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STATUTORY INSTRUMENTS

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**2019 No. 679**

**The Uncertificated Securities (Amendment  
and EU Exit) Regulations 2019**

**PART 4**

Transitional provisions and review

**Transitional provisions: interpretation**

**10.** In this regulation and in regulations 11 and 12—

“the Act” means the Financial Services and Markets Act 2000;

“CSD Operator” means a person established in the United Kingdom who immediately before 30th March 2017—

- (a) was an Operator approved under the Uncertificated Securities Regulations 2001,
- (b) operated a securities settlement system referred to in point (3) of Section A of the Annex to the CSD regulation in the United Kingdom, and
- (c) provided at least one other core service listed in Section A of that Annex in the United Kingdom;

“commencement” means the coming into force of this Part of these Regulations;

“CSD regulation” means Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23rd July 2014 on improving securities settlement in the European Union and on central securities depositories;

“Operator register of securities” has the meaning given in regulation 3 of the Uncertificated Securities Regulations 2001;

“recognised CSD” has the meaning given in section 285 of the 2000 Act.

**Transitional and saving provisions for Operators**

**11.**—(1) The transition period for a CSD Operator begins with commencement.

(2) The transition period for a CSD Operator ends immediately after—

- (a) the Bank of England determines its application under section 288A of the 2000 Act in accordance with Article 17 of the CSD regulation and any directly applicable EU regulation made under that Article, or
- (b) if the CSD Operator has not made an application under section 288A of the 2000 Act before the end of that period, the end of the six month period specified in Article 69(2) of the CSD regulation.

(3) Regulations 2 to 9 do not apply in respect of a CSD Operator during its transition period.

(4) Nothing in these Regulations affects the validity of a CSD Operator’s approval as an Operator under the Uncertificated Securities Regulations 2001 during its transition period.

(5) Where—

- (a) a CSD Operator has made an application under section 288A of the 2000 Act, and
- (b) the Bank of England has determined that application in accordance with Article 17 of the CSD regulation and any directly applicable EU regulation made under that Article,

any previous approval as an Operator under the Uncertificated Securities Regulations 2001 shall cease to have effect.

(6) Following any decision of the Bank under paragraph (5)—

- (a) such decision shall not itself invalidate or otherwise affect any act of the CSD Operator carried out in its capacity as an approved Operator before such decision, and
- (b) unless the context requires otherwise, any such act shall be treated as an act of the CSD Operator in its capacity as an Operator as defined in regulation 3(1) of the Uncertificated Securities Regulations 2001.

### **Transitional and savings provisions for issuers**

12.—(1) Paragraphs (2) and (3) apply where—

- (a) title to units of a security to which Article 49(1) of the CSD regulation applies is recorded on the Operator register of securities of a CSD Operator immediately before the transition period for that CSD Operator ends (in accordance with regulation 11(2)), and
- (b) the CSD Operator is recognised as a recognised CSD.

(2) The issuer of the security is not required to make a request under Article 49(2) of the CSD regulation for recording its securities in the relevant system.

(3) The fact that the issuer of the security has not made a request as described in paragraph (2) does not prevent—

- (a) title to units of that security continuing to be evidenced otherwise than by a certificate by virtue of the Uncertificated Securities Regulations 2001, and
- (b) transfer of title to units of that security continuing to be subject to those Regulations.

### **Review**

13.—(1) The Treasury must from time to time—

- (a) carry out a review of the regulatory provisions contained in regulations 3, 5, and 6 of and paragraphs 5 and 25 of Schedule 1 and paragraphs 1, 2, 5, 6, 9 and 10 of Schedule 3 to the Uncertificated Securities Regulations 2001; and
- (b) publish a report setting out the conclusions of the review.

(2) The first report under this regulation must be published before the end of the period of five years beginning with the day on which these Regulations come into force.

(3) Subsequent reports must be published at intervals not exceeding five years.

(4) Section 30(3) of the Small Business, Enterprise and Employment Act 2015<sup>(1)</sup> requires that a report published under this regulation must, so far as is reasonable, have regard to how the obligations under Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23rd July 2014 on improving securities settlement in the European Union and on central securities depositories is implemented in other member States.

(5) In this regulation, “regulatory provisions” has the same meaning as in sections 28 to 32 of the Small Business, Enterprise and Employment Act 2015 (see section 32 of that Act).

(1) 2015 c.26. Section 30(3) was amended by the Enterprise Act 2016 (c.12), section 19.

