
STATUTORY INSTRUMENTS

2001 No. 1228

The Open-Ended Investment Companies Regulations 2001

PART III

CORPORATE CODE

Shares

Share certificates

46.—(1) Subject to regulations 47 and 48, an open-ended investment company must prepare documentary evidence of title to its shares ("share certificates") as follows—

- (a) in respect of any new shares issued by it;
- (b) where a shareholder has transferred part only of his holding back to the company, in respect of the remainder of that holding;
- (c) where a shareholder has transferred part only of his holding to the designated person, in respect of the remainder of that holding;
- (d) where a company has registered a transfer of shares made to a person other than the company or a person designated as mentioned in sub-paragraph (c)—
 - (i) in respect of the shares transferred to the transferee; and
 - (ii) in respect of any shares retained by the transferor which were evidenced by any certificate sent to the company for the purposes of registering the transfer;
- (e) in respect of any holding of bearer shares for which a certificate evidencing title has already been issued but where the certificate has been surrendered to the company for the purpose of being replaced by two or more certificates which between them evidence title to the shares comprising that holding; and
- (f) in respect of any shares for which a certificate has already been issued but where it appears to the company that the certificate needs to be replaced as a result of having been lost, stolen or destroyed or having become damaged or worn out.

(2) A company must exercise due diligence and take all reasonable steps to ensure that certificates prepared in accordance with paragraph (1)(a) to (e) are ready for delivery as soon as reasonably practicable.

(3) Certificates need be prepared in the circumstances referred to in paragraph (1)(e) and (f) only if the company has received—

- (a) a request for a new certificate;
- (b) the old certificate (if there is one);
- (c) such indemnity as the company may require; and
- (d) such reasonable sum as the company may require in respect of the expenses incurred by it in complying with the request.

(4) Each share certificate must state—

- (a) the number of shares the title to which is evidenced by the certificate;
- (b) where the company has more than one class of shares, the class of shares title to which is evidenced by the certificate; and
- (c) except in the case of bearer shares, the name of the holder.

(5) Where, in respect of any class of shares, the rights that attach to shares of that class are expressed in two denominations, the reference in paragraph (4)(a) (as it applies to shares of that class) to the number of shares is a reference to the total of—

$$N + \frac{n}{p}$$

(6) In paragraph (5)—

- (a) N is the relevant number of the larger denomination shares of the class in question;
- (b) n is the relevant number of the smaller denomination shares of that class; and
- (c) p is the number of smaller denomination shares of that class that are equivalent to one larger denomination share of that class.

(7) Nothing in these Regulations is to be taken as preventing the total arrived at under paragraph (5) being expressed on the certificate as a single entry representing the result derived from the formula set out in that paragraph.

(8) In England and Wales [^{F1}or Northern Ireland], a share certificate specifying any shares held by any person which is—

- (a) under the common seal of the company; or
- (b) authenticated in accordance with regulation 59;

is prima facie evidence of that person's title to the shares.

(9) In Scotland, a share certificate specifying any shares held by any person which is—

- (a) under the common seal of the company; or
- (b) subscribed by the company in accordance with the Requirements of Writing (Scotland) Act 1995 ^{M1};

is, unless the contrary is shown, sufficient evidence of that person's title to the shares.

Textual Amendments

F1 Words in reg. 46(8) inserted (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), art. 1(2), **Sch. 2 para. 13** (with Sch. 3)

Modifications etc. (not altering text)

C1 [Reg. 46\(2\)](#) applied (1.1.2021) by [The Bearer Certificates \(Collective Investment Schemes\) Regulations 2020 \(S.I. 2020/1346\)](#), reg. 1(2), **Sch. para. 3(5)**

Marginal Citations

M1 1995 c. 7.

Changes to legislation:

There are currently no known outstanding effects for the The Open-Ended Investment Companies Regulations 2001, Section 46.