

SCHEDULE

TRANSITIONAL PROVISION

PART 2

CONVERSION AND CANCELLATION OF EXISTING BEARER UNITS IN OTHER COLLECTIVE INVESTMENT SCHEMES ON OR BEFORE 1 JANUARY 2022

Notifications

15.—(1) This paragraph applies to the operator of a scheme if, at the start of the surrender year, any persons other than the operator of the scheme are bearers of outstanding bearer units issued by the scheme.

(2) The operator of the scheme must, no later than 2 months after the start of the surrender year, give a notice to those persons—

- (a) of their right during the surrender year to convert their bearer units into registered units,
- (b) of what they need to do to exercise that right,
- (c) of the operator's duty to retain dividends and other distributions paid in the surrender year in respect of bearer units until the bearer units are converted or any proceeds of their cancellation are claimed,
- (d) of the operator's duty to cancel bearer units still outstanding at the end of the surrender year, and
- (e) of how any proceeds of such cancelled units may be claimed.

(3) The notice must be given by being—

- (a) published in the Gazette,
- (b) communicated to each of the persons in the same way (if any) as the scheme normally communicates with that person for other purposes relating to the person's bearer units in the company, and
- (c) published in a prominent position on the scheme's website (if it has one).

(4) The operator of the scheme must keep the notice as published on its website in a prominent position on its website until—

- (a) the first anniversary of the end of the surrender year, or
- (b) if earlier, the time when—
 - (i) the scheme no longer has any bearer units in issue, and
 - (ii) all amounts (if any) paid into the account opened by the scheme in accordance with paragraph 12(3) have been paid out in accordance with paragraphs 12(2) and 13(2) and (3).

(5) Subparagraphs (2) to (4) do not apply in relation to the operator of a scheme if, before it gives the notice that would be required by subparagraph (2), the scheme has ceased to have any bearer units in issue.

(6) The operator of a scheme which contravenes this paragraph commits an offence.

(7) A person guilty of an offence under subparagraph (6) is liable on summary conviction—

Changes to legislation: The Bearer Certificates (Collective Investment Schemes) Regulations 2020, Cross Heading: Notifications is up to date with all changes known to be in force on or before 09 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (a) in England and Wales, to a fine;
- (b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale.

Commencement Information

II [Sch. para. 15](#) in force at 1.1.2021, see [reg. 1\(2\)](#)

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[View outstanding changes](#)

Changes and effects yet to be applied to :

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)