
STATUTORY INSTRUMENTS

1992 No. 225

The Uncertificated Securities Regulations 1992

PART III

RECORDING AND TRANSFER OF TITLE

The appropriate register

16.—(1) A company shall record the names of holders of units of an uncertificated security of the company on the appropriate register, giving the particulars required by any applicable enactment and the terms of issue of the security (subject to paragraph (2)).

(2) Schedule 2 to these Regulations has effect so as to modify or exclude the provisions of certain provisions of the 1985 Act with respect to the keeping of a register of members and a register of debenture holders.

Evidential value of the appropriate register

17. The appropriate register for an uncertificated security shall be (if it would not otherwise be) prima facie evidence, and in Scotland sufficient evidence unless the contrary is shown, that a person registered in it as the holder of a unit of an uncertificated security has the title to that unit.

Transfers to be only in accordance with Regulations

18.—(1) Subject to the provisions of any enactment or rule of law by or under which the title to a unit of a security is or may be transferred or transmitted to, or devolve on, a person or persons by operation of law, any purported transfer of the title to a unit of an uncertificated security other than in accordance with these Regulations shall be of no effect.

(2) Subject as aforesaid, this regulation has (without prejudice to regulation 48) effect notwithstanding the provisions of any enactment or instrument or of any rule of law; in particular:

- (a) sections 182(1)(b) and 183 of the 1985 Act shall not be applicable to shares in uncertificated form;
- (b) section 53(1)(c) of the Law of Property Act 1925(1) shall not apply (if it would otherwise do so) to the transfer of the title to an uncertificated security; and
- (c) section 136 of the Law of Property Act 1925 shall not apply (if it would otherwise do so) to the transfer of the title to an uncertificated security.

Transfer of title

19. Subject to an enactment or an Order of a court to which regulation 53 applies, the title to a unit of an uncertificated security is transferred:

- (a) from one person to another by the registration of that other as the holder of the unit in the appropriate register in response to a proper instruction to register; or
- (b) from a person to a controller's default nominee as a result of the company registering, under these Regulations, the nominee as holder of the unit,

notwithstanding that the transferor of the unit may not be identified in the instruction or is otherwise unidentifiable as such by the company.

Definition of a proper instruction to register

20.—(1) For the purposes of these Regulations a proper instruction to register is an instruction issued by a controller holding, at the appropriate date, the entitlement to a unit of a security to register a specified person as the holder of that unit which conveys, either itself or when read with any associated information held by the company, the relevant particulars of that person.

- (2) A proper instruction to register may either be:
 - (a) standing, that is to say the person specified in it is to be registered at each periodic update of the appropriate register as the holder of the units specified in the instruction; or
 - (b) limited, that is to say the person specified in it is to be registered in the appropriate register as the holder of the units specified in the instruction until the next periodic update of the appropriate register.
- (3) For the purpose of paragraph (1), the relevant particulars are:
 - (a) the name and address of the person to be registered as holder or, in the case of joint holders, the name and address of the person to be registered as the first holder together with the names of the other persons to be registered as holders;
 - (b) the security and the number of units in respect of which registration is to be effected;
 - (c) any other particulars required (in the case of shares) by the memorandum and articles of the company concerned or (in the case of any security) by the terms of issue of the security governing the registration of holders of units of the security; and
 - (d) the identity of the issuing controller.
- (4) For the purposes of this regulation, the "appropriate date" is:
 - (a) in the case of a periodic update of the appropriate register, the date by reference to which the register is to be updated;
 - (b) in the case of a proper instruction to register referred to in regulation 42 (Transfers where transferor identified):
 - (i) where the instruction is in respect of a controller's default nominee registered in that capacity, the date by reference to which the default nominee was registered; and
 - (ii) in any other case, the date by reference to which the proper instruction was issued.

Execution of instructions to register by a company

21.—(1) It is the duty of a company to execute, in accordance with these Regulations, a proper instruction to register at the occasion of each periodic update of the appropriate register under regulation 41, unless paragraph (2) applies.

(2) A company shall refuse to register a person as the holder of a unit of an uncertificated security in response to a proper instruction to register if required so to do by or under any enactment and may so refuse:

- (a) where the directors (or the company) are given express powers (in the case of shares) under the memorandum and articles of association of the company, or (in the case of any

security) by the terms of issue of the security, to refuse to register the person in question as the holder of the unit of the security; and

(b) where the directors would have had power to refuse the registration of the person as the holder of a unit of a certificated security of the same kind.

(3) No notice shall be receivable by the company (other than from the issuing controller) that any particular conveyed by a proper instruction to register (together with any relevant associated information held by the company) is erroneous, given in breach of the controller's duties under these Regulations or otherwise not in accordance with the controller's instructions or authority to act.