

SCHEDULE 4 **U.K.**

SHARE TRANSFERS

*Transfer of registered shares*

**4.—(1)** Where a transfer of shares is made by the person (if any) who is designated in the company's instrument of incorporation for the purposes of this paragraph, the company may not register the transfer unless such evidence as the company may require to prove that the transfer has taken place has been delivered to the company.

- (2) Where for any reason a person ceases to be designated for the purposes of this paragraph—
- (a) any shares held by that person which are not disposed of on or before his ceasing to be so designated are to be deemed to be the subject of a new transfer to him which takes effect immediately after he ceases to be so designated; and
  - (b) the company must make such adjustments to the register as are necessary to reflect his change of circumstances.

**[<sup>F1</sup>4A.—(1)** Subject to sub-paragraph (2), section 136 of the Law of Property Act 1925 (which provides for certain assignments in writing to be effectual in law) applies to an absolute assignment (not purporting to be by way of charge only) of shares by means of electronic communication with the following modifications—

- (a) the reference in subsection (1) to writing under the hand of the assignor refers to an electronic communication made by the assignor or by his agent authorised in writing, and
- (b) the reference in that subsection to express notice in writing refers to express notice by electronic communication to the company.

(2) Sub-paragraph (1) is of no effect in a particular case if the company refuses to register the transfer of shares which would, apart from this sub-paragraph, be made by the assignment in that case.

(3) Sub-paragraph (1) shall not affect any transfer or assignment which, apart from that sub-paragraph, would be effectual in law.

(4) This paragraph extends to England and Wales only.]

**Textual Amendments**

**F1** Sch. 4 paras. 4A-4C inserted (6.3.2009) by [The Open-Ended Investment Companies \(Amendment\) Regulations 2009 \(S.I. 2009/553\)](#), regs. 1, **2(4)(a)**

**[<sup>F1</sup>4B.—(1)** Subject to sub-paragraph (3), section 1(2)(a)(ii) of the Requirements of Writing (Scotland) Act 1995 (which requires certain gratuitous unilateral obligations to be in writing) shall not apply (if it would otherwise do so) to any gratuitous unilateral obligation relating to shares where—

- (a) the obligation is created by means of electronic communication;
- (b) the electronic communication is made by the debtor in the obligation;
- (c) such evidence (if any) as the company may require to prove the right of the person referred to in paragraph (b) to create the obligation is provided to it.

(2) Where section 1(2)(a)(ii) of that Act does not apply by virtue of sub-paragraph (1), the obligation shall not be considered an obligation mentioned in subsection (2)(a) of that section for the purposes of subsection (3).

(3) Sub-paragraph (1) is of no effect in a particular case if the company refuses to register the transfer of shares which would, apart from this sub-paragraph, be made by the obligation in that case.

(4) This paragraph extends to Scotland only.]

#### Textual Amendments

**F1** Sch. 4 paras. 4A-4C inserted (6.3.2009) by [The Open-Ended Investment Companies \(Amendment\) Regulations 2009 \(S.I. 2009/553\)](#), regs. 1, **2(4)(a)**

**[<sup>F1</sup>4C.—(1)** Where a transfer of shares is made by means of electronic communication, the company must take reasonable steps to ensure that any electronic communication purporting to be made by the transferor is in fact made by the transferor.

(2) Failure to take reasonable steps shall not make the transfer void or otherwise affect its validity.]

#### Textual Amendments

**F1** Sch. 4 paras. 4A-4C inserted (6.3.2009) by [The Open-Ended Investment Companies \(Amendment\) Regulations 2009 \(S.I. 2009/553\)](#), regs. 1, **2(4)(a)**

**5.—(1)** Except in the case of any transfer of shares referred to in paragraph 4, the company may not register any transfer unless the transfer documents relating to that transfer have been delivered to the company.

(2) No share certificate has to be delivered by virtue of sub-paragraph (1) in any case where shares are transferred by a nominee of a recognised investment exchange who is designated for the purposes of regulation 47(6) in the rules of the investment exchange in question.

(3) In these Regulations “transfer documents”, in relation to any transfer of registered shares [<sup>F2</sup>except a transfer made by means of electronic communication], means—

- (a) a stock transfer within the meaning of the Stock Transfer Act 1963 <sup>M1</sup>[<sup>F3</sup>or the Stock Transfer (Northern Ireland) Act 1963] which complies with the requirements of that Act as to the execution and contents of a stock transfer or such other instrument of transfer as is authorised by, and completed and executed in accordance with any requirements in, the company’s instrument of incorporation;
- (b) except in a case falling within paragraph (3) or (4) of regulation 47, a share certificate relating to the shares in question;
- (c) in a case falling within paragraph (3) of regulation 47, such other evidence of title to those shares as is required by the instrument of incorporation of the company; and
- (d) such other evidence (if any) as the company may require to prove the right of the transferor to transfer the shares in question.

**[<sup>F4</sup>(3A)** In these Regulations “transfer documents”, in relation to any transfer of registered shares made by means of electronic communication, means—

- (a) such information in such form and transmitted by such method of electronic communication as is in accordance with any requirements imposed by the company for transfers by electronic communication, or if no such requirements are imposed, evidence of the electronic communication by which the transfer is made; and
- (b) such evidence (if any) as the company may require to prove the right of the transferor to transfer the shares in question.]

#### Textual Amendments

- F2** Words in Sch. 4 para. 5(3) inserted (6.3.2009) by [The Open-Ended Investment Companies \(Amendment\) Regulations 2009 \(S.I. 2009/553\)](#), regs. 1, **2(4)(b)**
- F3** Words in Sch. 4 para. 5(3)(a) 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. 32** (with Sch. 3)
- F4** Sch. 4 para. 5(3A) inserted (6.3.2009) by [The Open-Ended Investment Companies \(Amendment\) Regulations 2009 \(S.I. 2009/553\)](#), regs. 1, **2(4)(c)**

#### Marginal Citations

- M1** 1963 c. 18.

6.—<sup>[F5(1)]</sup> [<sup>F6</sup>Subject to sub-paragraph (2),] in the case of any transfer of shares which meets the requirements of paragraph 4 or 5, the company must—

- (a) register the transfer; and
- (b) where the name of the transferee is not already entered on the register, enter that name on the register.

<sup>[F7(2)]</sup> The company may refuse to register any transfer of shares made by means of electronic communication.]

#### Textual Amendments

- F5** Sch. 4 para. 6 renumbered as Sch. 4 para. 6(1) (6.3.2009) by [The Open-Ended Investment Companies \(Amendment\) Regulations 2009 \(S.I. 2009/553\)](#), regs. 1, **2(4)(d)(i)**
- F6** Words in Sch. 4 para. 6(1) inserted (6.3.2009) by [The Open-Ended Investment Companies \(Amendment\) Regulations 2009 \(S.I. 2009/553\)](#), regs. 1, **2(4)(d)(ii)**
- F7** Sch. 4 para. 6(2) inserted (6.3.2009) by [The Open-Ended Investment Companies \(Amendment\) Regulations 2009 \(S.I. 2009/553\)](#), regs. 1, **2(4)(d)(iii)**

7.—(1) A company may, before the end of the period of 21 days commencing with the date of receipt of the transfer documents relating to any transfer of shares, refuse to register the transfer if—

- (a) there exists a minimum requirement as to the number or value of shares that must be held by any shareholder of the company and the transfer would result in either the transferor or transferee holding less than the required minimum; or
- (b) the transfer would result in a contravention of any provision of the company's instrument of incorporation or would produce a result inconsistent with any provision of the company's prospectus.

(2) A company must give the transferee written notice of any refusal to register a transfer of shares.

(3) Nothing in these Regulations requires a company to register a transfer or give notice to any person of a refusal to register a transfer where registering the transfer or giving the notice would result in a contravention of any provision of law (including any law that is for the time being in force in a country or territory outside the United Kingdom).

8.—(1) Where, in respect of any transfer of shares, the company certifies that it has received the transfer documents referred to in paragraph 5(3)(b) or (c) (as the case may be), that certification is to be taken as a representation by the company to any person acting on the faith of the certification

**Changes to legislation:** There are currently no known outstanding effects for the The Open-Ended Investment Companies Regulations 2001, Transfer of registered shares. (See end of Document for details)

that there has been produced to the company such evidence as on its face shows a prima facie title to the shares in the transferor named in the instrument of transfer.

(2) For the purposes of sub-paragraph (1), a certification is made by a company if the instrument of transfer—

- (a) bears the words “certificate lodged” (or words to the like effect); and
- (b) is signed by a person acting under authority (whether express or implied) given by the company to issue and sign such certifications.

(3) A certification under sub-paragraph (1) is not to be taken as a representation that the transferor has any title to the shares in question.

(4) Where a person acts on the faith of a false certification by a company which is made negligently or fraudulently, the company is liable to pay to that person any damages sustained by him.

**Changes to legislation:**

There are currently no known outstanding effects for the The Open-Ended Investment Companies Regulations 2001, Transfer of registered shares.