
STATUTORY INSTRUMENTS

2001 No. 3755

The Uncertificated Securities Regulations 2001

PART 3

PARTICIPATING SECURITIES

CONVERSIONS AND NEW ISSUES

Conversion of securities into uncertificated form

33.—(1) A unit of a participating security shall not be converted from certificated form into uncertificated form unless the participating issuer notifies the Operator by means of an issuer-instruction that any of the circumstances specified in paragraph (2) have arisen; and in this regulation such an issuer-instruction is referred to as a “dematerialisation notice”.

(2) The circumstances referred to in paragraph (1) are—

- (a) where the unit of the participating security is held by a system-member, that the participating issuer has received—
 - (i) a request in writing from the system-member in the form required by the Operator’s conversion rules that the unit be converted from certificated form to uncertificated form; and
 - (ii) subject to paragraph (4), the certificate relating to that unit; or
- (b) where the unit of the participating security is to be registered on an Operator register of securities in the name of a system-member following a transfer of the unit to him, that the participating issuer—
 - (i) subject to paragraph (3), has received (by means of the Operator-system unless the Operator’s conversion rules permit otherwise) a proper instrument of transfer in favour of the system-member relating to the unit to be transferred;
 - (ii) subject to paragraph (4), has received (by means of the Operator-system unless the Operator’s conversion rules permit otherwise) the certificate relating to that unit; and
 - (iii) may accept by virtue of the Operator’s conversion rules that the system-member to whom the unit is to be transferred wishes to hold it in uncertificated form.

(3) The requirement in paragraph (2)(b)(i) that the participating issuer shall have received an instrument of transfer relating to the unit of the participating security shall not apply in a case where for a transfer of a unit of that security no instrument of transfer is required.

(4) The requirements in paragraphs (2)(a)(ii) and (2)(b)(ii) that the participating issuer shall have received a certificate relating to the unit of the participating security shall not apply in a case where the system-member or transferor (as the case may be) does not have a certificate in respect of the unit to be converted into uncertificated form because no certificate has yet been issued to him or is due to be issued to him in accordance with the terms of issue of the relevant participating security.

(5) Subject to paragraphs (3) and (4), a participating issuer shall not give a dematerialisation notice except in the circumstances specified in paragraph (2).

(6) Upon giving a dematerialisation notice, a participating issuer shall delete any entry in any issuer register of securities which evidences title to the unit or units of the participating security in question.

(7) Following receipt of a dematerialisation notice, an Operator shall enter the name of the relevant system-member on an Operator register of securities as the holder of the relevant unit or units of the participating security in question, provided that this obligation shall be subject to regulation 27 if the notice was given in the circumstances specified in paragraph (2)(b).

(8) When a dematerialisation notice is given, the relevant system-member, or the transferor of the unit or units of the security in question, as the case may be, shall (without prejudice to any equitable interest which the transferee may have acquired in the unit or units in question)—

(a) retain title to the units of the security specified in the dematerialisation notice notwithstanding the deletion of any entry in any issuer register of securities required to be made by paragraph (6); and

(b) where those units are shares, be deemed to continue to be a member of the company.

(9) Where a dematerialisation notice is given in the circumstances specified in paragraph (2)(b), such title shall be retained, and (where appropriate) such membership shall be deemed to continue, until the time at which the Operator enters the name of the relevant system-member on an Operator register of securities in accordance with paragraph (7).

(10) Within 2 months of receiving a dematerialisation notice, an Operator shall generate an Operator-instruction informing the participating issuer whether an entry has been made in an Operator register of securities in response to the dematerialisation notice.

(11) Such sanctions as apply to a company and its officers in the event of a default in complying with subsection (5) of section 183 of the 1985 Act shall apply—

(a) to a participating issuer and his officers in the event of a default in complying with paragraph (6); and

(b) to an Operator and his officers in the event of a default in complying with paragraph (7) or (10).

Commencement Information

II Reg. 33 in force at 26.11.2001, see [reg. 1](#)

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Uncertificated Securities Regulations 2001. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- Regulations amendment to earlier affecting provision S.I. 2021/716, reg. 5 by S.I. 2023/1399 reg. 4
- Regulations applied (with modifications) by S.I. 2011/245 Sch. 3 para. 6(1)(b)para. 6(3)(b)
- Regulations applied (with modifications) by S.I. 2021/716 Sch. 1 para. 5(b)(ii)
- Regulations applied (with modifications) (temp.) by S.I. 2023/1398 reg. 6Sch. Pt. 5
- Regulations applied (with modifications) by S.I. 2021/716, Sch. 1A para. 5 (as inserted) by S.I. 2023/1399 Sch. 1
- Regulations continued by S.I. 2004/1611 reg. 15(3)(4)
- Regulations power to amend or revoke conferred by 2023 c. 29 s. 1517
- Regulations power to modify conferred by 2023 c. 29 s. 1317
- reg. 33(11) words substituted by S.I. 2009/1889 reg. 2(15)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- Sch. 1 para. 28 inserted by S.I. 2007/124 reg. 3
- Sch. 1 para. 5(7)(ba) inserted by S.I. 2013/504 reg. 36(2)(b)
- Sch. 1 para. 28(3) omitted by S.I. 2017/701 Sch. 5 para. 3(a)
- Sch. 1 para. 28 omitted by S.I. 2019/679 reg. 4(9)(h)
- Sch. 1 para. 28(4) word substituted by S.I. 2017/701 Sch. 5 para. 3(b)(i)
- Sch. 1 para. 28(4) word substituted by S.I. 2017/701 Sch. 5 para. 3(b)(ii)
- Sch. 1 para. 28(4) word substituted by S.I. 2017/701 Sch. 5 para. 3(b)(iii)
- Sch. 1 para. 28(4) words inserted by S.I. 2010/2628 Sch. 2 para. 4(a)
- Sch. 1 para. 28(4) words omitted by S.I. 2013/3115 Sch. 2 para. 59(a)
- Sch. 1 para. 5(7)(ba) words omitted by S.I. 2019/679 reg. 14(3)(a)
- Sch. 1 para. 28(4) words substituted by S.I. 2012/917 Sch. 2 para. 3(a)
- Sch. 1 para. 28(4) words substituted by S.I. 2013/3115 Sch. 2 para. 59(b)
- Sch. 1 para. 28(4) words substituted by S.I. 2013/3115 Sch. 2 para. 59(c)
- Sch. 1 para. 28(4) words substituted by S.I. 2013/472 Sch. 2 para. 73(c)
- Sch. 1 para. 28(4) words substituted by S.I. 2017/701 Sch. 5 para. 3(b)(iv)
- Sch. 2 para 4A4B inserted by S.I. 2003/1398 Sch. para. 43(2)(c)
- Sch. 3 para. 910 inserted by S.I. 2019/679 reg. 4(11)(f)
- Sch. 3 para. 6(1)(a) omitted by S.I. 2019/679 reg. 4(11)(e)(i)
- Sch. 3 para. 6(1)(b) omitted by S.I. 2019/679 reg. 4(11)(e)(i)
- Sch. 3 para. 6(1) words inserted by S.I. 2019/679 reg. 4(11)(e)(ii)
- Sch. 4 para. 19(2A) inserted by S.I. 2003/1633 reg. 8(4)(c)
- Sch. 4 para. 19(2A) revoked by S.I. 2004/2044 art. 6(3)
- Sch. 4 para. 19(4)(c)-(f) substituted for para. 19(4)(c)(d) by S.I. 2004/1662 Sch. para. 29(6)(c)
- reg. 3(b) words substituted by S.I. 2003/1633 reg. 3(o)
- reg. 3(1)(b) substituted by S.I. 2003/1633 reg. 3(j)
- reg. 3(3)(a)(iii) revoked by S.I. 2004/2044 art. 6(1)(d)(ii)
- reg. 3(3)(iii) and word inserted by S.I. 2003/1633 reg. 4(1)(b)
- reg. 3(4) added by S.I. 2003/1633 reg. 4(2)
- reg. 9(10)(fa)-(fd) inserted by S.I. 2013/1773 Sch. 2 para. 15
- reg. 9(13) inserted by S.I. 2013/472 Sch. 2 para. 73(b)(ii)

- reg. 11A11B substituted for reg. 11 by S.I. 2013/632 reg. 2(10)
- reg. 16(7)(7A) substituted for reg. 16(7) by S.I. 2007/2194 Sch. 4 para. 97(2)
- reg. 16(8A) inserted by S.I. 2007/2194 Sch. 4 para. 97(3)
- reg. 16(8A) words substituted by S.I. 2009/1889 reg. 2(3)
- reg. 21(3)(c) and word inserted by S.I. 2003/1633 reg. 8(1)(b)
- reg. 21(3)(c) revoked by S.I. 2004/2044 art. 6(2)(a)(ii)
- reg. 21(6) added by S.I. 2003/1633 reg. 8(3)
- reg. 21(6) revoked by S.I. 2004/2044 art. 6(2)(b)
- reg. 22(3A) inserted by S.I. 2003/1633 reg. 9(2)
- reg. 23(5) inserted by S.I. 2009/1889 reg. 2(9)
- reg. 24(8) added by S.I. 2003/1633 reg. 10
- reg. 27(7A) inserted by S.I. 2003/1633 reg. 11(b)
- reg. 41(6) inserted by S.I. 2009/1889 reg. 2(18)(c)
- reg. 48(c)-(f) substituted for reg. 48(c)(d) by S.I. 2004/1662 Sch. para. 29(5)