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STATUTORY INSTRUMENTS

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**1995 No. 3272**

**The Uncertificated Securities Regulations 1995**

**PART IV**

**DEMATERIALIZED INSTRUCTIONS ETC.**

**Properly authenticated dematerialised instructions**

**29.**—(1) This regulation has effect for the purpose of determining the rights and obligations of persons to whom properly authenticated dematerialised instructions are attributable and of persons to whom properly authenticated dematerialised instructions are addressed, when such instructions relate to an uncertificated unit of a security, or relate to a right, benefit or privilege attaching to or arising from such a unit, or relate to the details of a holder of such a unit.

(2) Where a properly authenticated dematerialised instruction is expressed to have been sent on behalf of a person by a sponsoring system-participant or the Operator—

- (a) the person on whose behalf the instruction is expressed to have been sent shall not be able to deny to the addressee—
  - (i) that the properly authenticated dematerialised instruction was sent with his authority; or
  - (ii) that the information contained in the properly authenticated dematerialised instruction is correct; and
- (b) the sponsoring system-participant or the Operator (as the case may be) shall not be able to deny to the addressee—
  - (i) that he has authority to send the properly authenticated dematerialised instruction; or
  - (ii) that he has sent the properly authenticated dematerialised instruction.

(3) Where a properly authenticated dematerialised instruction is expressed to have been sent by a person, and the properly authenticated dematerialised instruction is not expressed to have been sent on behalf of another person, the person shall not be able to deny to the addressee—

- (a) that the information contained in the properly authenticated dematerialised instruction is correct; or
- (b) that he has sent the properly authenticated dematerialised instruction.

(4) An addressee who receives (whether directly, or by means of the facilities of a sponsoring system-participant acting on his behalf) a properly authenticated dematerialised instruction may, subject to paragraph (5), accept that at the time at which the properly authenticated dematerialised instruction was sent—

- (a) the information contained in the instruction was correct;
- (b) the system-participant or the Operator (as the case may be) identified in the instruction as having sent the instruction sent the instruction; and
- (c) the instruction, where relevant, was sent with the authority of the person on whose behalf it is expressed to have been sent.

- (5) Subject to paragraph (6), an addressee may not accept any of the matters specified in paragraph (4) if at the time he received the properly authenticated dematerialised instruction—
- (a) he was a person other than a participating issuer or a sponsoring system-participant receiving properly authenticated dematerialised instructions on behalf of a participating issuer, and he had actual notice—
    - (i) that any information contained in it was incorrect;
    - (ii) that the system-participant or the Operator (as the case may be) expressed to have sent the instruction did not send the instruction; or
    - (iii) where relevant, that the person on whose behalf it was expressed to have been sent had not given to the Operator or the sponsoring system-participant (as the case may be), identified in the properly authenticated dematerialised instruction as having sent it, his authority to send the properly authenticated dematerialised instruction on his behalf; or
  - (b) he was a participating issuer, or a sponsoring system-participant receiving properly authenticated dematerialised instructions on behalf of a participating issuer, and—
    - (i) he had actual notice from the Operator of any of the matters specified in subparagraph (a); or
    - (ii) the instruction was an Operator-instruction requiring the registration of title in the circumstances specified in regulation 23(1)(a), (b) or (c); or
  - (c) he was an Operator and the instruction related to a transfer of units of a security which was in excess of any limit imposed by virtue of paragraph 12 of Schedule 1.
- (6) Notwithstanding that an addressee has received in respect of a properly authenticated dematerialised instruction actual notice of the kind referred to in paragraph (5), the addressee may accept the matters specified in paragraph (4) if at the time that he received the actual notice it was not practicable for him to halt his processing of the instruction.
- (7) Subject to paragraph (8), a person who is permitted by this regulation to accept any 19 matter shall not be liable in relied on the matter that he damages or otherwise to any person by reason of his having was permitted to accept.
- (8) The provisions of paragraph (7) do not affect—
- (a) any liability of the Operator to pay compensation under regulation 30; or
  - (b) any liability of a participating issuer under regulation 37 arising by reason of a default in complying with, or contravention of, regulation 23(5).
- (9) Subject to paragraph (7), this regulation has effect without prejudice to the liability of any person for causing or permitting a dematerialised instruction—
- (a) to be sent without authority; or
  - (b) to contain information which is incorrect; or
  - (c) to be expressed to have been sent by a person who did not send it.
- (10) For the purposes of this regulation—
- (a) a properly authenticated dematerialised instruction is expressed to have been sent by a person or on behalf of a person if it is attributable to that person; and
  - (b) an addressee is the person to whom a properly authenticated dematerialised instruction indicates it is addressed in accordance with the specifications of the Operator drawn up in order to satisfy paragraph 5(d) of Schedule 1.