
STATUTORY INSTRUMENTS

1992 No. 225

The Uncertificated Securities Regulations 1992

PART IX

CREATION OF UNCERTIFICATED SECURITIES INTRODUCTORY

CHAPTER II

ISSUE OF A SECURITY IN UNCERTIFICATED FORM

Issue of uncertificated securities

78.—(1) A company:

- (a) shall issue units of a security in uncertificated form if the units are to form part of a security that is already in issue in uncertificated form; or
- (b) may issue units of a security in such form if they form a new security and the conditions referred to in paragraph (2) have been complied with.

Any issue of units of a security in certificated form where they are to form part of an existing uncertificated security shall be void and vice versa.

(2) The conditions referred to in paragraph (1)(b) are that:

- (a) the Operator has agreed to the units proposed to be issued being issued in uncertificated form and any conditions attached to such agreement have been satisfied; and
- (b) the Secretary of State has consented to the system commencing operation under regulation 5.

If these conditions are not satisfied, the units concerned shall be treated as having been issued in certificated form, but commencement of the operation of a record of entitlements with respect to the security by the Operator shall be conclusive evidence that the condition referred to in subparagraph (a) has been complied with with respect to that security, except in any proceedings for damages for breach of a duty imposed by this regulation.

(3) It is in addition the duty of a company not to issue a new security in uncertificated form unless the company has at some time passed an enabling resolution.

(4) Where units of a security are to be issued in uncertificated form and are to form part of a security that is already in issue in uncertificated form, the appropriate register may be amended at any time so as to record the holders of the units issued.

Duty of company to make adequate preparations and arrangements

79. It is the duty of a company proposing to issue a new security in uncertificated form or to issue units of a security in such form to make, prior to the issue:

- (a) adequate preparations and arrangements for the carrying out of its functions under these Regulations in connection with the security (in particular by making arrangements for the keeping of a record of entitlements with respect to the security or the units); and

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- (b) adequate preparations and arrangements for the issue of the units, whether of the new security or of an existing security, in particular (in the case of a new security) by preparing a record of entitlements to take effect as its record of entitlements for the security from the moment of issue.

Duty of Operator to satisfy itself over company's preparations

80.—(1) Where regulation 78(2)(a) applies, the Operator shall not agree to the issue of units of a security proposed to be issued by a company in uncertificated form unless the Operator is reasonably satisfied that the company has made adequate arrangements and preparations with respect to the issue and for the carrying out of its functions under these Regulations with respect to the security to be issued.

- (2) The Operator may make its agreement subject to conditions.