
STATUTORY INSTRUMENTS

2001 No. 3755

The Uncertificated Securities Regulations 2001

PART 3

PARTICIPATING SECURITIES

KEEPING OF REGISTERS AND RECORDS

Position of a transferee prior to entry on an issuer register of securities

31.—(1) Paragraph (2) applies when an Operator deletes an entry on an Operator register of securities in consequence of which—

- (a) the Operator must generate an Operator-instruction in accordance with regulation 27(7); and
- (b) by virtue of that instruction a participating issuer must register, on an issuer register of securities, a transfer of title to units of a participating security constituted under the law of England and Wales or Northern Ireland.

(2) Where this paragraph applies—

- (a) subject to—
 - (i) subparagraph (b); and
 - (ii) any enactment or rule of law,

the transferor shall, notwithstanding the deletion of the entry in the Operator register of securities, retain title to the requisite number of units of the relevant participating security until the transferee is entered on the relevant issuer register of securities as the holder thereof; and

- (b) the transferee shall acquire an equitable interest in the requisite number of units of that security.

(3) Paragraph (4) applies when an Operator deletes an entry on an Operator register of securities in consequence of which—

- (a) the Operator must generate an Operator-instruction in accordance with regulation 27(7); and
- (b) by virtue of that instruction a participating issuer must register, on an issuer register of securities, a transfer of title to units of a participating security constituted under the law of Scotland.

(4) Where this paragraph applies—

- (a) subject to—
 - (i) subparagraph (b); and
 - (ii) any enactment or rule of law,

the transferor shall, notwithstanding the deletion of the entry in the Operator register of securities, retain title to the requisite number of units of the relevant participating security until the transferee is entered on the relevant issuer register of securities as the holder thereof; and

- (b) the transferor shall hold the requisite number of units of that security on trust for the benefit of the transferee.

(5) The requisite number for the purposes of this regulation is the number of units which are to be specified in the Operator-instruction which the Operator must generate in accordance with regulation 27(7).

(6) This regulation has effect notwithstanding that the units to which the deletion of the entry in the Operator register of securities relates, or in which an interest arises by virtue of paragraph (2)(b) or (4)(b), or any of them, may be unascertained.

(7) In Scotland—

- (a) this regulation has effect notwithstanding that the requirements relating to the creation of a trust under any enactment or rule of law have not been complied with; and
- (b) as from the time the trust referred to in paragraph (4)(b) arises, any holder, or any holder thereafter, of a floating charge over any part of the property of the transferor shall be deemed to have received notice of the trust's existence and of the property to which it relates.

(8) Subject to paragraphs (6) and (7), this regulation shall not be construed as conferring a proprietary interest (whether of the kind referred to in paragraph (2)(b) or (4)(b), or of any other kind) in units of a security if the conferring of such an interest at the time specified in these Regulations would otherwise be void by or under any enactment or rule of law.

(9) In this regulation—

- (a) “the transferee” means the person to be identified in the Operator-instruction as the transferee; and
- (b) “the transferor” means the person to be identified in the Operator-instruction as the transferor.