
STATUTORY INSTRUMENTS

1992 No. 225

The Uncertificated Securities Regulations 1992

PART IV

ENTITLEMENT

CHAPTER I

ENTITLEMENT

Entitlement to a unit of a security

22.—(1) With respect to each unit of an uncertificated security there shall be a power, which may only be held and exercised by a controller, to instruct the registration of a person as the holder of the unit on the appropriate register; this power is known in these Regulations as the “entitlement” to the unit.

(2) Whether or not a controller has an entitlement to a unit of a security is determined by whether the controller is recorded on a record of entitlements as having such an entitlement, save that where, and for as long as, the sum of the entitlements on the Operator’s and company’s records of entitlements exceeds the units of a security in issue, the question of whether the controller has the entitlement is in addition to be determined by ascertaining whether the controller would have been recorded with it if the excess had not arisen.

Entitlement as an interest in shares for the purposes of the 1985 Act

23.—(1) An entitlement shall not be an interest in a share for any purpose of the following provisions of the 1985 Act:

- (a) Part VI; and
- (b) sections 324 to 326, 328 and 346, together with Schedule 13.

(2) This regulation is without prejudice to the provisions of paragraph 1 of Schedule 8 to these Regulations (which provides that an account holder for whom an entitlement to a share is held has an interest in the share concerned inter alia for the purposes of Part VI of the 1985 Act).

The Operator’s record of entitlements

24.—(1) It is the duty of the Operator to establish and maintain a record of holders of entitlements to units of each security which it admits into the system.

(2) The Operator shall enter into the Operator’s record of entitlements for a security the name of each commercial and alternative company controller holding an entitlement to a unit of the security concerned, together with the number of entitlements held by that controller.

(3) It is the duty of the Operator, in respect of each record of entitlements maintained by it, to transmit to the company concerned, by means of the Operator’s part of the system, the identity of, and number of entitlements held by, each controller recorded on the record at an identified point of time on each working day, at the latest by the end of the next working day.

Company's record of entitlements

25.—(1) It is the duty of every company having in issue an uncertificated security to establish and maintain a record of holders of entitlements to units of the security concerned.

(2) The company shall enter into the company's record of entitlements for a particular security the name of each primary company controller holding an entitlement to a unit of the security concerned, together with the number of entitlements held by that controller.

Location and inspection of records of entitlements

26.—(1) Section 353(1), (2) and (4) of the 1985 Act (Location of register) shall apply with respect to a company's record of entitlements as it applies with respect to a company's register of members maintained under that Act. The information with respect to the Operator's record of entitlements received by the company under regulation 24(3) for a day shall be kept until the company has received information in respect of a subsequent day and shall be kept by the company at the same place as the company's record of entitlements; section 353(4) of the 1985 Act shall apply with any necessary modifications.

(2) Section 356 of the 1985 Act (Inspection of register and index) shall apply to a company's record of entitlements and the information with respect to the Operator's record of entitlements received by the company under regulation 24(3), for the period during which the company is required to keep that information under paragraph (1) above, as it applies to a company's register of members maintained under that Act; section 723A of the 1985 Act shall apply, with any necessary modifications for the purposes of section 356 as applied by this paragraph as it applies generally for the purposes of section 356.

(3) Where, pursuant to section 353(1)(b) of the 1985 Act as applied by paragraph (1), a company's record of entitlements or the information with respect to the Operator's record of entitlements received by the company under regulation 24(3) is kept at the office of some person other than the company, and by reason of any default of that person the company fails to comply with section 353(2) or 356 of that Act as applied by this regulation, section 357 of that Act shall apply so as to make that person liable to the same penalties as if the person were an officer of the company in default and so as to extend the power of the Court under section 356(6) (as so applied) to the making of Orders against that person.