract of long-term insurance held in a Lifetime ISA are excluded from subsection (1) if their transfer to an authorised reclaim fund would result in liability to pay a withdrawal charge to HMRC.
- (4) In relation to a time after a transfer has been made as mentioned in section 2(1)(a), the adjustments referred to in subsection (1) above include those that would fall to be made but for the transfer.
- (5) In this section—

“contract of long-term insurance” has the meaning given by article 3(1) of the RAO 2001;

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

“industrial assurance policy” has the same meaning as it has in the FCA Handbook as in force when this Act is passed;

“with-profits policy” means a contract of insurance which provides benefits through eligibility to participate in discretionary distributions based on profits arising from the insurer’s business or a particular part of its business.

4 Meaning of “dormant” in relation to eligible insurance proceeds

- (1) For the purposes of this Act eligible insurance proceeds are “dormant” at a particular time if any of the following four conditions are met at that time.
- (2) The first condition is that the responsible institution—
 - (a) has been notified that the person in respect of whom the proceeds are payable has died, and
 - (b) is satisfied that there is no person to whom the proceeds are payable.
- (3) The second condition is that—
 - (a) there has been a period of at least 7 years since the responsible institution was notified that the person in respect of whom the proceeds are payable has died, and
 - (b) the responsible institution has not received any communication since that time from—
 - (i) anyone administering the estate of that person, or
 - (ii) the person to whom the proceeds are payable (or a person acting on behalf of that person).
- (4) The third condition is that—
 - (a) the responsible institution is satisfied that the person in respect of whom the proceeds are payable would be at least 120 years old, and
 - (b) the responsible institution has not received any communication from—
 - (i) anyone administering the estate of that person, or
 - (ii) the person to whom the proceeds are payable (or a person acting on behalf of that person),
 during the preceding 7 years.
- (5) The fourth condition is that—
 - (a) the proceeds have become payable by virtue of the insurance contract term ending,
 - (b) a period of at least 7 years has elapsed since the end of the term, and
 - (c) the responsible institution has not received any communication from the person to whom the proceeds are payable (or a person acting on behalf of that person) since that time.
- (6) In this section, “responsible institution” means the insurance institution that is responsible, in relation to the proceeds concerned, for doing any of the following—
 - (a) receiving notification of the kind mentioned in subsection (2)(a) or (3)(a),
 - (b) making an assessment of the kind mentioned in subsection (2)(b) or (4)(a), and
 - (c) receiving communications as mentioned in subsection (3)(b), (4)(b) or (5)(c).

Pension assets

5 Transfer of eligible pension benefits to reclaim fund

- (1) This section applies where—
 - (a) a pension institution transfers to an authorised reclaim fund dormant eligible pension benefits owing to a person, and
 - (b) the reclaim fund consents to the transfer.
- (2) On the transfer of eligible pension benefits consisting of benefits mentioned in section 6(1)(a) or (b)—
 - (a) a person to whom the benefits are payable immediately before the transfer ceases to have any right against any pension institution to payment of the benefits, but
 - (b) that person acquires against the reclaim fund whatever right to payment of the benefits the person would have had against the institution if the transfer had not happened.
- (3) On the transfer of eligible pension benefits consisting of an amount mentioned in section 6(1)(c)—
 - (a) a person entitled immediately before the transfer to elect to receive the amount in question ceases to have any right against any pension institution to elect to be paid that amount (or to elect to receive the benefit in any other way), but
 - (b) that person acquires against the reclaim fund whatever right to payment of the benefits the person would have had against the institution if the transfer had not happened and the person had elected to be paid the amount concerned.
- (4) In this Act “pension institution”, in relation to any eligible pension benefits, means (subject to subsection (5)) a person who—
 - (a) under Part 4A of FSMA 2000 has permission to perform a regulated activity for the purposes of that Act by virtue of article 52(b) of the RAO 2001, where the regulated activity covered by the permission consists of or includes operating or winding up a personal pension scheme,
 - (b) owes the benefits in the course of, or in connection with, operating or winding up a personal pension scheme, and
 - (c) has its head office or an establishment in the United Kingdom.
- (5) “Pension institution” does not include—
 - (a) a mutual insurer, or
 - (b) a person who is specified, or is within a class of persons specified, by an order under section 38 of FSMA 2000 (exemption orders).

6 “Eligible pension benefits”

- (1) In this Act “eligible pension benefits” means (subject to subsection (2)) any of the following amounts—
 - (a) benefits in the form of income withdrawal that have become payable under a personal pension scheme,
 - (b) benefits that have become payable under a personal pension scheme—
 - (i) under which all benefits that may be provided are money purchase benefits, and

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

- (ii) which is not and has at no time been a qualifying scheme or an automatic enrolment scheme in relation to the member to or in respect of whom the benefits are payable, or
 - (c) an amount available to be paid as benefits under a personal pension scheme of a kind mentioned in paragraph (b),
- after the appropriate adjustments have been made for such things as interest due and fees and charges payable.
- (2) Benefits under a personal pension scheme are excluded from being eligible pension benefits if (or to the extent that) they are provided from sums invested in a with-profits fund.
 - (3) In subsection (1)(c) the reference to an amount available to be paid is to an amount which, if a person so elected, would immediately become payable to that person.
 - (4) In relation to a time after a transfer has been made as mentioned in section 5(1)(a), the adjustments referred to in subsection (1) above include those that would fall to be made but for the transfer.
 - (5) In this section—
 - (a) “automatic enrolment scheme”, “money purchase benefits”, “personal pension scheme” and “qualifying scheme” have the meanings given by section 99 of the Pensions Act 2008;
 - (b) “income withdrawal” has the same meaning as in paragraph 7 of Schedule 28 to the Finance Act 2004;
 - (c) “with-profits fund” has the same meaning as it has in the FCA Handbook as in force when this Act is passed.

7 **Meaning of “dormant” in relation to eligible pension benefits**

- (1) For the purposes of this Act eligible pension benefits are “dormant” at a particular time if any of the following four conditions are met at that time.
- (2) The first condition is that the responsible institution—
 - (a) has been notified that the person in respect of whom the benefits are payable has died, and
 - (b) is satisfied that there is no person—
 - (i) to whom the benefits are payable (in the case of benefits mentioned in section 6(1)(a) or (b)), or
 - (ii) entitled to elect to receive payment (in the case of benefits mentioned in section 6(1)(c)).
- (3) The second condition is that—
 - (a) there has been a period of at least 7 years since the responsible institution was notified that the person in respect of whom the benefits are payable has died, and
 - (b) the responsible institution has not received any communication since that time from—
 - (i) anyone administering the estate of that person, or
 - (ii) a person mentioned in subsection (2)(b) (or a person acting on behalf of that person).
- (4) The third condition is that—

- (a) the responsible institution is satisfied that the person in respect of whom the benefits are payable would be at least 120 years old, and
 - (b) the responsible institution has not received any communication from—
 - (i) anyone administering the estate of that person, or
 - (ii) the person mentioned in subsection (2)(a) or (2)(b) (or a person acting on behalf of that person),during the preceding 7 years.
- (5) The fourth condition, in the case of pension benefits consisting of benefits mentioned in section 6(1)(a), is that—
- (a) the pension benefits have become payable by virtue of the pension contract term ending,
 - (b) a period of at least 7 years has elapsed since the end of the term, and
 - (c) the responsible institution has not received any communication from the person to whom the benefits are payable (or a person acting on behalf of that person) since that time.
- (6) In this section “responsible institution” means the pension institution that is responsible, in relation to the benefits concerned, for doing any of the following—
- (a) receiving notification of the kind mentioned in subsection (2)(a) or (3)(a),
 - (b) making an assessment of the kind mentioned in subsection (2)(b) or (4)(a), and
 - (c) receiving communications as mentioned in subsection (3)(b), (4)(b) or (5)(c).

Investment assets

8 Transfer of eligible amount owing by virtue of a collective scheme investment to reclaim fund

- (1) This section applies where—
- (a) an investment institution transfers to an authorised reclaim fund a dormant eligible amount owing by virtue of a collective scheme investment, and
 - (b) the reclaim fund consents to the transfer.
- (2) On the transfer of the amount—
- (a) a person to whom the amount is payable immediately before the transfer ceases to have any right against any investment institution to payment of the amount, but
 - (b) that person acquires against the reclaim fund a right to payment of the reclaim amount (see section 11).
- (3) In this Act “investment institution”, in relation to an amount owing by virtue of a collective scheme investment, means a person who—
- (a) under Part 4A of FSMA 2000 has permission to carry out activities of a kind mentioned in subsection (4),
 - (b) owes the amount in the course of, or in connection with, carrying on activities covered by that permission, and
 - (c) has its head office or an establishment in the United Kingdom,
- other than a person who is specified, or is within a class of persons specified, by an order under section 38 of FSMA 2000 (exemption orders).

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

- (4) The activities referred to in subsection (3)(a) are activities which are regulated activities for the purposes of FSMA 2000 by virtue of any of the following provisions of the RAO 2001—
- (a) article 51ZA (managing a UK UCITS);
 - (b) article 51ZB (acting as trustee or depositary of a UK UCITS);
 - (c) article 51ZC (managing an AIF);
 - (d) article 51ZD (acting as trustee or depositary of an AIF).

9 “Eligible amount owing by virtue of a collective scheme investment”

- (1) This section gives the meaning in this Act of “eligible amount owing by virtue of a collective scheme investment”.
- (2) In this Act “collective scheme investment” means—
- (a) a share in an authorised open-ended investment company (“OEIC”),
 - (b) a unit in an authorised unit trust scheme, or
 - (c) a unit in an authorised contractual scheme.
- (3) An eligible amount owing by virtue of a collective scheme investment is (subject to subsection (4)) the amount owing to a person by virtue of—
- (a) a collective scheme investment being converted into a right to payment of an amount by an investment institution,
 - (b) a redemption of a collective scheme investment by the share or unit holder,
 - (c) a distribution of income attributable to a collective scheme investment, or
 - (d) an investment institution holding orphan monies attributable to the winding-up of, or the termination of a sub-fund of, the collective scheme containing a collective scheme investment,
- after the appropriate adjustments have been made for such things as interest due and fees and charges payable.
- (4) An amount held in a Lifetime ISA is excluded from subsection (3) if its transfer to an authorised reclaim fund would result in liability to pay a withdrawal charge to HMRC.
- (5) For the purposes of subsection (3)(a) the reference to conversion of a collective scheme investment into a right to payment is to conversion in accordance with—
- (a) provision in the OEIC’s instrument of incorporation, the unit trust scheme’s trust deed or the authorised contractual scheme deed (as the case may be),
 - (b) any contractual terms applicable in relation to the investment, or
 - (c) any other applicable provision (such as FCA rules) authorising or requiring conversion of the investment.
- (6) For the purposes of subsection (3)(d) the reference to orphan monies attributable to the winding up, or the termination of a sub-fund, of a collective scheme investment is to—
- (a) in the case of an OEIC, or an umbrella company sub-fund, that has been wound up otherwise than by the court, money (including unclaimed distributions) standing to the account of the company on the date of dissolution or termination (as the case may be) which would otherwise have to be—
 - (i) paid into court, or
 - (ii) (in Scotland) lodged in the name of the Accountant of the Court,

in accordance with regulation 33(4) and (5), or (as the case may be) regulation 33(4) and (5) as applied by regulation 33C, of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228);

- (b) in the case of a unit trust scheme which has been wound up, or an umbrella unit trust scheme sub-fund which has been terminated, money consisting of any unclaimed net proceeds or other cash (including unclaimed distribution payments) which—
 - (i) are held by the trustee after the end of the year beginning with the day on which the unit trust is dissolved or the sub-fund terminated (as the case may be), and
 - (ii) would otherwise have to be paid into court, or (in Scotland) paid as the court may direct, in accordance with FCA rules;
- (c) in the case of an authorised contractual scheme which has been wound up or an umbrella co-ownership scheme sub-fund which has been terminated, money consisting of any unclaimed net proceeds or other cash (including unclaimed distribution payments) which—
 - (i) are held by the depositary after one year from the date on which they became payable, and
 - (ii) would otherwise have to be paid into court or (in Scotland) paid as the court may direct, in accordance with FCA rules.

(7) In this Act—

- (a) “authorised contractual scheme”, “open-ended investment company” and “unit trust” have the same meanings as in Part 17 of FSMA 2000 (see section 237(3) of that Act);
- (b) “umbrella company sub-fund” means a separate part of the property of an umbrella company that is pooled separately;
- (c) “umbrella unit trust scheme sub-fund” means a separate part of the property of an umbrella unit trust that is pooled separately;
- (d) “umbrella unit trust scheme sub-fund” means a separate part of the property of an umbrella unit trust that is pooled separately;

(8) In subsection (7)—

“umbrella company” means an OEIC whose instrument of incorporation provides for pooling in relation to separate parts of the scheme property and whose shareholders are entitled to exchange rights in one part for rights in another;

“umbrella co-ownership scheme” means an authorised contractual scheme whose contractual scheme deed provides for pooling in relation to separate parts of the scheme property and whose unitholders are entitled to exchange rights in one part for rights in another; and

“umbrella unit trust scheme” means an authorised unit trust whose trust deed provides for pooling in relation to separate parts of the unit trust property and whose unitholders are entitled to exchange rights in one part for rights in another;

and in this subsection and subsection (7) references to pooling are to such pooling as is mentioned in section 235(3)(a) of FSMA 2000 (collective investment schemes).

10 Meaning of “dormant” in relation to eligible amount owing by virtue of a collective scheme investment

- (1) For the purposes of this Act an eligible amount owing by virtue of a collective scheme investment is “dormant” at a particular time if either (or both) of the following two conditions is met in relation to the amount at that time.
- (2) The first condition, applicable to share or unit conversion proceeds, is that the responsible institution regards the person to whom the proceeds are payable as having been gone-away throughout the preceding 12 years.
- (3) The second condition, applicable to an amount which is not share or unit conversion proceeds, is that the responsible institution regards the person to whom the amount is payable as having been gone-away throughout the preceding 6 years.
- (4) For the purposes of subsections (2) and (3), a responsible institution may regard a person as having been “gone-away” throughout a period if the responsible institution has received no communication from that person (or a person acting on behalf of that person) during that period.
- (5) Orphan monies attributable to a collective scheme investment may also be treated as dormant if they have become payable to a person after the transfer as mentioned in section 8(1)(a) of an amount which—
 - (a) was an amount attributable to the winding-up, or termination of a sub-fund, of the collective scheme containing the collective scheme investment, and
 - (b) was dormant by virtue of meeting the first or second condition above.
- (6) In this section and section 11—

“orphan monies” means an amount owing by virtue of an institution holding orphan monies as mentioned in section 9(3)(d);

“share or unit conversion proceeds” means an amount owing to a person by virtue of a conversion as mentioned in section 9(3)(a).
- (7) In this section “responsible institution” means the investment institution that is responsible for doing either or both of the following activities—
 - (a) assessing whether a person has been gone-away for a period;
 - (b) receiving communications as mentioned in subsection (4).

11 Meaning of “reclaim amount” in relation to an eligible amount owing by virtue of a collective scheme investment

- (1) This section gives the meaning for the purposes of this Act of “reclaim amount” in relation to a transfer of an amount to an authorised reclaim fund as mentioned in section 8(1)(a).
- (2) If the transfer is of share or unit conversion proceeds, the reclaim amount is the sum of—
 - (a) the price the share or unit would have on the day on which the reclaim fund accepts the claim for the reclaim amount,
 - (b) any distributions of income attributable to the share or unit that would have been paid, and
 - (c) any allocation of income attributable to the share or unit that would have been made,

if the conversion of the share or unit into a right to payment (as mentioned in section 9(3)(a)) had not happened.

- (3) Where there is no price calculated for the share or unit on the day mentioned in subsection (2)(a), the price it would have on that day is to be taken to be the same as the price on the next day for which a price is calculated.
- (4) If the transfer is of an amount which is not share or unit conversion proceeds, the reclaim amount is whatever amount would have been owing if the transfer had not happened.
- (5) The reclaim amounts described in subsections (2) and (4) are to be calculated after making any appropriate adjustments that would have fallen to be made for such things as interest due and fees and charges payable.

Client money assets

12 Transfer of eligible client money to reclaim fund

- (1) This section applies where—
 - (a) an investment institution transfers to an authorised reclaim fund an amount of dormant eligible client money owing to a person, and
 - (b) the reclaim fund consents to the transfer.
- (2) On the transfer of the amount—
 - (a) a person to whom the amount is payable immediately before the transfer ceases to have any right against any investment institution to payment of the amount, but
 - (b) that person acquires against the reclaim fund whatever right to payment of the amount the person would have had against the institution if the transfer had not happened.
- (3) In this Act “investment institution”, in relation to an amount of eligible client money, means a person who—
 - (a) has permission under Part 4A of FSMA 2000 to carry on any activities, and
 - (b) has its head office or an establishment in the United Kingdom,other than a person who is specified, or is within a class of persons specified, by an order under section 38 of FSMA 2000 (exemption orders).
- (4) In this Act “eligible client money” means (subject to subsection (6)) client money held by an investment institution which—
 - (a) is held in the course of, or in connection with, the regulated activities covered by the institution’s Part 4A permission, and
 - (b) is not money that could be transferred to an authorised reclaim fund as mentioned in section 2(1)(a), 5(1)(a), 8(1)(a), 14(1)(a) or 21(2)(b).
- (5) The reference in subsection (4)(b) to money that could be transferred as mentioned in section 8(1)(a) includes money held by an investment institution that is not within the definition in section 8(3) which—
 - (a) is proceeds of the conversion by the investment institution of a collective scheme investment into a right to payment of an amount, and

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

- (b) could, if it were held by an investment institution falling within section 8(3), be transferred as mentioned in section 8(1)(a).
- (6) Client money held in a Lifetime ISA is excluded from subsection (4) if its transfer to an authorised reclaim fund would result in liability to pay a withdrawal charge to HMRC.
- (7) In subsections (4) and (6) “client money” means money held in trust for a person or treated by the investment institution holding it as client money.

13 Meaning of “dormant” in relation to eligible client money

- (1) For the purposes of this Act an amount of eligible client money is “dormant” at a particular time if the following condition is met at that time.
- (2) The condition is that the responsible institution regards the person to whom the amount is payable as having been gone-away throughout the preceding 6 years.
- (3) For the purposes of subsection (2) a responsible institution may regard a person as having been “gone-away” throughout a period if the responsible institution has received no communication from that person (or a person acting on behalf of that person) during that period.
- (4) In this section “responsible institution” means the investment institution that is responsible, in relation to the client money in question, for either or both of the following activities—
 - (a) assessing whether a person has been gone-away for a period;
 - (b) receiving communications as mentioned in subsection (3).

Securities assets

14 Transfer of eligible proceeds or distribution to reclaim fund

- (1) This section applies where—
 - (a) a traded public company transfers to an authorised reclaim fund any dormant eligible proceeds or distribution relating to a share in the company registered in the name of an individual, and
 - (b) the reclaim fund consents to the transfer.
- (2) On the transfer of the eligible proceeds or distribution—
 - (a) a person to whom the proceeds or distribution is payable immediately before the transfer—
 - (i) ceases to have any right against the company to payment of the proceeds or distribution, or
 - (ii) if the person is not the registered shareholder, has no right against the shareholder to payment of the proceeds or distribution, but
 - (b) that person acquires against the reclaim fund whatever right to payment of the proceeds or distribution the person would have had if the transfer had not happened.
- (3) In this section and sections 15 and 16—
 - “share” has the meaning given by section 540 of the Companies Act 2006;

“traded public company” is a public company (within the meaning of section 4(2) of the Companies Act 2006) whose shares are traded on a UK regulated market or a UK multilateral trading facility.

- (4) In subsection (3) “UK multilateral trading facility” and “UK regulated market” have the meanings given by paragraph 1 of article 2 of the [Regulation \(EU\) No 600/2014](#) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending [Regulation \(EU\) No 648/2012](#).

15 “Eligible proceeds or distribution”

- (1) In this Act “eligible proceeds or distribution”, in relation to a share in a traded public company registered in the name of an individual, means (subject to subsection (2)) any of the following amounts owing to a person—
- (a) an amount owing by virtue of a share in the company being converted into a right to payment of the price of the share at the time it was converted,
 - (b) an amount owing as a cash distribution attributable to the share, or
 - (c) an amount owing by virtue of a corporate action in relation to the share for which the company is notified of the consideration,
- after the appropriate adjustments have been made for such things as interest due and fees and charges payable.
- (2) An amount held in a Lifetime ISA is excluded from subsection (1) if its transfer to an authorised reclaim fund would result in liability to pay a withdrawal charge to HMRC.
- (3) In subsection (1)(a) the reference to conversion of a share into a right to payment is a reference to conversion in accordance with—
- (a) the company’s articles of association,
 - (b) any contractual term applicable in relation to the share, or
 - (c) any other applicable provision authorising or requiring conversion of the share.
- (4) In relation to a time after a transfer has been made as mentioned in section 14(1)(a), the adjustments referred to in subsection (1) include those that would fall to be made but for the transfer.
- (5) In this section “distribution”, so far as relating to a share in a traded public company, has the meaning given by section 829 of the Companies Act 2006.

16 Meaning of “dormant” in relation to eligible proceeds or distribution

- (1) This section sets out the meaning for the purposes of this Act of “dormant” in relation to the different kinds of eligible proceeds or distribution.
- (2) Eligible share conversion proceeds are, or an eligible distribution is, “dormant” at a particular time if, at that time, the traded public company concerned regards the relevant individual as having been gone-away throughout the preceding 12 years.
- (3) For the purposes of subsection (2)—
- (a) the relevant individual is the individual in whose name the share was registered immediately before its conversion, and

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

- (b) a company may regard an individual as “gone-away” throughout a period if it has received no communication from the individual (or any person acting on behalf of that individual) during that period.
- (4) Eligible corporate action proceeds are “dormant” after a period of at least 12 years—
 - (a) beginning with the day on which the traded public company concerned is notified of the consideration in relation to the corporate action, and
 - (b) during which the proceeds have remained unclaimed.
- (5) Eligible corporate action proceeds relating to a share may also be treated as “dormant” at any time if they become money owing to a person after the transfer to an authorised reclaim fund as mentioned in section 14(1)(a) of eligible share conversion proceeds from the same share.
- (6) In this section, in relation to a share in a traded public company—
 - “eligible corporate action proceeds” means an amount owing by virtue of a corporate action, as mentioned in section 15(1)(c),
 - “eligible distribution” means an amount owing as a distribution as mentioned in section 15(1)(b), and
 - “eligible share conversion proceeds” means an amount owing by virtue of the conversion of the share as mentioned in section 15(1)(a).

Miscellaneous provisions relating to transfers

17 Transfers: general

- (1) A transfer of an amount to an authorised reclaim fund as mentioned in a transfer provision does not itself—
 - (a) constitute a breach of trust or fiduciary duty affecting the amount owing, or
 - (b) give rise to any liability of any kind (whether against the transferring institution, the reclaim fund or any other person involved), other than the liability of the reclaim fund arising under the corresponding right to payment provision.
- (2) The reference in a transfer provision (however worded) to an amount owed to a person is to be read as including an amount owed to a deceased person immediately before their death.
- (3) In such a case the reference in the corresponding extinguishing provision to a person to whom the amount is payable is to be read as a reference to the person to whom the right to payment of the amount owing has passed.
- (4) If, at any time after the acquisition of a right to payment of an amount by virtue of an extinguishing provision, a different person (“the successor”) has assumed responsibility for the liabilities of the institution concerned, the references to the institution in the transfer provision in question and the corresponding right to payment provision are to be read as references to the successor.
- (5) In this section—
 - “extinguishing provision” means section 2(2)(a), 5(2)(a) or (3)(a), 8(2)(a), 12(2)(a) or 14(2)(a);
 - “right to payment provision” means section 2(2)(b), 5(2)(b) or (3)(b), 8(2)(b), 12(2)(b) or 14(2)(b); and

“transfer provision” means section 2(1)(a), 5(1)(a), 8(1)(a), 12(1)(a) or 14(1)(a).

Interpretation of Part 1

18 Interpretation of Part 1

In this Part—

“communication” includes an oral communication;

“establishment” has the meaning given by section 1067(6) of the Companies Act 2006;

“FCA Handbook” means the Handbook made by the FCA under FSMA 2000;

“FCA rules” means rules under section 137A of FSMA 2000;

“FSMA 2000” means the Financial Services and Markets Act 2000;

“Lifetime ISA” has the same meaning as in regulation 4(1ZB) of the Individual Savings Account Regulations 1998 ([SI 1998/1870](#));

“mutual insurer” means—

- (a) a company registered under the Companies Act 2006 that has no share capital,
- (b) a friendly society within the meaning of the Friendly Societies Act 1992, or
- (c) a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014;

“RAO 2001” means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 ([SI 2001/544](#));

“transfers”, in relation to an amount owing to a person, includes bringing about a transfer of the amount;

“withdrawal charge payable to HMRC” means a charge payable under paragraph 8 of Schedule 1 to the Savings (Government Contributions) Act 2017.